

**MINUTES OF A SPECIAL MEETING HELD TUESDAY, MARCH 6, 2007**

**MINUTES OF A SPECIAL MEETING OF THE  
MAYOR AND COUNCIL  
HELD TUESDAY – MARCH 6, 2007**

The meeting was called to order by Council President Reyes at 7:05 p.m. with the following Councilmembers present:

Councilman Reyes  
Councilman Frazier  
Councilman Fecanin  
Councilwoman Keyes  
Councilman Genovesi

Councilman Sommer arrived at 7:08 p.m.

Council President Reyes asked those present to join him in a salute to the flag followed by a moment of silent prayer.

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Council President Reyes read the provisions of the Open Public Meetings Law.

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Council President Reyes opened the hearing of citizens.

Margaret Schak, 78 Orient Way, asked if there will be any discussion to the items in the budget? Mayor McPherson said that as it has been her practice, after introduction tonight, a public hearing on the budget will continue at all of the meetings. Ms. Schak said that she was here representing the Rutherford Taxpayer's Association to pick up the budget as they know it is the introduction and she did talk to the CFO about a week ago and saw some of the figures, but he assured her that they had been changed and she hadn't had a chance to look this current one over. Ms. Schak said that they will be back at one of the upcoming meetings. Councilwoman Keyes said that the budget is a work in progress and it will be that way until they adopt the budget. Councilman Fecanin asked Ms. Schak at what capacity did she sit here for the Taxpayer's Association? Ms. Schak responded that she is an Executive Board Member.

Council President Reyes closed the hearing to the public as no one else wished to speak.

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Council President Reyes asked if there were any added items for the agenda. The Borough Attorney said that she needed to add an Item 3 to Finance regarding the RFQ's for the Insurance Risk Manager.

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For **FINANCE**, under the consent agenda, Councilman Reyes moved the following Resolution, seconded by Councilman Frazier and unanimously approved on roll call:

**RESOLVED:** That bills in the amount of \$138,292.83 for Current Account bills, \$6,443.50 for Capital bills and \$1,873.96 for Trust fund bills, all as detailed on the attached sheets be passed for payment, warrants drawn and charged in the proper accounts. A complete list of these bills is on file with the Borough Clerk.

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Under the consent agenda, Councilman Reyes moved the following Resolution, seconded by Councilman Frazier and unanimously approved on roll call:

**RESOLVED:** That the following warrants be issued in the amount indicated for the purposes stated:

1. In the amount of \$150.00 payable to Lori Rosenbower for a Recreation Refund – Flashlight Egg Hunt
2. In the amount of \$85.00 payable to Tania Kelly for a Recreation Refund – Yoga Class
3. In the amount of \$100.00 payable to Space Odyssey, USA for a Recreation Refund – Deposit Day Camp Trip
4. In the amount of \$30.00 payable to Tomahawk Lake, Inc. for a Recreation Refund – Deposit Sr. Camp Trip
5. In the amount of \$504.14 payable to Mountain Creek Waterpark for a Recreation Refund – Deposit Sr. Camp Trip
6. In the amount of \$300.00 payable to Keansburg Amusement Park for a Recreation Refund – Deposit Day Camp Trip

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Councilwoman Keyes moved the following Resolution for the Introduction of the 2007 Municipal Budget, seconded by Councilman Fecanin with all members voting aye with the exception of Councilman Genovesi voting no:

**BE IT RESOLVED**, that the following statements of revenues and appropriations shall constitute the Municipal Budget for the year 2007;

**BE IT FURTHER RESOLVED**, that said Budget be published in the News Leader in the issue of March 15, 2007;

The Governing Body of the Borough of Rutherford does hereby approve the following as the Budget for the year 2007: \$26,003,178.00;

**NOTICE IS HEREBY GIVEN**, that the Budget and Tax Resolution was approved by the Governing Body of the Borough of Rutherford, County of Bergen, on March 6, 2007. A

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hearing on the Budget and Tax Resolution will be held at the Municipal Building Council Chambers, on May 22, 1007 at 8:00 p.m. at which time and place objections to said Budget and Tax Resolution for the year 2007 may be presented by taxpayers or other interested persons.

The following is Councilwoman Keyes' Statement regarding the Introduction of 2007 Budget:

"As we have all anticipated, tonight is the introduction of the preliminary budget. Tonight you have received the revised document which included an additional \$35,000 to the revenue side of the budget. Tonight as we take another step in the budget process, with the Introduction of the 2007 Municipal Budget, I can't stress enough that it is a Preliminary Budget. As mandated by State Law, a Preliminary Budget must be filed with the State by March 12 which is the reason for this Special Meeting tonight. The final Budget will be adopted, as usual, by the late summer as has been in the past. The process to get to the final Budget is a work in progress, which takes several months, during which time we will re-work the Budget many times over.

This year's Budget mandates that 22% increase in pension costs, 26% increase in health and insurance costs and 11% increase in utilities. Gasoline, as we all know from our own homes, is up 29%; Sewerage treatment costs are up 7.5%; Tax appeals are up 20% and the reserve of uncollected taxes is up 6.5%. This is a total of \$1,134,915 from our 2006 Adopted Budget. Despite the mandated costs, the Budget, as it is introduced tonight contains 5.67% increase in expenses due to the aggressive cost control measures that we have undertaken over the last several years. In spite of those efforts, the Budget as we introduce this evening, contains a 24% increase which represents \$600 to the average Rutherford homeowner. This increase stands as we begin this budget process, it is the first step, it is unacceptable and it will not stand at the end of the budget process. This budget as Introduced does not include our application for extraordinary aid nor does it include much of the revenue that we generally see from our grants that we are currently pursuing. For example in 2006 we received \$852,990 in grant aid. To date for 2007, that number is \$287,545. We are diligently working to secure the grants and aid as we always do to reduce the burden on our taxpayers. Earlier in this statement, I mentioned the aggressive cost control measures that we have undertaken not today but over the last many years. We will continue in this effort and here are some of the ways we have accomplished that:

- Through informal equipment sharing with four other towns, as well as, the NJMC
- Through the shared services with the Rutherford Board of Education
- Through the use of work-fare programs and Bergen County Inmates Labor
- Through the use of joint pistol range with four other communities to reduce Police overtime
- Through a senior services non-profit organization model which generates significant private sector funding
- Through the in-house preparation of our budget, financial statements, audit schedules and other financial reports
- Through the diligent work of our Tax Collector, who strives to achieve a very high percentage of the collection of taxes - 98.6% for 2006
- Through the joint testing of Fire Department personnel with two other towns
- Through the use of emergency notification system program in conjunction with Bergen County

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These are just some of the ways we deliberately seek to reduce cost. In anticipation of the Governor's signing of the proposed tax Legislation we are continuing to take an aggressive approach to reduce costs. In order to satisfy the requirements of the proposed legislation, we've directed all of our Department Heads to further assist us in reaching a 20% reduction within their operating budget. This effort is not reflected in the preliminary numbers that you see here tonight. It is our intention to achieve this reduction as we move forward in the budget process and as you know this is not an easy task. Our Department Heads do an excellent job in working with us to provide services, our residents need and deserve in a cost efficient manner. Along these lines we are reviewing every program to ascertain its value. We continue to take the approach of allocating costs associated with Municipal services to those who are recipients of those services. Rather than the general population or taxpayer bearing the cost of services used by others. For example, in the recent introduction of building permit fee ordinance, it appropriately allocates to developers and builders the relative costs associated with the construction inspections rather than unjustly opposing that burden on the general taxpayer. We continue to seek private funding and wherever possible to provide special events to our residents, as we have done in the past, with our special events sponsorships. We will continue to weigh the priorities of all of our residents carefully in making the decisions that affect the services we provide with the quality of life in our Borough. This while being painfully aware of the stark reality that seems to be present. While the cost of providing services continues to increase, the availability of state aid and other revenue sources continues to decline, but we are confident at the conclusion of the process and by what I mean is that at the time we officially adopt our Budget we will provide a budget that reflects the priorities of our community.

Just to clarify some things, when we present our preliminary budget to Trenton, we also attach our Capital Spending Plan. Trenton requires us to attach the Plan to our introduced Municipal Budget and we send it off to the Department of Local Government Finance. This is a Plan, I want to affix that. It is required by Law that each Municipality forecast their Capital expenditures over the next six years. It's a Plan, it has not been presented to the Council, it has not been approved by the Finance Committee or the Council and it has not been voted on. It is merely a Plan of those Capital expenditures that our Department Heads have asked us to review. That concludes this Report."

Mayor McPherson wished to commend Councilwoman Keyes in her role as Finance Chair and also Councilman Reyes' new position on that Committee along with herself and the Administrator and Chief Financial Officer, Ed Cortright. The Mayor said not to reiterate on any of the points that Councilwoman Keyes made but she wanted to point out that we do have to introduce tonight to meet the State requirement and also if we do not introduce we can not make our application for extraordinary aid nor can we get to a number to adopt this budget so that we can keep the Borough going and reach a number we all recognize that the number that is introduced tonight is not acceptable to any of us. Mayor McPherson said but to get to the point with the budget that meets the priorities of our residents, we need to introduce.

Councilwoman Keyes moved the following resolution to introduce the 2007 Budget, seconded by Councilman Fecanin:

Be It Resolved that the following statements of revenue and appropriations shall constitute the Municipal Budget for the year 2007. Be it further resolved and that said Budget to be published in the Newsleader in the issue of March 15, 2007. The Governing Body of the Borough of Rutherford does hereby approve the following as the Budget for the year 2007: \$26,003,178.00.

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Mayor McPherson asked if there was discussion on this issue.

Councilman Sommer said he believes the explanation was very thorough how you arrived at the numbers but is it critical that we communicate that it is a draft. Chief Financial Officer Edward Cortright concurred that it is just an introduced Budget, it is understood that it is not final.

Councilman Genovesi said that he has some deep concerns and some questions regarding the Budget and he understood that it is a lengthy process and it is just a first introduction of this. He said that he is sure that a lot of work will go into this so that these numbers aren't final numbers and he doesn't take that away from anybody. Councilman Genovesi said that he does have some questions, as he goes through this process along with the Mayor and Council and he does hope to have them answered. He said his reservation is that it seems that there are a lot of unknowns still at this point, for example, to try to determine how much aid in grants will come in at this point is very difficult. He said he thinks it is very difficult for any Councilmember and especially difficult for the Borough CFO. Councilman Genovesi said he just wanted to relate that he has a lot of concerns over that. He said that we do have around \$290,000 that he was told was guaranteed in grants and aid, thus far and we are waiting for about \$400,000 or \$500,000 more, hopefully. Councilman Genovesi said that is a question he has, what will happen with that money and will that money definitely come in. Councilwoman Keyes added that those are concerns we all have. Councilman Genovesi said that he did say that, as we go through the process, he is sure it is something that everybody will have. He said that another question is the debt service, we had an increase that looks like \$294,000, and he assumes that that has 1.5 million BCIA bond in it, that it is authorized and issued but his concern is that the other \$900,000 bond is still not in there because it has not been sold. Councilwoman Keyes said that there are a few bonds that are out there that have not been sold and she believes the increase of \$200,000 will be late mostly to the TANs that were taken out for the end of 2006. Councilman Genovesi said that he is not trying to be critical, just pointing out his concerns so that everyone knows what he is concerned about. He said that we had a reserve to draw from on the health insurance last year, a half-million dollars, we will not have that this year, so that is somewhat of a concern that we will have to pick up the cost for that. Councilman Genovesi said from EnCap we received two million dollars over the past, last year. Councilwoman Keyes said in accordance with our agreement. Councilman Genovesi said now it is only \$200,000 so now a deficit of 1.8 million, he is concerned that that money was built into the budget last year, now somewhat of a short fall on that. Councilwoman Keyes asked what money was built into the budget last year? Councilman Genovesi responded the 2 million that you received from EnCap last year. Councilwoman Keyes replied it was anticipated and received. Councilman Genovesi asked that it was not put into a reserve? Councilwoman replied no. Councilman Genovesi asked why not, could you? Councilwoman Keyes responded that we would always use revenues to offset the taxes. Councilman Genovesi said okay, then there is no money left over from that. Councilwoman Keyes responded absolutely not. Councilman Genovesi said okay and those are just a few of his concerns that he wanted to express at this time.

Councilman Sommer said that regarding EnCap, as was said in the contract, which he believes goes beyond 2006, so we received 2 million as per the contract and it was applied and according to the contract of 2007 that was reduced to 200,000 so that is all that we could budget. Councilman Genovesi said no, he was making the point that is no longer available. Councilwoman Keyes said monies are always spent in the year that you receive them.

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Councilman Genovesi said those are just some of his concerns that he wanted to express to everybody.

As no further discussion was requested, Mayor McPherson asked for roll call. All members voted aye, with the exception of Councilman Genovesi voting no.

Councilman Reyes said as it is Councilman Genovesi's right to vote no, he would like to know why he voted no on this budget. Councilman Genovesi said he raised all his concerns, expressed the fact that it's a process, he understands and as we work through the process which he would like to help work through the process and as the numbers change with things like the grant and aid coming in, when numbers are more finalized because as Councilwoman Keyes said it is very difficult to tell right now, in all fairness, and he believes she did a service by presenting that. He said he looks forward to supporting it in the future but right now as written he doesn't support it. Councilman Genovesi said that you are asking him to cast his vote in support of this and he doesn't. He said even despite the fact that he understands it is going to change over time what is presented here now he did not support. Councilman Reyes said it was his understanding that if they all voted no that means that it wouldn't be introduced and we wouldn't be able to ask for extraordinary aid. The Borough Attorney responded that they would be in violation of the Municipal Local Budget Law that requires introduction of the budget. She said you may disagree with certain aspects of it but your vote here today is to introduce the budget, that's all you're voting on. Councilman Reyes said that he just wanted to make that clear. He said the reason he voted to introduce the budget because legally we have to vote to introduce the budget as the law requires and more importantly he believes it is the responsible thing to do to make sure we get greater funding for the taxpayers of Rutherford. Councilman Reyes said now tomorrow the newspaper will say only one councilman voted against the tax raise that the Mayor and Council voted and that is not accurate so he wanted to make sure his comments are made accurate that this is something we have to do so that we can submit for the extraordinary aid and that will help the taxpayers save their money.

Councilwoman Keyes said that she believes they could go around the table and everyone at the table will say that they are not happy with having to introduce a 24% increase to the taxpayers of Rutherford. She said that she doesn't think we are here to say it is a great budget, we are here to introduce the budget because that is what is needed to do.

Councilman Fecanin said that Councilman Genovesi's questions were answered and what the numbers are and to vote no, he is voting no against the questions that were answered, is there any other questions that they could answer that he didn't understand. Councilman Genovesi responded that he cast his vote. Councilman Fecanin asked if it was a no vote against any answers that they gave him or is it because he is just not happy with the budget. Councilman Genovesi said that he raised his concerns, he expressed what he is concerned about and he voted no and nothing is going to change that. He said that he also thinks that anybody in the crowd as far as newspapers would pick up on the statements that Councilwoman Keyes has made and that he has backed up and said this is a preliminary budget, you are asking him to vote on it and he said no he does not agree with it and it is his right to vote that way. He said he thinks they would be fair enough to reflect the fact that they indeed have presented the fact that this is an initial process, this is not a final budget. Councilman Genovesi said furthermore as the year goes on he looks forward to supporting this, more than that he doesn't understand what you was being asked of him.

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Councilman Reyes said that he respects Councilman Genovesi's vote but he wants to make sure that on his own vote that it is clear why the vote is cast as he has because in a budget there is two parts, revenue and expenditures. He said to have a balance budget you have to be able to balance it out one way or the other and it is everyone's responsibility at this table to make sure that we somehow try to come to a tax solution for the taxpayers. Councilman Genovesi said that he did relay that and that he is concerned with the aid and grants that are going to come in and it is a process that he looks forward to working with everyone on it, at this time you are asking him if he accepts this and he is telling them he doesn't.

Councilman Fecanin said that his only concern was with the voting, Councilman Genovesi's vote in particular, just like the open public meeting the other night when he went on about a speech about the Building Department that they did a great job and then he voted no against their recommendation, he just wonder about the no votes; what more information did he need, that's the only reason he has questioned the no vote because his questions were answered. Councilman Genovesi said that his questions have not been answered because the points that he raised can not be answered at this time. Councilman Fecanin said absolutely but the other night all your questions were answered with the Construction Department and you voted no against their recommendation, that's where he doesn't understand his voting. Councilman Genovesi said it is simply a difference of opinion he believes he did and he tried to remember if Councilman Fecanin was there. Councilman Fecanin said how can you say the Department is doing a great job and vote no against all their hard work, you're the liaison to the Department. Councilman Genovesi said he believes they are going off topic but he would like to answer the questions. He said that to say they do a good job and to support them, does not mean that he has to support that type of increase, he believes they do a good job and he feels they were very thorough in the report they presented however he simply disagrees with the amount that they wanted to increase the fees. Councilman Genovesi said that he suggested doing it gradually over time, that was over-ruled, fine he accepted it and moved on. He said that Councilman Fecanin is dredging up something in the middle of a budget discussion. Councilman Fecanin responded it is in reference to Councilman Genovesi's voting process and how he is going about it.

Councilman Sommer said that we should move on, we're a Council and we need to be sensitive to everyone on the Council. He said he would like to cover two things; one to Councilman Fecanin's point on the no vote was to the particular fees in the schedule the Councilman was suggesting a 20% increase for the next two years and then try it, which is why he voted no. Councilman Sommer said for tonight's no vote he would like to communicate and for the purpose of our team as a Council, what he hopes is very clear is that each of us have the right to make our own votes and should but he thinks we are communicating amongst ourselves that by voting on this as preliminary, this is critical that he didn't catch up on, that he may have missed in the package, what this enables us, without which if we don't put it in and we don't say yes to here is where we are right now, if we don't get it in and say yes to it, we are not happy with it using Councilwoman Keyes words, if we don't do that we put ourselves at jeopardy for not getting as was pointed out rightfully so, the short fall of about 289 it's almost 700,000-600,000. He said that on the other hand it's only the beginning of March and 300,000 is not bad but what turned his vote to a yes is the fact it is critical that we submit this to Trenton so that we put on record where we are. Councilman Sommer said the priority is that we want to put on record that the Borough of Rutherford wants to be in a position where we can, as we put in for, added funding and without this preliminary we can't do that. He said we are trying to understand the no vote, he understood Councilman Genovesi's concerns, which is why he explained EnCap because he was trying to

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clarify there is nothing we could do, it was 2 million then it dropped and there is nothing we can do that is what is in the contract. Councilman Sommer said it is what it is, we're not happy with it but in prior years there is a lot of work that goes into it and there is a huge focus to bring this 24% down.

Councilwoman Keyes said that she agrees saying it is our responsibility as a Council to introduce this budget. Councilman Genovesi asked Councilman Sommer if he is concerned about the \$26 million budget this year, there is an increase in the budget once again, there's an increase in the debt services and if those bonds are sold that will increase again. He asked do you see why he is raising his concerns to the Council and this vote has been cast 5-1, this is going to move ahead, so the issue is now it's been done if we want to have a discussion about this if time allows, he doesn't mind but he doesn't understand what it is at this point what is trying to be conveyed. Councilman Sommer said his point is that he has read this as Councilman Genovesi has read this, and he is not happy with it. Councilman Genovesi said you chose to vote the way you did and you have your motivation behind it and he chose to vote the way he did. Councilman Sommer said that as it stands tonight in the process, this is the first preliminary look and while he is not pleased on some line items, because they are what they are but he also knows for having seen them for three years now, they work them very heavily and he has a high confidence level that our residents will not be seeing an increase of \$600 per household. He said that the beneficial side is that he wants to gain access for our citizens to these other findings', if he voted no and the majority of us voted no, this preliminary budget wouldn't go forward and we would lose access and the possibility of getting some of the 700,000 and we wouldn't be able to petition for it, that's why he is focusing on that. Councilman Sommer said that in reference to Councilman Genovesi's question regarding the numbers he would go down line items with him, certainly, some of them are surprising, the health – 22%, that's also in the industry; gasoline is another. He said it's a bifurcated thing, there is two things going on, it's where we are right now with the budget which shows us our gap in our homework but if he votes no based on that, the implications on getting more money through the process, that is why he shifted. Councilman Sommer said to Councilman Genovesi's point, everyone does have their own vote and their own reasons for it but he wanted to be clear and he wanted him to know that he is not happy with the numbers and running down the numbers, he can't say he disagrees with any of them, he may have even found some others that he would add. Councilman Genovesi said that he sees this as a starting point and there is a lot of work ahead however the starting point is pretty bad. He said that so now Councilman Sommer has to depend on a lot of variables to work it down to a point where it makes sense for residents, a good thing for residents. Councilman Genovesi said that given what is here he doesn't agree with it and he highly respects Councilman Sommer and appreciates him sharing his view points and he hopes that he could understand his.

Mayor McPherson said that she would like to clarify some of the comments that were made, she wanted to make sure that everyone there understood that they are not permitted, by law, to anticipate or include funding received in 2006 where grants and aid are concerned. She said for example, they can't place the numbers that they receive in 2006 in the 2007 budget as an estimated number, they are not permitted to do that until they receive documentation from the State saying that we have received "X" amount in grants, i.e., Clean Communities Grant, some other grants that they have already received notification that they will be receiving. Mayor McPherson said that they are specifically prohibited from including that in the budget, which is why you will see on certain line items under grants that there are zeros simply because they have not received notification from the State at this time. The Mayor wanted to make it clear that monies can not be anticipated, can not be included and as

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those numbers go forward there will be further changes made to the Budget as we receive those notifications.

Councilwoman Keyes said that tonight is a perfect example. We have a new budget document on the table because we received \$35,000 that we had not received before today.

Councilman Frazier said that as he recalls last year's introductory budget was about 22% which was virtually outrageous but it was to introduce the budget so this year it is presented at a 24% increase. He said the motion was to introduce the budget even though it is a budget may appear to be flawed and again that it is an individual type of thing.

Councilman Reyes said with the introduction being passed it is the responsibility of every elected official here to put in recommendations, suggestions or how we can gain more revenue or cut the expenditure then it is all of there responsibility to get that information to the Finance Committee. Councilwoman Keyes said as her final comment she would like to inform everyone that the hearing of Budget will be opened to the public until we adopt.

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Councilwoman Keyes said that they were some changes made to the Professional Service Contracts. The Borough Attorney said that just for your information last week the Council voted on all the Resolutions for the Borough Engineer, Auditor, Planner, Board of Adjustment Attorney, Planning Board Attorney and Insurance Risk Manager. She said that there was a typographical error in one of the Statute references; it said 40A:11-5 and it should have been 40A:11-4 because the public bids were completed. The Borough Attorney said that this affects all of the RFQ's done for all the Professionals. She said that these are appointments with public bidding.

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For **POLICE**, Councilman Reyes moved to authorize the Borough Attorney to draft an ordinance for a handicap parking space on Lincoln Avenue, seconded by Councilman Frazier and unanimously approved on roll call.

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Under the Consent Agenda Councilman Reyes moved to authorize the Borough Attorney to draft an ordinance for a handicap parking space at 198B Darwin Avenue, seconded by Councilman Frazier and unanimously approved on roll call.

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Mayor McPherson made the following appointments:

Sub-Committee Pathways to Health that will assist the individuals currently working with representatives from East Rutherford. On a larger scale taking an overview of the entire Borough in accordance with the grant already received to see how we might improve pedestrian safety, bicycle safety.

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- Sue Willis – Chairwoman
- David Frazier
- Peggy Letsche
- Brian O’Keefe
- Steven Nienstedt
- Timothy F. Stafford
- George Egbert
- Denise Ross
- Councilman Fecanin
- Councilman Sommer

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For **Ordinance on First Reading**, Councilwoman Keyes asked the Clerk to read by title only the ordinance to exceed the CAP bank by 1%.

The Clerk read the ordinance by title only as follows: **AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH THE CAP BANK AS OF N.J.S.A. 40A:4-45.14**

Councilwoman Keyes asked the Mayor to open for discussion.

Mayor McPherson opened the ordinance for discussion.

Councilman Genovesi requested an explanation regarding this ordinance and Borough CFO Edward Cortright responded that what is being referred to here is not revenues, we are talking about the expenditures side of the Budget. He said the law says that, with certain notable exceptions, the total of the budget expenditures can not exceed by more than 2.5% of what they were in 2006 but we can, if the ordinance is adopted, increase your expenditures that are capped from 2.5% to an additional 1% to 3.5% and we have to do that given the increase in health benefits and given the increase of certain other expenditures of which we have no control; gasoline, public employees retirement system, police and fireman’s retirement system, sewerage costs. The Borough CFO said these expenses that are in CAP that have gone over 2.5% allow us to go over to the 3.5% ordinance.. He said that is basically the purpose of this model ordinance that we are passing to increase the CAP expenditures from 2.5% to 3.5%. Councilwoman Keyes asked is it true that as we get closer and as we get to adoption that it may not be necessary to have this. The Borough CFO confirmed.

As there were no other further discussions requested, Mayor McPherson asked for a motion to pass the Ordinance on First Reading.

Councilwoman Keyes moved this ordinance be passed on first reading and advertised according to law, seconded by Councilman Fecanin and unanimously approved on roll call.

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Councilman Reyes moved the following resolution to go into closed session to discuss issuance of investigatory documents regarding Fire Department records, seconded by Councilman Frazier and unanimously approved on roll call:

WHEREAS, the Open Public Meetings Act requires that a public body adopt a resolution at an open meeting before going into closed session to discuss a matter which excludes the public as permitted under Section 7b;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council will hold a closed meeting on Tuesday, March 6, 2007 at 7:52 p.m. in the Committee of the Whole Room to discuss issuance of investigating document regarding Fire Department records and;

BE IT FURTHER RESOLVED that the outcome of this discussion will be disclosed to the public when there is no further need for confidentiality.

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The meeting re-opened at 8:05 p.m. and the meeting then adjourned at 8:06 p.m.

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Borough Clerk