

**MINUTES OF A SPECIAL MEETING OF THE  
MAYOR & COUNCIL  
HELD WEDNESDAY, MAY 13, 2009**

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The meeting was called to order by Mayor Hipp at 7:05 p.m. with the following Councilmembers present:

Councilwoman Keyes  
Councilman Genovesi  
Councilwoman Inguanti  
Councilman Sasso  
Councilwoman Birdsall  
Councilman DeSalvo

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Mayor Hipp asked those present to join him in a salute to the flag.

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The Borough Clerk read the provisions of the Open Public Meetings Law and confirmed that proper notice of the Special Meeting was posted.

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Councilwoman Inguanti moved the following resolution for a closed session, seconded by Councilman DeSalvo 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 the Act:

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and Council of the Borough of Rutherford will hold a closed meeting on Wednesday, May 13, 2009 at 7:10 p.m. in the Committee of the Whole Room to discuss the following matter:

- Building Dept. employment with George Sassoun

The meeting re-convened to open session 8:15 p.m.

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Mayor Hipp stated that the affected employees requested the following portion of the meeting be held in open session.

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Borough Administrator Leslie Shenkler introduced the report he prepared for the governing body. Mayor Hipp asked if the employees had copies of the report to which they hadn't; Mayor Hipp distributed the report to the employees.

Mr. Shenkler said that about two months ago he was asked by the Council to review the day-to-day operations of various departments in the Borough and the department he started with was the Building Code Officials Office; in doing his analysis all he did was report the facts. He said in putting his report together he spoke with eight other municipalities, some adjoining and some not; in the report he spoke directly with the Borough Administrator if they had one or the Municipal Clerk if there was none and asked each Borough the same questions and summarized those details on a spreadsheet as was before them. Mr. Shenkler said as part of the report he went through the logs for the Bldg. Dept. that go back to January 1, 2008 and those reviews are summarized in the report as Attachment A & B. He said one of the towns chosen was twice the size of Rutherford, Kearny has a population of 40,000 residents; their organization chart is part of the report, they had one construction code official, one building sub-code official/building inspector, one full-time plumbing sub-code official and the State of NJ provides the elevator inspections, they have a full-time administrative clerk who is also the secretary to the planning and zoning boards, a bi-lingual full-time secretary clerk, full-time clerk typists with a current vacant sub-code official/building inspector part-time and part-time electrical sub-code official and a part-time building inspector/code official. Mr. Shenkler said the actual titles of every employee in the Borough and his report includes only factual information and he drew no conclusions from it; it is available for review he just didn't have any at that point, but they could pick one up the following day, and he was available for questions during the appropriate time of the meeting.

Councilman DeSalvo said as elected officials they are obligated to help find ways to save the Borough and the taxpayer's money, they must meet the requirements and introduce the budget and try their best not to raise taxes for the citizens. He said he looked into various departments to fulfill the obligation to the citizens and found some things in the Bldg. Dept which led to the investigation by the Borough Administrator. Councilman DeSalvo said there was thought there could be savings close to \$200,000 but after the Administrator's investigation it proves to be more than that and other departments were being looked at as well.

Councilwoman Keyes wanted to make a few points such that she thinks the whole exercise was premature; it was being conducted in a very formal manner in her opinion it could have been a discussion between department head, council liaison, Administrator, CFO as an investigatory process to see where they could have savings. She said that should be the plan for every department and when she says plan, civil service came in and said they must have a plan when talking about furloughs and temporary layoffs. Councilwoman Keyes stated that she hadn't seen a plan, nor had anyone on the dais saw a plan so that brings her to the point of it being a premature exercise; when they talk about the rice notices why were there only four notices issued to a dept. that had seven people in it. She said another sensitive issue is that residents came to her and asked why they are targeting the bldg. dept. and no disrespect to Councilman DeSalvo because he was working very hard looking at options for creating savings in the budget but given his

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profession people were wondering why he was the driver of the exercise. She said it puts a poor perception out there and part of her worry was that they are opening themselves up to possible litigation and she deferred to the Borough Attorney and asked him about the idea of a conflict when it pertains to the Councilman looking at the Bldg. Dept. specifically given his occupation?

Borough Attorney William Smith stated he was unaware of any conflict that would exist because he assumed that he would not benefit from any decisions made by the Council but if there were facts she was aware he would consider them but based on what he knows there are no conflicts that Councilman DeSalvo would have in regards to an investigation of the Bldg. Dept.

Councilwoman Keyes stated she was not suggesting the Councilman DeSalvo would benefit she was just saying that was being said to her by residents and it just puts a poor perception out there. She goes back to the idea of a plan, they as a Borough need to have a plan and she understands that they need to look at every dept. which is part of the budget process. Councilwoman Keyes said they need to have a plan first and she hasn't seen a plan and according to the Administrator in the memo of the studying of the Bldg. Dept. two months ago they asked to look at the Bldg. Dept. and he almost had completed the DPW, the Borough had 12 departments, they might be done by December if they are taking that long to look at all the depts. and then again where is the plan.

Councilman Genovesi said he expressed great reservations in regards to the entire process, he finds himself studying the report and coming up with more questions than answers; the construction dept. should operate as close as possible to revenue neutral as was something they talked about for a number of years when he was their liaison. He said they do achieve that and they had been doing that and the State doesn't agree that the dept. should be a revenue generator so the discussion of cutting full-time to part-time, he didn't see how that would yield a profit on the premise they shouldn't be running a profit to begin with so he wonders what the benefit of that would be. Councilman Genovesi said if they took the average revenue of the dept. \$45,000 per month most of the reports are from \$34,000-\$60,000 but \$45,000 he assumed that the dept. would cover its costs and continue to run revenue neutral. He said do the individuals in the dept. collectively produce enough revenue to cover dept. expenses, he believes that is a yes. Councilman Genovesi said specific to the report with all respect to Mr. Shenkler, his sentiments when he read it were where is the independent audit, the analyzation of costs versus revenue as pertained to the bldg. dept. and where is an independent accounting for the position the Borough is taking, are they supposed to accept that the review they received is correct. Councilman Genovesi said he expressed that reservation to the Administrator, he wasn't hitting him cold with anything he had serious concerns that the legitimacy of costs versus revenues should be done by an outside source and not by the Borough. He said he thinks that is very important and if the costs are covered and the revenue is nearly neutral as it should be, where exactly is the waste that everyone keeps talking about and where is that found as he would like to have someone point that out in the report and the argument is saving taxpayers money, but he wondered where exactly is it costing taxpayer money. Councilman Genovesi said in the study it was the first four months of 2009 and there was a decrease in revenue and its reflective of a bad economy

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and an inability of homeowners to do what they did in the past and that was going to have a decrease in revenue for the bldg. dept. that is obvious but again, something from an auditor would be far more accurate that is what he would like to see in making any type of decision. He said when they started the process he was very supportive of Councilwoman Birdsall's position that it was an investigation, a fact finding mission and he would like an independent eye on that telling him that one position is correct and one is not. Councilman Genovesi said he went on the theory that the report was written based on the logs and the information that was gathered over the last few months but the report itself is a position-position comparison when they talk about personnel structure within municipalities. He said they draw comparison between the Borough and other towns in Bergen and Hudson County but it fails to provide any real comparison on revenue generated on a per capita basis and extrapolate from that how many visits, permits, inspections are actually filed in those towns by the individuals in employment there. Councilman Genovesi stated there was no performance basis to make any sort of evaluation by, short of salary or structure comparison how could they quantify what they are being asked to consider and in reviewing the report there was no mention of any AMR for the employees in the dept. so what are they basing the evaluation on, where are the specific comparisons with the other towns presented in the report for the personnel structure. He said there was an inability to draw a comparison and he doesn't care what other towns do, he only cares what the Borough does and he needs a tangible comparison and he didn't have it in the report and it wasn't a shot at Mr. Shenkler he was just expressing his sentiments on the report. Councilman Genovesi said he had no choice but to object to the report until further evidence was provided.

Councilman Sasso said when he came there he expected something totally different so he apologized for being shocked with how things were playing out; one thing they all need to be consciences of as it is a difficult economic time and everything is being looked at and it is their responsibility to look at savings but it is also an obligation of the dept. heads to propose alternatives or suggestions as well. He said that maybe a better exercise that should have been done was how they could get savings pro-actively and obviously the most important asset is their people and with that in mind where can they save the money, where can they get creative solutions. Councilman Sasso said sometimes it ends up being they do have to eliminate or convert a position but it should be a two-way street with communication with each dept. which should happened much sooner than later. He said it is already mid-May and as everyone is faced with the tight economic situation, they might have been told there might be layoffs, they might get a pay decrease, or no pay increase so where do they make up the difference in expenses that happen every day. Councilman Sasso said they can't just keep raising taxes and put the burden on someone else but it is encumberant on everyone in the room and town to come up with ways to find savings and if it means thinking outside the box, sometimes making a difficult recommendation or suggestion, that is was really needs to happen and he would like to see happen, wishes some would have played out a little differently and he thinks it may have made everyone's tension at ease because just from walking in the room that night he was tense and he didn't realize what was going on there.

Councilwoman Inguanti said there was nothing easy about any of the decisions that the Council was dealing with, they had a significant gap in terms of revenue and

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expenses; the Borough had primarily one source of revenue being the taxpayers. She said to remind everyone there was a re-evaluation at the height of the market in 2006, since then they saw a significant reduction in the property values, there were record numbers of appeals and the Borough lost every one of them; they had approximately \$400,000 in tax monies that didn't go into the Borough last year and that didn't include Encap. Councilwoman Inguanti said they had to bond for 5-years and ask the Local Finance Board for permission to spread out the reduction in the tax receivables over 5 years and they would probably have to do the same thing in 2009 and 2010; the Council is in a very difficult position because the Borough is identified as the collector of the taxes but the services provided are not the primary upward movement of people's taxes yet Borough employees are always expected to do more with less and that was the unfortunate fact that the Borough and the governing body was political with Republicans and Democrats and they become the ball in the big game. She said however, the decisions that are made in Trenton about funding for schools, the decisions that are made in Hackensack about County expenses affect people's taxes in far larger percentages at least over the last couple of years than the decision there. Councilwoman Inguanti said they are left with trying to plug the gap and they are also in a political tug of war over Encap and she has sincere hope that because it was a gubernatorial election year and everyone wants to win South Bergen, everyone wants Encap to go away because they want them to forget what was done to the community as a result of Encap and they want them to vote in a certain way. She said in one sense that is why a two party system is good because it requires people to do their best and to make up for the wrongs that they committed against the taxpayers and employees of the Borough but they still have a gap and it is because of the erosion of the tax base because of the lack of revenue, because there is basically no development. Councilwoman Inguanti said revenues that were anticipated, buildings that were built sit empty and unfortunately many have said they cut through the fat and now they are into the bone and unfortunately what that means is there isn't very many places left to look; there are no significant revenue sources that they could find and were allowed to use to pay them. She said they get grants for programs, for green solar energy, and that might offset some costs but that takes time and the Borough and other Boroughs like it as well as the State of New Jersey are all in difficult situations and there really isn't many places left for them to look. Councilwoman Inguanti said they were contemplating a furlough and civil service made that much easier to do, it used to be voluntary and it isn't necessarily anymore; they were looking at alterations to the health plan that comply with the work agreements; they are running out of options and they can't do what was done in the past which was double digit tax increases and that was the help they got from Trenton that was the tax savings answer they provided: they can't do a tax increase over 4%. Councilwoman Inguanti said how do they then pay for the employees, benefits and they were basically forcing them to do what they don't have the guts to do; for many years money was cheap, it was plentiful, taxes were high and times were good, people got hired and what is happening is that it is not there anymore. She said Trenton doesn't have the guts to do what they are asking them to do, they get paid a lot of money, they get paid more than they all get paid and they basically turned to the municipal governing bodies, which are all but volunteers because they get a small stipend and said they had to do the dirty work, they want their name to do what they didn't want to do. Councilwoman Inguanti said they backed them into a corner, no tax increase over a certain amount, they can defer pensions payments

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but they still had to be made even when they were told they didn't have to pay for a bunch of years but then they told them they had to make them all up so they don't have the money to do it. She said Trenton didn't care how they get the money even if it means laying people off, downsize, let people go then that is what they had to do; she didn't run for office thinking that was something she would have to do as the previous administration let go a fair number of people in a couple of departments she didn't see dozens of people sitting around when she went to Borough Hall that weren't doing anything. Councilwoman Inguanti said she just doesn't have a lot of ideas left and she can't go to the taxpayer's and say 10% more, by law she can't do that so that is the situation they are left with and while it feels good to maybe point to some of them and say it is their fault, they are doing it to them, they do not want to effect anyone's income. She said her husband's income was down substantially, she received her health benefits through a union, he had to make a certain amount by June 30 and if he doesn't make it they have to go on Cobra and it wasn't looking that good then; so she was running the numbers yesterday for her own family, what was Cobra going to be a month for her to have health benefits for herself, her husband and her family; can they afford it; what does it mean; what else do they have to cut. Councilwoman Inguanti said it is a profoundly difficult process for everyone including all of them up there.

Councilwoman Birdsall said reasonable is a word that she tries to use a lot and she tries to go back to and unfortunately they are really in a situation that they are trying to find efficiencies in the impossible economy; she believe that to get through the Borough had to come together and not be torn apart and while she appreciates all the efforts but she feels the approach was wrong. She said it was her position that the process was for information gathering so they could evaluate where efficiencies may be gain and each department could provide efficiencies as she spoke, as liaison, to the bldg. dept. and there are efficiencies that the dept. could live with. Councilwoman Birdsall said she used the assumptions for the budget that they hashed out as a road map and that is where they need to work toward; she took each assumption as her colleagues did as well, to heart and to see if they were reasonable and one of them was that they could somehow come to \$161,000 in salary costs efficiencies across all departments. She believes there was a plan within the bldg. dept. that could add to that but it couldn't accomplish that entire amount and she felt it was unfair to ask any one dept. to try to accomplish an amount such as that. Councilwoman Birdsall said looking at the road map one of the assumptions were the assigned of a cell tower lease which they discussed at their previous meeting and it was rejected; she voted for that because that was her road map and although she didn't want to sell Borough property she realized that there was an additional \$276,000 that they are going to have to find from somewhere. She said not from the taxpayers, not from firing employees, she thinks they have a fantastic team of Borough Employees and believed the efficiencies could be found as she appreciates the effort into the investigation, the information gathering process. Councilwoman Birdsall said getting the study there was a lot of information that she felt was missing that she would like to find the answers to; she wanted to make sure they are comparing apples to apples; what was the zoning in all the different municipalities; what was the rating for each of the groups; what was their level of enforcement; do they have the same demographics as Rutherford; does the dept. head sit on the Planning Board, Zoning Board, Historic Preservation Board, the Streetscape Committee and that is all time

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invested in the same respect to assure the quality that they had in the Borough; all that information was neglected in the report. She said they all had to do due diligence to find savings with her concern being that they went about it in the wrong way and a major restructuring of any dept. would have a severe impact not only on the residential but also on the Borough, they have to be very careful not to advocate a restructuring of any dept. of that because it was short sited and should changes be made that they could find efficiencies absolutely but the plan had to be reasonable. Councilwoman Birdsall said it also had to be flexible enough that when they come out of the economic downturn, things could change again and she didn't think they should be in a position where they create a short-term solution that had long-term impacts on the community and put themselves in a position that they couldn't recover from. She would like to see a report or analysis that was more complete and talks about things like enforcement and ratings and how that affects homeowners insurance rates; she agrees with what her colleagues said in regards to the direct impact on the taxpayer from bldg. dept. Councilwoman Birdsall said she believes they have wonderful records that are kept, they are diligent and thorough and it is Rutherford for a reason, she didn't want to see any plans that would jeopardize that. She hoped that the Borough Administrator would facilitate that plan which could get them to the \$161,000 in efficiencies throughout all of the depts. in the Borough.

Councilman DeSalvo said to the Council President he is the second liaison to the bldg. dept.; he was elected to do a job and he is not a political person as he ran on his own last year to do a job for the citizens of Rutherford, he is very concerned about the town. He was concerned that he was there for four months and he was looking into all depts. not only the bldg. dept.; he was concerned that she would say it is premature, she voted for the rice notices, she is the Council President and he looks to her for guidance and when they spoke about it in a couple of closed sessions being premature never came up.

Mayor Hipp cautioned Council not to discuss closed session matters.

Councilman DeSalvo said there are many more situations with the DPW that they are looking it was not going at any one dept.; as a Council they had to look at all depts. all ways to save and to bring revenues in as he doesn't see that being done. He said if it is a question of them sitting there and one council person may be doing more than the other that is not the question, he was doing the job how he sees the job should be done. Councilman DeSalvo said if there was a question of being premature it should have come up a lot sooner; the rice notices were issued because that was how he was told the procedure works; the liaison for the bldg. dept., he spoke and there was never any response not a question in a month and half. He said it was his job and he was going to do it the way he thinks.

Councilwoman Keyes said they did vote unanimously for the rice notices because they were advised that when they are talking about personnel and their jobs and titles they must issue a rice notice in order that they can decide whether they want that conversation in private or in public; upon reflection she felt that was premature.

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Mayor Hipp wished to formally recognize her and he asked everyone not to talk out of turn and to keep some formalities there.

Councilwoman Keyes said when they were talking and Councilman DeSalvo used her words exactly that they should not be looking at just one dept. and that was why she wanted to reiterate again where was their plan, they need to have a plan. She said it is the perception that was out there, she knows he understands that because she talked to him before, it is the perception that was out there and she wanted to make sure he knew that.

Mayor Hipp asked if any of the three members of the bldg. dept. wished to make a statement.

Construction Official John Uhl said he handed out a report that evening to each one of the Council members and in that report was a general narrative, letters from individual dept. heads that they work very closely with, copy of DCA describing how their fee structure was laid out, a letter from ISO rating each town's bldg. depts. which affects everyone's insurance and Rutherford scored very well on that. He said for the State of New Jersey they scored a 3, there were only 13 other municipalities that scored higher than they, and he thinks that was because of the job they do and by doing that job those savings are passed onto the homeowner as described in the packet. Mr. Uhl said that if anyone had questions regarding the packet please do so and he would have liked to of had the opportunity to read their information prior to being there that night so they could have a response to those questions but of course they didn't have the opportunity as it was only handed to them then. Mr. Uhl said also in the packet is the depts. report and organizational chart; the dept. had always done well in covering their cost even with the economic times they are facing the dept. is only 6% below last year which is not a lot and the year isn't over yet. He said they do have a 216 room hotel that the Meadowlands issued an okay to start the structure which is a tremendous burden placed on the bldg. dept. and it will be a great ratable for the municipality; they have a lot of large projects that are underway that people aren't aware of. Mr. Uhl didn't understand why Councilman DeSalvo would decide to start with the bldg. dept. when they are fee generated and they cover their cost, why would he start with a dept. that is not costing the taxpayer any money. He said the other question he had was when the Councilman was doing his report, why wasn't he consulting with their liaison, they should have been communicating and asking the bldg. dept. for information as he thought they were all supposed to work together on it. Mr. Uhl stated that he did have a plan to save money in the dept. and the Administrator was aware of that, he was under the impression that each dept. head was supposed to make a plan and they were supposed to meet collectively and go over that plan to come up with savings. He said he was all in favor of that but the plan that was with them that night would devastate the bldg. dept. and destroy the community, Rutherford looks the way it does because of the dedicated employees. Mr. Uhl said it is very emotional for everyone including himself, as being a Rutherford resident for 50 years it was where he grew up and his children grew up it means a lot to him to keep the community at the level it was and to try to compare to some of the surrounding communities, there is no comparison. He said everyone likes to live in Rutherford and their home values show that, people stay and there is a reason why do they want to

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destroy that, they are covering their costs and they are not the place to start, they should have went through the dept. heads and had meetings and went over the possible savings.

Mr. Flenner explained that the establishment of the Uniform Construction Code in the State of NJ which was established in 1977 to have uniform codes throughout the State and to set up guidelines on how the offices were to be set up, run and managed; the whole idea of the system was to provide an office and do inspections and not provide a burden on the average taxpayer. Mr. Flenner said the system was designed that the bldg. dept. was to be self-sufficient in that the fees schedule offset their expenses which they did a very good job of in years passed. He said he came to the community because of their commitment to enforcement; he made a move over which he took a demotion to work in a community that had a strong commitment to life safety and keeping the neighborhood looking the way it does. Mr. Flenner said the community is looked at very highly because of the way it appears and the way they maintain and enforce it. He said concerning the issue of conflict of interest, early in January they started sending Mr. DeSalvo's commit request to a neighboring town as required by the uniform construction code, they were questioned on that which prompted them to get a letter of clarification. Mr. Flenner read the following letter:

"January 24, 2009

Dept. of Community Affairs

RE: Conflict of interest NJAC 5:23-4.5(j)

To whom it may concern,

This is to follow-up on a conversation with Chris Ferrara earlier this week concerning the conflict of interest regulation identified in NJAC 5:23-4.50). Mr. Ferrara agreed with our position on this matter, bust suggested we follow-up with written documentation.

A local electrical contractor in the last election won a seat on the local Council. This office has since his installation, required that all plan review, field inspections and permits be handled by a neighboring municipality. We feel that in his new position, he meets the intent of the conflict of interest section due to his indirect control over the funding or operations of this enforcing agency.

We have been questioned on this by the contractor. He stated that he has contacted the DCA and that work on his house could not be inspected by our enforcing agency, but work by his company in the municipality could be inspected by us.

Can you please respond with an interpolation so we may provide this documentation to all parties?

Sincerely,

Charles F. Flenner

Assistant Construction Official

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January 26, 2009

Dear Mr. Flenner:

This is in response to your letter concerning the above referenced regulation. You are advised that construction code enforcement on all projects of the councilman/electrical contractor in the Borough of Rutherford should be performed by another construction code enforcing agency. This would include any work by his electrical contracting company in the Borough of Rutherford in addition to his private residence.

I hope this has been of some assistance and guidance to you and that the Borough will proceed accordingly. If you or any other Borough officials have any questions concerning the above please do not hesitate to contact me at 609-984-7672.

Very truly yours,

Robert S. Hilzer  
Office of Regulatory Affairs"

Mr. Flenner said regarding the effects of changing the bldg. dept. structure would be that the State requires that the fees they collected be spent for code enforcement and they provided them in the report a copy of the related sections NJAC 5:23-4.17 Municipal Enforcing Agency fees. He said it was created to not be a money maker for the town; an adjustment in the staffing levels will require an adjustment in the fees so there will be no benefit to the taxpayer because their revenue pays for their part, so if they lower the staffing they will have to lower the fees. Mr. Flenner said the town is allowed to take 12% of their income so if they lower the fees they will be lowering money for the municipality to put toward their budget. He said the only people that were footing the bill were the people who were applying for the permits and that is how it should be, the burden shouldn't be on the taxpayer; by reducing staffing levels now it will reduce the service for those people who were looking to get construction done. Mr. Flenner said they had a very good working relationship in the town and the contractor's know they go out in a timely fashion, they work with them to try to keep projects moving forward which would be reduced significantly if they change staffing levels. He said changing in staffing may also reduce the ISO rates and that could be reflected in the taxpayers insurance costs; as for documentation they forward that to the tax assessor which he needs to keep up his records to fairly assess.

Mr. Minervini wanted to discuss his position as Code Enforcement Officer; in reviewing the plan the first thing it says is to abolish the Code Enforcement position in the bldg. dept. and then below it says part-time code enforcement. He said one of the many responsibilities within the Borough is the continued certificate of occupancy inspections and in the event of abolishing the position who would pick up the responsibility for that, who would take the responsibility of all the code enforcement, who would take responsibility for the complaints and concerns, there will not be anyone there to answer the questions and it is not fair to the residents. Mr. Minervini said it is not fair to the real

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estate industry, he didn't understand how the bldg. dept. would be able to operate properly with no position at all.

Mayor Hipp opened the meeting to questions from the Council.

Councilwoman Keyes and Councilman Genovesi had no questions at that time.

Councilman Sasso asked Mr. Uhl if at any point in the year had anyone asked for any suggestions on how better to come up with cost savings. Mr. Uhl responded yes and said he gave those suggestions to the Borough Administrator. Councilman Sasso asked if any of them were ever implemented. Mr. Uhl said no, he was waiting for a meeting with the other dept. heads so they could sit down and discuss it as a collective bargaining unit.

Councilwoman Inguanti said in looking at their report which they provided to the Council that night in particular pages 6, 4, 3 that contain graphs there were a significant up-tick on page 4 in the amount of permits issued in 2003, 2004, 2005. She said Mr. Sassoun was hired in 2002 on a part-time basis initially 19 hours, then to 21 hours and then full-time in 2004; Mr. Flenner came in 2006; Mr. Minervini came in 2004. Councilwoman Inguanti said the number of permits issued, the number of inspections and the amount of revenue there was a substantial up-tick in those years and due to the increase and money was cheap, the houses were worth a lot and people were getting very good refinancing deals taking money out of their homes and redoing them. Councilwoman Inguanti asked if that was part of the reason that they wanted to bring in those individuals on a full-time basis; was it the increase in permits and inspections. Mr. Uhl responded that the volume increased all across the board, house sales, property maintenance, complaints, everything was going up at that point and things are still going up. He said where they may not be issuing as many permits now, they are issuing bigger permits, much larger ones and the switch has gone more commercial at that point and with the economy the amount of complaints and illegal dwellings and property maintenance is up over 100% and he wasn't sure for that except for illegal dwellings everyone needs to try to make some money to make ends meet but it is a severe life safety issue and they are trying to stay after it. Mr. Uhl said the rate is growing and he was concerned for the safety of the residents; he continually gets complaints and court cases are occurring to handle the issue so the volume is there but in different areas.

Councilwoman Inguanti asked what was behind the decision in 2007 to increase the fees for the permits. Mr. Uhl said that was requested by the Mayor and Council for them to be able to generate the revenue; their fees are not changed that often maybe 5 years or longer, so the fees may seem high it does level off in time, they have to draft an ordinance and there is costs involved in that for attorney reviews and everything else. Councilwoman Inguanti said from the perspective of being able to look back and knowing what they know, it was interesting that there was such a huge jump during those years that they thought would continue, it seemed to her that some of the continued revenue being brought in was attributable to the higher fees; because there was the beginnings of a drop-off in 2006 in terms of the revenue being brought in. She said in 2006 it was anticipated that there would be \$451,000 income for the bldg. dept. and the actual was \$442,000; in fees and permits the anticipated was \$430,000 but the actual was \$367,000;

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in 2007 \$440,000 was anticipated and \$454,000 was brought in for fees and permits. She was just looking at number and trying to understand what happened in the Borough over the last few years, because it is part of how they've gotten to where they've gotten in terms of the costs and as Mr. Flenner said that the Borough could take up to 12% of fees and permits and the money generated by the dept. and use that for operating expenses. Mr. Flenner said if they look at the actual wording it's taken out for overall expenses. Councilwoman Inguanti said that was in the statute they provided for them. Mr. Flenner confirmed it said it is for indirect and overall expenses charged. Councilwoman Inguanti said in the report by the Administrator the salaries and benefits for the bldg. dept. were \$548,779 and the revenues brought in through permits \$521,000 in 2008; so again they were not looking to hurt the people who apply for permits to improve their homes as there is a benefit to the community but it appeared to her that the dept. is not fully funding its salary and benefit obligations.

Mr. Uhl said the \$548,000 that the Councilwoman referred to is 2009. Councilwoman Inguanti confirmed and apologized; she then asked if they did an analysis of what was brought in 2008 versus the salary and benefits cost for the employees in the dept. for 2008. Mr. Uhl responded that he did not, he felt the CFO should complete that. Councilwoman Inguanti said they had January through April, 2008 but they didn't have the full year in the report. She continued to say that all of them are uncomfortable with the process as it was playing out and she agrees with her colleagues that there was a better way to do this and if they meet as a Council they had to do it at a public meeting, they had to advertise it and it is difficult if the Administrator had a meeting with liaisons, dept. heads and makes recommendations and brings them to the Council it is difficult for the Council to go through to determine a course of action. Councilwoman Inguanti said she would have had preferred if they were able to have the discussion they were having maybe in a closed session, again it wouldn't have been the perfect way but they are limited of what they could discussion as Council on their own in a closed session. If they mention an employee's name they are obligated to give notice them which is fine but it makes it a potentially very public process that is difficult. Councilwoman Inguanti said she wanted to make it clear that the way they are necessarily getting the information is desirable but in part she thinks it is because of the request they made to have it in open. She said she wanted to make it clear that they are obligated, as Councilman DeSalvo said, when they were elected to do a job and it's not always fun or rewarding but there were questions they had to ask and information they had to gather and sometimes the conclusions they reach may not be pleasant but she looked forward to continuing the information gathering but she did want to make clear to her colleagues that they need to emphasize an overall plan based on the introduced budget. Councilwoman Inguanti said they are reaching the point where they need to make decisions and they can call things efficiencies but she thinks they know what that means; there is only so many clips and rubber bands that they could do in that regard. She said the tax office and CFO, they are looking at in terms of escrow accounts and things the Borough hadn't done in the past in terms of generating revenue and protecting against Borough loss, they are trying but they aren't getting to the number they need to get to in terms of operating expenses but she is certainly willing to continue to listen to any efficiencies or cost savings that any dept. had.

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Councilwoman Birdsall said she wanted to mention that Mr. Uhl stated that Councilman DeSalvo and she did not speak and because of the process they were not permitted to speak regarding any specifics of the plan without the rice notice process going through. She said it was a very difficult situation as far as the information gathering but she also wanted to defend the Councilman because he is passionate about the community and he really wants to do the right thing as she thinks they all do; here and there and it is difficult if not impossible to do the right thing and get things done in a timely manner without leadership that was needed to do that. Councilwoman Birdsall said deferring to the CEO Mr. Shenkler to really facilitate the appropriate process through working with the dept. heads and presenting a plan back to the Council so they could move forward and potentially find efficiencies. She had a few questions, one they received an organizational chart and to her it indicates there was about 21 roles that were done through the construction dept. with about 6 ½ full-time equivalent of people; she asked they tell briefly about the impact that a lack of code enforcement would bring to the Borough?

Mr. Uhl read the following letter from Joseph Nichols, Borough Tax Assessor:

"Honorable Mayor and Council,

I understand that the Borough Council may be considering reductions in the Borough's Building Department as a means of cost-savings. While I understand the climate for cost reductions, **I am writing to point out that personnel reductions in the building department could cost the taxpayers more than any savings projected because the ongoing assessment function is dependent on a fully functioning building department.**

While the building department's primary function is the safe construction of structures in the Borough, its inspectors also serve as the "eyes and ears" needed to insure that construction work is identified, permitted and approved. If that function is diminished, work is likely to proceed without permits and be completed without notice. I have seen this happen elsewhere and once this culture develops, it is hard and costly to stop. This not only threatens the safety and quality of structures in the Borough, but also the Borough's revenue, because work done in this fashion is almost certain to evade assessment until the next Borough wide revaluation.

Building department documentation provides the Assessor's office with descriptions of new projects or improvements to existing properties, details of the work proposed, estimates of the cost, the status of the work itself and the completion dates, all of which are vital to accurate and timely assessment. The inspectors and personnel in your building department do an excellent job of identifying, documenting and following up on projects. They have established a pattern of cooperation that I have rarely seen in my 16 years in government service. Last year this consisted of them providing more than 1,700 permits, over 1,300 certificates of approval or occupancy and scores of detailed plans and technical documents required to complete accurate assessments. This enabled new construction assessments of \$7,845,700 for 2008 which calculates to over \$160,000 in 2009 revenue. In addition, even when improvements do not produce an increase in assessment, they help the Borough to defend against tax appeals on the property. That

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“protection” could potentially double or triple the direct value(s) noted above. Add to this the fact that building department fees generally cover the costs of operations and the fact that at least one major hotel project is “on line” for 2010 and it is hard to see the benefit of reductions. At a time when tax appeals are shrinking the overall tax base, I would urge that we not cut back on the information flow essential to what little mitigation can be had.

Thank you for your time, attention and consideration of these thoughts.

Respectfully,

Joseph Nichols

Tax Assessor”

Councilwoman Birdsall asked that on the organizational chart it seems there was a duality of coverage that was built into the dept. and could he explain why that is the case and what efficiencies that might provide? Mr. Flenner responded that in their office their inspectors are multi-certified, they hold multiple licenses where he holds a plumbing inspectors license, building and mechanical and fire; what the advantages of them holding multi licenses is if a project is going on and is in need of an inspection and it involves all three he could go there and do all three; if it is an inspection that didn't involve plumbing only bldg., fire and mechanical Mr. Uhl would go. He said one inspector would go as opposed if they weren't multi licensed they would have to send two different inspectors thus requiring the applicant to wait for two inspectors and taking more time out of their day and if it was part-time they would have to wait. Mr. Flenner said by them having multiple licenses they were able to do their job more efficiently because he could go to one end of town and do one inspection and technically do three different disciplines and Mr. Uhl could go to the other side of town and do two inspections and people are only waiting for one inspector instead of three. He said that goes to their commitment to wanting to have multiple licenses; their careers are committed to fire safety, bldg. safety and they look to get more knowledge and gain more expertise to do that. Councilwoman Birdsall said as far as the estimated cost savings that they mentioned that the bldg. dept. worked on, could they provide a range or has that not been developed as of then? Mr. Uhl said there was a rough estimate with a couple of factors built into it; what his goal was to come up with a savings and to make sure the plan had some flexibility in it in the event that large projects would come on-line, they would be able to adjust that plan on the fly as needed and the third portion of the plan was to possibly share services within the Borough. He said there were three aspects to it that were savings, flexibility and an ability to help out other depts. that may need help.

Councilwoman Birdsall said in Mr. Shenkler's report there were organizational charts included in the packet. In reference to Kearny it indicates on the flow chart that was provided it indicates six full-time and four part time employees but on the organizational chart from the town of Kearny she counted seven full-time employees so that is actually higher than Rutherford and she asked that be looked at a little further. She asked the Administrator if the communities that were analyzed, did they have the same demographics, or was that unknown? Mr. Shenkler responded that obviously not each community could have the same demographics; Ridgewood was a high-end town

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they had the same standards that Rutherford residents had for their neighborhoods and zoning and for the bldg. and code enforcement; they also have a much bigger downtown area which had not only high rise buildings but many commercial buildings including restaurants. He said Kearny on the other hand, he wasn't sure why that discrepancy appears other than the chart they were looking at was prepared prior to the information he gathered from the Borough Administrator; they won't find any two communities even though they might be next to each other with the same social economic, demographics that he thinks they were looking for any where in New Jersey. The Administrator said they may come close but there is just not a measurable task. Councilwoman Birdsall said then it is a difficult platform to be comparing based on that no two communities are exactly the same. The Administrator said that population is a better barometer because it shows the size of the community, the time that inspectors have to spend in enforcing code and doing their actual inspections. Councilwoman Birdsall said when she looks at the comparison it appears that they are right in there with how many full-time equivalents or FTEs they have in comparison with others that are on there. She said even Lyndhurst whose population is similar they have five full-time but then they had three part time which brings them up to a total of 6.5 FTEs showing they are in the ballpark and it isn't like their staffing levels are exuberant in comparison to other municipalities. Councilwoman Birdsall asked if their rating was the same, as Rutherford has a rating of 3 based on the ISO. The Administrator responded that a rating of 3 is extremely high and the code official is accurate when he reported that it is difficult to attain, he did not view that as part of the criteria but he tried to give them a cross example of towns that were not only adjacent to the Borough of Rutherford but towns that are distant and as she referred to different demographics. Councilwoman Birdsall said as far as other issues such as their level of enforcement or their organizational structure such as putting in review and different boards, did they have any of that information for those municipalities? The Administrator said no but he knows of no other community that has a full-time property maintenance officer. Councilwoman Birdsall asked where that would be, was that on Rutherford's organizational chart because she didn't see it. The Administrator responded that in some municipalities that function was performed by a part time building inspector or a part time property maintenance officer as Hasbrouck Heights. Councilwoman Birdsall asked if the Borough of Rutherford had a property maintenance officer as she didn't see that title listed on the Borough's spreadsheet. The Administrator said the property maintenance official and he thought that was the correct title if he wasn't mistaken. Mr. Uhl said it was code enforcement officer. The Administrator said that is effectively their property maintenance officer, they won't see it under the full-time title, they will see different titles performing that particular task under the part time title. Councilwoman Birdsall said the full-time equivalent in the other groups may hold different types of titles and different structure than what they had but the bottom line is they are all around the same number of full-time equivalent. She believed that their code enforcement officer also holds another position on the construction dept. 2009 organizational chart during inspector of ISC, it may just be schematics is what she was getting at with that.

The Administrator said another issue which doesn't actually play a part in it, but there are different forms of government in the State and having different forms of government and he tried to cover some of them, their titles are different because they

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work differently. He said they have the same responsibilities under different names and there are many cases where they don't match up exactly the way they do in Rutherford.

Councilwoman Birdsall said the purpose of Attachment A outlines the municipalities, their population, their full-time employee equivalent titles, etc., the overall purpose of that was to provide what? The Administrator said to provide them with a snapshot of what other municipalities are not only providing in terms of service, by title, by population, by salary and by the either full-time or part time position. Councilwoman Birdsall asked if he would agree, since it didn't go down to the areas that show demographics and their rating and level of service and enforcement issues, etc. that it may be lacking as a comparison or some sort of basis and along with that if Rutherford were to be included on there, their population and full-time employee equivalent, although the titles might be different, are right within the range as to what the other municipalities that they analyzed was. She said in Ridgewood they had six full-time but they had seven part time employees which is a significant increase from what they had; and Lyndhurst has 19,000 in population with five full-time equivalents and three part time; her point is if the point of the whole analysis was to say they were over-staffed she didn't believe that argument was reflective in the material they received.

The Administrator said he would be happy to compare two towns with the demographics if she could list them for him; Ridgewood has a population of 25,000, Rutherford has a population of just under 18,000. He said it wasn't his part in that to be defensive because all he did was gather facts and he gathered facts from a variety of different municipalities with different perhaps zoning, perhaps population but if they look at Kearny with a population of 40,000 they have four part time employees and six full-time employees. The Administrator said they have under 18,000 and they have a full-time staff of six and a part time staff of one and he wasn't sitting in judgment with the paper as he indicated when he started the presentation he just gathered information for the Council to digest, to make recommendations, to give him direction as to which way they would like to take it. He said frankly he has no horse in the race, he was just giving them information from eight and he could have done ten, twelve, twenty municipalities but they will find that basically the titles may change, the number of employees may change but if they wanted to tie it to something they could tie it either to the population of the community, the economics of the community, the diversity of the community which was hard to do. The Administrator said certainly the demographics but even though Ridgewood may be next to what borders on Midland Park, the demographics are totally different from the social economic level to the type of towns they are, yet they have a part time bldg. inspector in Midland Park because it is a much smaller town with a population of 8,000. He said if they could give him two identical municipalities, he would be happy to give them the documentation he could develop on that, he was just giving them details and facts. Councilwoman Birdsall said she was just asking for a confirmation. Mayor Hipp said to the Councilwoman that she was not recognized and he did not understand that Mr. Shenkler was finished, it was not a dialogue. The Administrator said he was finished.

Mayor Hipp asked Councilman DeSalvo if he had any comments.

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Councilman DeSalvo said the idea of the plan came up not to abolish any positions, the idea of it all came up because he was in the business as everyone knew, he goes through in and out of a lot of bldg. depts. and the seventy municipalities in Bergen County maybe ten are full-time and that was his original idea behind it. He said the full-time municipalities are Hackensack, Englewood, Mahwah so that was his intent on questioning the bldg. dept.; he saw there was a lot of inefficiencies, he saw they could save some money and he would have been happy to work with anyone who wanted to work on it. Councilman DeSalvo said after the original idea came up, he asked if he could go to the liaison of the dept. and he was told yes and he did; not much response so after that he was not going to force someone if obviously no one wants to touch something like that. Councilman DeSalvo said it was very difficult for them to sit up there, it was difficult for them to sit down there, nobody wants to touch it but when they are working on a budget and they see a lot of other municipalities that are getting by with part time, he questions why they can't. He said they had for many years up till four years ago, Mr. Uhl has been with the Borough 23 years and up until three or four years ago it was part time, his question to that is why all of a sudden and he understands that Encap was going to come but was that why they went full-time with the anticipation of that happening. Mr. Uhl said there was an overall increase and there are still larger projects pending but he keeps missing the point that they do cover their costs, if they reduce their staff they will have to reduce their fees and at the end of the day they will come back with the same payout, it is not going to help the budget. Councilman DeSalvo said the higher permit fees that they pay in Rutherford is like an extra burden on the taxpayer if they wanted to do renovations on their home, they are paying a lot higher fees than other municipalities and throughout the investigation he questioned if they were increased to justify some of the higher salaries, that was an idea in going through all the questions that came into his head. He said Mr. Flenner had mentioned the dual licenses are good but there is time on the inspection logs that he may be at an inspection with John and Rich, could he explain why they would need both of them at the same inspection? Mr. Flenner said sometimes there is a larger inspection, sometimes there is a problem that has a specific technical issue that they all go and take a look at, they believe going there with all three of them they get a better inspection out of it as three set of eyes is a lot safer than one set. He said those times they do go on together it might be an investigation of an illegal dwelling and they use different techniques to determine whether something is done without a permit and it works better with a team effort as the office always works. Councilman DeSalvo said looking at the logs he sees them together but they are both qualified to do the same job. Mr. Flenner said some are larger inspections, some a little more technical, some may involve a variance and sometimes they go out and inspect to make sure they were in compliance with the variance they were granted that way it is a more accurate inspection and more thorough inspection. Councilman DeSalvo said the number of inspections that they are currently doing, they had documents there showing the inspections throughout the months, on the log sheets where they make their schedules for the day, he saw some inspections are 27 inspections for the month of March for Mr. Minervini did that necessarily mean that they need a full-time position of code enforcement for 27 inspections in a month? Mr. Uhl said as he mentioned prior, inspections are only a portion of what they do, each one of them have different job tasks they need to perform and if someone is not doing an inspection they are doing other things and they could list what they do every day as they had it written down but he

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would like Mr. Minervini read his job description and what he does on a daily basis, but the inspection is only a portion of what they do. He said there is plan reviews, complaints to follow-up, phone calls being returned, reports that need to be written, OPRA requests and he didn't know if the Councilman ever did an OPRA request but he knows the Borough Clerk has to do that many times and it is a paper trail that needs to be followed and sometimes it is very labor intensive. Councilman DeSalvo asked if in his opinion that required a full-time position. Mr. Uhl said he would let the code enforcement official speak about his job title but before they move onto that the Councilman had mentioned about part time positions in other communities and he said he went through 70 municipalities. Councilman DeSalvo said no within Bergen County there are 70 municipalities and what he did further to the Administrator's report, he contacted 14 municipalities randomly to find out full-time or part time and out of 14 – two had full-time Englewood which is a city and Paramus which everyone knows is very large. Mr. Uhl said he was referring to the Councilman's personal experience as a contractor, when he goes into a municipality that has part time inspectors that work on a cycle say the electrical inspector is only on Tuesdays and Thursdays how does that affect his operation, how does that delay especially if they don't pass the inspection on Thursday, now he has to wait till the following Tuesday to get a re-inspection; does he feel that is an impact? Councilman DeSalvo said personally he manages his business so that doesn't happen but if he knows that Lyndhurst does inspections Monday-Wednesday-Friday he knows that if he needs his inspection done he'll schedule it accordingly. He said that has been the way as he has been in business for 18 years and that is how he does that in other towns. Mr. Uhl asked doesn't that delay the project. Councilman DeSalvo said not if it is scheduled properly but it could. Mr. Uhl said right because they know that the bathroom and kitchen, that homeowner that is the world to them, they could only go eat out so many times and not having a bathroom is quite inconvenient, so they are not really concerned what is going on around them; the project although to them is very small, it is the most important thing that is happening to their lives because it is disruption and any one knows that it is a disruption to the family unit. Mr. Uhl said he feels by having all part timers it only adds to the problem for the homeowner, they need them there and if they fail they could return the next day and straighten out the problem they might have as opposed to waiting another week when they might want to work on it on the weekend.

Mr. Minervini said to elaborate on what he does as his title is Code Enforcement Officer; one of the main roles when he came in 2004 was Certificate of Occupancy inspections because with the change-over of the market everything was crazy. He said as he developed in the dept. he has taken on a lot of roles; he assisted with a lot of zoning inspections, zoning review, obviously with his fire license he does all the smoke detector inspections in the Borough, complaints, property maintenance. Mr. Minervini said if they were to reduce the staff of the Code Enforcement Officer just something as simple as an illegal dwelling, it may require him to investigate to sit there and watch to see who is going in and out, how many mailboxes are there. He said there is a lot involved in it and the person whether it be he or someone else if they are only working four hours a day it would be impossible to do a proper investigation; they need to be there as it takes more than just coming in and doing a couple of COs and worrying about a neighbor whose rain water is going off their property; those are the simple things. Mr. Minervini said as far as the complaints some are simple and some are complex, he doesn't know how other

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municipalities operate as far as their property maintenance and code enforcement; maybe they are not as aggressive as we are; part of his responsibility is to go out and catch illegal construction going on and if they are only part time it's going to run rampant and there will be nobody to stop it. He said being a firemen for the past 11 years one of the worst things he sees is illegal construction as it could kill somebody, it is more than doing a couple of CO inspections and answering a couple of calls; his role which he might not think it is important to the Borough but he thinks the residents do; beyond the complaints he handles all the OPRA requests for the bldg. dept. which he spends a lot of time searching and retrieving files for OPRA requests. Mr. Minervini said another thing he does is for the Board of Adjustment when someone is going for a variance he does all the 200' perimeters for letters and that takes times; who would do that work, the work wouldn't get done; he assists in some minor plan review, driveway, fences, sidewalks, etc. He also has taken on tank removals and abandonments and that takes time to inspect the tanks again it is more than just doing a few things; he also assists the RDP in their enforcement as café licenses, sign ordinances things such as that and without him being there to assist them everything will start to deteriorate. Mr. Minervini said with all the complaints and with all the summonses issued he spends a lot of time in court and every Tuesday he is up there in court for 2-3 hours and if he were part time he would spend his entire part time for that day in court. He said if they eliminate this position summonses won't get issued. Mr. Minervini said he does some of the other simple things like assist at the counter, answer phone calls, when they are having a problem with smoke detector installations a lot of times they will do a pre-walk through for the placement and where they are going to go. He felt an elimination of the position or to part time could theoretically cause the Borough to deteriorate and he doesn't see how one full-time employee would be able to handle the work load.

Councilman DeSalvo said being that he brought up the recommendation on the plan he wanted Mr. Minervini to know that he saw two rough drafts of what the dept. had gotten and what the Council received and the last one that went out was different from the recommendations that he was making so he wanted him to personally know that as the last draft that went out was different from what he went over previously and he didn't know how that happened. Mr. Minervini said he understood. Councilman DeSalvo one question he asked numerous times and going through the logs that Mr. Uhl offered, the question he had for Mr. Flenner was on every Thursday morning throughout the year in the schedule it said "keep open" and he has asked numerous times what that was? Mr. Flenner said that was a blocked out area where he tries to keep open to catch up on paperwork, draft technical letters, denials, is a time period they try to keep open most of the time it is open but sometimes it gets filled in with inspections.

Mayor Hipp opened the hearing to the citizens.

Rick Gooding, 267 West Erie Avenue said he lived in Rutherford for 20 years and he has worked with the bldg. dept. a lot as well inspectors in other towns and he thanked Councilwoman Birdsall for speaking to the question of quality instead of just quantity and spreadsheets. He said there is a difference between Rutherford and a lot of other towns; the part time employee towns the inspector goes in and takes a look around slaps a sticker on the window and leaves – others go in and throw their weight around pick out a

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couple of stupid little things to pick on, leave and miss the big issues. Mr. Gooding said the guys are professionals and as a design professional himself he counts on them when he isn't able to be there to keep the contractors in line as those who cheat get caught by those guys. He said the conditions he missed in old buildings, they spot the problems and have them fixed, it is important and he would like to know how many of them had been on an inspection with anyone of them, they don't know what they are talking about it is not all numbers and they need those people. Mr. Gooding said they have the reputation of being tough, thorough and a responsive bldg. dept. that is helpful; when a citizen tries to take on a project themselves they are a great help to them and keep them in line and they are very fair as long as they don't try to pull the wool over their eyes. He said there was a lot of issues in town that need to be looked at and most of them are quality of life issues this is a life safety issue, it is critical and don't do it as there is no need they are not going to gain anything.

Bonnie Corcoran, 390 Montross Avenue said she was appalled as the current Administrator all said they would be transparent, it would be open government, how is it open when the bldg. dept. didn't get the report that the Administrator prepared and gave to the Council a week ago, they get it that night which is not opened. Ms. Corcoran said they are hiding things which is not cool, the gentlemen save lives because if they go away they will have illegal buildings, a lot of dangerous situations that the volunteer firemen are going into. She said those volunteer firemen don't get paid to risk their lives and with them saying they are going part time they are going to send a firemen into a building which he thinks is only one floor as it happened in NYC where three firemen died because there was no way out, are they going to put their volunteers are risk? Ms. Corcoran asked Councilman DeSalvo and the Administrator had said numerous times that every dept. was being looked at, where are those reports? She asked why aren't the other employees being put on rice notice, it is a witch hunt and apparently it was started by Councilman DeSalvo which he lied to her at the soccer field because she asked why was it started and he always said that Hackensack only had part time and two months ago when the assumptions came out everyone was gunning for DPW and the Council went into a closed session and came out because they were against gunning for the DPW and they agreed to find a cut somewhere else and apparently the cuts are the bldg. dept. Ms. Corcoran said she had a furnace put in two years ago in the winter and it was a reputable company and she had problems with them saying they would finish the job the next week, it was two weeks later they weren't answering their phone calls. She still had a hole in her chimney, it was getting colder and she could've had carbon dioxide in the house, she had to get John Uhl in her house to fail her in order to get them back and replace the stainless steel flue. Ms. Corcoran said she doesn't think they need to cut them because like John Uhl and everyone else had said it is going to be a wash, their dept. pays for their dept., if they were looking at other depts. she wanted to see the reports, she would be in the following morning and please have them available for her.

Jim VanNess, 15 West Newell Avenue said as a taxpayer and a six year resident he appreciates the process and there are a lot of budgetary issues with everyone having problems but one of the things he learned is that the bldg. dept. seems very easy to handle, it takes in money, has expensive very quantifiable as opposed to the garbage dept. if they paid per can they might have an easier way to quantify the input and output,

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the police dept. is another very difficult dept. to quantify it is a huge expense for the town and he was sure the bldg. wouldn't be big enough to hold such a hearing but it is necessary and he agrees with that. Mr. VanNess said in his experience with the bldg. dept. he has a 100+ year Victorian that he is restoring and he had at least 12 permits and even on his most recent visit to the dept. he didn't visualize that anyone was sitting around and he still had a delay and had to wait for someone to go out and look at his work. He said from John's point as a homeowner and the person who does most of the work himself, they are really disrupted when they do a project in their house and it is appreciated that things happen more quickly. Mr. VanNess said to Charlie's point his commentary on the inspection process and being multi qualified was that he was there doing a plumbing permit and while he was there it was mentioned that he was waiting for a framing permit and he helped with that and he was able to close up the walls three days early which was very good. He said maybe there is a slump in the economy, maybe the dept. may have to be scaled back somewhat, he doesn't understand the process and it seemed like from the article they were looking to maybe terminate three people that night so he figured it was important for him to go to the meeting. Mr. VanNess said he didn't think it was the proper way to go about since the dept. is quantifiable and from his experience when they are in the process of improving a process they would typically look at the largest loss and he would like that they would start with a larger dept., one that is less quantifiable. He said at any rate he didn't see any inefficiencies in the bldg. dept. and if he did he would certainly say something but he thinks a more efficient way to do the process would be to go to the dept. heads and ask them what type of improvements could they make, try to implement them and then see if they were satisfied with the results.

John Garofalo, 356 Riverside Avenue said he was a local contractor and they specialize in new homes and they work anywhere from Lavallette up to Rutherford and throughout the State with his experience the bldg. dept. is top notch throughout the State. Mr. Garofalo said they are efficient, knowledgeable and he didn't have a whole lot to say but between John and Charlie a couple of times Mr. DeSalvo, they were to his jobs because they are new construction and things are constantly changing. He said the fireplace in the bathroom is a new concept, no one had ever seen anything like that and John and Charlie came and they put their heads together, and George was there also and they got it resolved to where it is safe. Mr. Garofalo said sometimes architects and engineers design things that don't really work in the real world and it is up to those guys to figure out what will and will not work.

Ken Kroll, 149 Ridge Road said it was his second home he had in the town and he thinks Councilwoman Birdsall kind of touched on it; when he thinks of Rutherford it is a great school system and its got beautiful housing stock and that is really the brand. He had worked in many companies like media where there is downsizing and things had to be cut but the one thing they try to protect is the brand and he thinks that is what that dept. does, particularly with John Uhl leading it. Mr. Kroll said he has had many struggles in remodeling his house and he could always go to them and get quick clear answers, his contractors aren't wasting their time, they understand remodeling in old houses which is the town is full of and that to him is really efficiency, that is what he needs as a citizen. He understood that there may need to be cuts and that does happen but he doesn't think

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it is a dept. that they should really look at to do it because he thinks it not only is going to change the safety but the quality too; there are a lot of old homes in town and they need work and they have to have a dept. they could go to that can help them as citizens to expedite that work to keep the town looking the way it is and keep the homes structurally safe to house the citizens. Mr. Kroll said if the dept. didn't run the way it does there were many times he thought he would have to abandon doing his house and a lot of the older citizens that passed on weren't able to keep them up and that creates even more work for the new people coming and with all the new families coming they are really one of the first hands that go out and meet them as they start in the town. He said they were excellent and he wanted to speak on their behalf.

Doug Sinopoli, 47 Chestnut Street and a real estate broker for 25 years in Rutherford said the saying is walk a mile in my shoes is there any one on the Council that was a bldg. inspector, no. Mr. Sinopoli said as a broker he has been to almost every town in Bergen, Passaic, Essex and Hudson Counties maybe not everyone, selling houses and he has dealt with bldg. inspectors, code enforcement officials. He said he has seen the ones that go with the little spray, smoke detector here's your CO on the spot with violations, electrical outlets not covered where a kid could get electrocuted. Mr. Sinopoli said he has had his run-ins because sometimes they don't want to bend a little but the owner's appreciate it because they do their job and Rutherford is well respected because of the bldg. inspectors; the realtor community respects Rutherford inspectors rather than the ones that just go in like that. He said on comment on the fact that they only did 27 inspections in a month, on numerous times he had Rich Minervini who is very generous like that on taking the time out from the Borough to go to the home most recently on Home Avenue to do a pre-inspection as it was a woman all by herself and she didn't know so he asked Rich to come over to walk through the house and see what had to be done when she was ready to sell. Mr. Sinopoli said he did it and then when she had a handy man do the items that people don't know that Rutherford requires that other towns don't do, the jumper cables on the hot water heater, she didn't have the railing up to the last step; he had to come a third time for a re-inspection so is that included in the 27 he didn't know, he didn't have the facts. He said finally there are new laws on lead paint that they want to do inspections for all single family residences and two families, who is going to do those inspections, they got the new sprinklers that just came out a week ago that they want to put in all new construction. Mr. Sinopoli said there are a lot of things they do behind the scenes, has anyone ever been in the car with them for a week and been their shadow to see what they do; just by doing the monetary figure when the market gets popping again which it will they will be back-logged and then they will have to rehire some people because owners are going to be waiting for permits to fix things, to sell their houses, to go over plans and there is just the normal COs that is going to hold up a sale. Mr. Sinopoli said in Clifton he did a sale last week, 21 days they had to do it in advance to get on the calendar and he didn't know how many guys they have and if they don't do it in those 21 days ahead of time like a week ahead of time, they aren't going to close. He said he has other deals pending on it and someone is moving out of State, movers ready and the sale is held up; the Rutherford bldg. dept. and the comments people make to them as realtors is that they like the way Rutherford is, they like it being strict, they like the code enforcement, they like the property maintenance and they like people doing it

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right. Mr. Sinopoli said that is why they don't have issues like Garfield, Lodi and Passaic with illegal apartments because anything goes there.

Jeanna Garafalo, 356 Riverside Avenue said as a taxpayer she would like to address a few things; Borough Administrator Mr. Shenkler when he did the analysis and if he was going to go back to the table and look again it would probably be best if he would take a look at the eight municipalities he looked at prior, demographics is a little funky to look at specifically as he stated but maybe he could look at the number of employees in the bldg. dept. and their certification compared to the ISO level rated by the State because that is a factor that deals with safety as was brought up. Ms. Garafalo said safety is something they would all be interested in as taxpayers because if the ISO rate goes down, the taxes go up, the insurance goes up, the flood insurance and real estate insurance goes up so that is something they would like to look at. She said to Councilman DeSalvo he touched upon the fact that the bldg. dept. members have multiple certification and she thinks that is an important thing, they seek out people in their education system that have multiple certification and she would like to know why that is something they frown upon as those are two things that stood out to her.

Vinnie Laborim, 135 Orient Way said these are very difficult times and they all have to make sacrifices, but one thing some of the residents have brought up is they can't sacrifice safety as it is very important and as the dept. chairman mentioned they got a very high rating and he thinks that is a very important factor. Mr. Laborim said they have a dept. that is covering their expenses, making money and even now when things are a little low 6%, it is only the beginning of the year and usually the summer time is when there is more activity, more people want to do things. He said besides that it isn't like they aren't going to sacrifice, obviously they are thinking about a furlough so they will be doing their part by taking some days off but here it is a dept. that was running efficiently and they didn't lose money everything looks good. Mr. Laborim said safety to him is very important and he loves the town, yes he had been unemployed and for years it has been very difficult for him to get a job, he had to sacrifice and they all have to sacrifice but the approach taken, they don't have all the information to make decisions and a decision shouldn't be made that day. He said a decision should be weighed and they should look at all the depts. and that type of a forum made him learn a lot that day but he didn't think that was the type of forum to have because it puts pressure on them and they should have more communication which is very important. Mr. Laborim said they should all be together and sit down at the work-sessions and discuss it then, have dept. heads go and discuss things and look at everything and then come to a conclusion. He said Mr. Uhl it was his interpretation that all the dept. heads will go before them with their suggestions and they had done that in the past; haven't they asked dept. heads last year and the year before it is nothing new. Mr. Laborim said they have the dept. and it looks like they are a scapegoat, they have to sacrifice and they are willing to pay their fair share but that dept. seems to be running very well. He said he has dealt with part timer code enforcements and it didn't work, they only showed up one evening a week and he gets nothing accomplished so he was not in favor of having part timers especially when they have an efficient dept. which is making money.

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Todd Walker, 255 East Pierrepont born and raised in Rutherford said he heard residents speak and the Council speak and he hadn't heard a negative thing about the dept., their performance or the money that comes out and they generate. Mr. Walker said he wasn't going to speak on behalf of being a business owner, he is a general contractor in town because everyone had done that already and spoke very well in support of the gentlemen and their jobs. He said he was speaking on behalf of the First Presbyterian Church built in 1888. They had a severe electrical problem on Christmas Eve, they lost power to the building and those gentlemen along with George Sassoun who is a member of the group they came out and resolved the problem. Mr. Walker said they spent many hours there, the job was taken care of and they had Church service on Christmas Eve because those gentlemen showed up, they had an air conditioning unit put into the gymnasium and unfortunately the contractor did a poor job, with one permit issued they were there multiple times to meet with the contractor, the electrician which they had to be there to get it ironed and fixed but they were together because they had to be. He said they are second to none and he has worked in other towns and most of his work is in Rutherford which is an old town with a good customer base, he has never heard a negative thing from the homeowners, other than they are tough which they are and they get the job done. Mr. Walker said they don't deserve to be under scrutiny of the Council or anybody in the town, they get the job done and they are not costing them money to provide a service in town, they need to look elsewhere to save money instead of there. He said do they get paid well and have nice insurance packages, yes; are they entitled to it yes everyone is entitled to it; he has to pay for his own health insurance but they are not costing him a taxpayer who pays \$8,700 a year, that is not paying their salary, they are covering their own expenses. Mr. Walker said as far as he knew they were the only organization in the town that covers their own expense, he didn't think the police covered their own expenses, DPW or recycling nobody is covering their fees. He said they should let them alone and go home to their wives and children and say they still have a job and they could continue to pay their mortgage and their bills.

As no other residents wished to speak the hearing was closed.

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Mayor Hipp asked the Council to continue their dialogue.

Councilman Genovesi stated to Mr. Uhl that he knew his position on it, supportive of the fact that they continue to operate revenue neutral which is where he feels is the right place for them to be because that is where the State wants them to be. He said the issue was raised about the 2009 budget being \$548,000, would it be correct in saying that there was a health insurance raise this year? Mr. Uhl confirmed. Councilman Genovesi said the number he gathered from the Administrator was 9-10% increase overall in the health so if they were to take the \$548,000 and subtract the total cost for the health, dental, prescription and roughly it was between \$15,000-\$20,000 increase and that was his fault right? Mr. Uhl said no. Councilman Genovesi said no he didn't think that the dept. raised the insurance rate so if they subtract that increase in what is being planned \$548,000 and took away \$20,000 and looked at their report for last year for their revenues generated which was brought up before by one of his colleagues they are

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around \$525,000 so they are pretty much revenue neutral so he congratulates them. He said if they go through it having four individuals out there doing permit work doing different jobs, the four of them are generating \$525,000 last year, say he got greedy and said he didn't want him anymore he only wanted three and he was going to keep the money from his salary and that was going to be good for the town; the was wrong because technically the town wasn't supposed to be making that extra money, correct? Mr. Uhl said yes but the town is allowed to make up to 12%. Councilman Genovesi said that is good for the current year but what did he have to do next year, he would have to decrease his permits, do less work because the State is not going to let him make the extra money that used to be his salary? Mr. Uhl said that is possible that they would have to decrease the fees and something he didn't bring out prior is that their property maintenance and zoning which are outside of the uniform construction code are covered under the umbrella of those fees. Councilman Genovesi said really it's a very little advantage to have less people doing the work they are doing now because they are not making a profit anyway and if he took one of them away then he had a problem because the next year he wouldn't be making that profit anymore, not that he was making it to begin with, there was no excess in which not he was taking in a salary he is no longer paying him. Mr. Uhl responded yes. Councilman Genovesi said it is of no advantage to the Borough whether they had 3 or 4 people doing the job it's based on the number of permits they actually can accomplish. Mr. Uhl said along with the penalties, violations. Councilman Genovesi said so reducing the work force did not equate to any additional money for the Borough. Mr. Uhl said that was correct. Councilman Genovesi asked if each of them individually collect fees in some form so Mr. Minervini collects his, Mr. Flenner has his, etc. so each position is generating revenue for the Borough. He said he has been a supporter of the dept. and he thinks it continues to operate in the fashion it's intended to operate which is revenue neutral.

Councilwoman Keyes said they heard from many residents, contractors, realtors and the message is really clear that they all want to feel safe, the residents want to feel safe and they do feel safe with the bldg. dept. with their performance and the job they do. She said they want to be able to continue that safety and the second message is to go back, where is their plan, the plan should be to look over everything. Councilwoman Keyes said the information they received at home in their packets, the information that the bldg. dept. gave to them that night are all numbers that have great charts, flowcharts and descriptions of everyone's job but there is much more that the bldg. dept. does for the residents and hearing everyone that night it was clear that they are very much appreciated. She didn't believe it was an area that needs to be looked at, they are sustainable, they have their expenses and revenues in line and she thinks they should move on from there.

Councilman Sasso said the Mayor used the word earlier as lets continue to dialogue; the problem with that statement is that the dialogue should have happened 5 ½ months ago; someone should have sat with John and said what could he do, make some changes or suggestions, try something in the dept. to come up with some kind of savings. He said not just their dept. but every dept. because the bottom line is that there has to be a dollar amount that comes at the end of the budget year that the town has to meet and without working together and having a true dialogue, maybe it is a good format but in

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other ways it is not a good format this open of a session but it should have started a long time ago. Councilman Sasso said to Councilman DeSalvo's defense, he had asked since the budget process started how were they going to come up with these assumptions which there are a lot of, people have to stop assuming and sit down and say this is what they are going to do to get something there. He said a philosophy they have at a majority of the companies he works for is that the people are their greatest asset unless they make something, so the only thing they have tangible is people so they invest in those people whether it is education, training etc. Councilman Sasso said they had to come up with different ways for savings and he only wished the dialogue happened five months back but he hopes that one take away that comes that evening was that tomorrow morning something is called with the dept. heads to say they sat in a room for five hours, and they could have spent that five hours sitting together and saying, let's spend it more constructively, not to say that night was a waste of time but to actually get to point and he thinks the sooner that happens the better off everyone is because something like that night only causes stress for a lot of people.

Councilwoman Inguanti asked Mr. Uhl if he did have a plan for extra savings above and beyond what was provided to Mr. Cortright and Mr. Shenkler at the introduced budget, in January. Mr. Uhl responded yes. Councilwoman Inguanti asked if he could provide her with them. Mr. Uhl said he would sit down with his liaisons to discuss. Mayor Hipp asked if Mr. Uhl would do that quickly please and he thought that a Council member might have the right to ask for that so he wanted to honor his request but be prompt. Councilwoman Inguanti said she knows that is it unpleasant to quantify people's lives, it is an awful thing to do, what is the value of an employee, what is the value of the service they provide, but that is what they had to do, it's a numbers game and as much as she doesn't like that and there are indefinables that every employee provides.

Councilwoman Inguanti wanted everyone within the sound of her voice if they are an employee and they have something they think would save the Borough money, please tell the Administrator or tell the Mayor or tell her, please as she spends enumerable hours on the phone trying to come up with ideas, she is listed and in the book, she had a box in the Clerk's Office if they have an idea tell her. She fully appreciates and respects the opinions that everyone voiced there that night and she has no grudge, no witch hunt it is just the deal, the rubber has met the road and she told them that she doesn't think if they called the DPW superintendent up there, she didn't think the DPW workers would sit there and say they don't generate revenue, downsize them. Councilwoman Inguanti said they would be sitting there with the same concerns and the same fears and she is going to be sitting up here with the same pit in her stomach because she didn't want to do that, she would very much like to say Encap came through with money maybe that is going to happen but the reality is they had a deficit last year \$600,000, the surplus eroded over the last several years. She said it is pretty much nothing, there is no surplus. Councilwoman Inguanti said she knows most of them and she likes those that she knows, it is not personal, it is the reality and while she understands it is revenue neutral there was a significant increase in permit fees a few years ago, she didn't know if they could do that again but it seems like they might have to and it is something she might ask of them that they need to have more precise tools for measuring the revenue they bring in. Councilwoman Inguanti said the reports aren't perfect, the information they have might

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be incomplete so her question for her is say they get to October and they brought in substantially less money than was anticipated what do they want them to do; is there a plan for that dept. if there are substantially less inspections if it is not full-time and the work being required of the inspectors is not full-time what do they do as a governing body; those are questions that she needs answers to and she needs their help to come to the answers.

Councilwoman Inguanti said the other question she had for Mr. Minervini when he makes the OPRA requests who asks for OPRA requests from the bldg. dept.? Mr. Minervini said pretty much anybody and everybody. Councilwoman Inguanti asked if they were residents, developers? Mr. Minervini said all of the above, residents, realtors, potential buyers, concern neighbors, lawyers, etc. Councilwoman Inguanti asked if the fee were charged by the bldg. dept. comparable to what the Clerk charges. Mr. Minervini responded it was identical. Councilwoman Inguanti asked the Borough Attorney if they were required to have exactly the same fees as it seems to her if someone is making an OPRA request to see an open and fair government is one thing but is someone is looking to buy property is there a way to have that fee raised? The Borough Attorney responded no they are all under one fee schedule generally going through the Borough Clerk. Councilwoman Inguanti asked if they could change it or was it the statutory. The Attorney responded it was. Councilwoman Inguanti asked if a design was offered to the bldg. dept. for substantial renovation and they get to the construction and there are problems because when people design things that can't be built or when they open up 100 year old wall and there are things they didn't anticipate. She said is there some sort of mechanism that could be put in place when something is not workable and it requires a substantial technical assistance on the part of the employees is that something they charge for? Mr. Uhl said there was discussion many years ago about charging for re-inspections but that is problematic in itself because it leads to perception that they are failing the inspection for the municipality to make more money so that was disregarded and the State agreed with that decision. He said the problem that sometimes they see is they approve the plan but sometimes there is a field condition like she said or the contractor didn't follow the plan correctly and creates his own version of the plan and when that happens it becomes very time consuming. Councilwoman Inguanti asked if the contractor significantly changes the plan which was approved it seems to her that would be a perfect mechanism to have a standard to charge an additional fee to work it out. Mr. Uhl said they could stop the job and if it is something they feel warrants a penalty then they could issue a penalty against them. Councilwoman Inguanti wanted to say again that it is not personal and none of it will be and they are looking at other depts. and something has to happen because they have a big hole in the budget so she welcomes input. She said they could stand in a circle and point figures at each other but that isn't going to solve it and if they are all going to work together they need to get together and meet that gap and if it means an additional furlough week then that is what it may mean.

Councilwoman Birdsall said she looks forward to the report from the Administrator that will coincide with the assumptions and will provide them with more information as to the process so they could meet the budget numbers as well as the update from the other depts. and what they could put on the table.

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Councilman DeSalvo said he agrees it is not personal, he's dealt with the dept. but he was elected to do a job, his job is to look at the numbers, the process brought them to that point where the notifications had to go out for them to discuss it. He said the Council can't get together to discuss anything if they don't notify so by choosing to go in public that is what happened and he was glad everyone came out. Councilman DeSalvo said he was sorry he hadn't heard of any plan that was set forth by the bldg. dept. and it may be a communication problem with them up there but he didn't hear anything and further investigation and dialogue he would be happy to sit with them, Councilwoman Birdsall to see where they could go to save some money but by no means did he ever want to put anyone out of work. He said the numbers he was going by was full-time compared to part time and could they or not do that and still achieve the same goal.

Mayor Hipp asked Mr. Uhl if the Council decided to reduce the hours of the sub-code officials from full to part time, how in his mind would it affect the safety of the community. Mr. Uhl said it would have an overall affect throughout the community due to the fact that they aren't allowing the inspector able time to conduct the inspection properly. He said they may have to return several times to make sure that inspection is done properly, which happens many times with the homeowners and that really consumes a lot of time but they are taxpayers and they provide a valuable service and they want to work with them to make sure their project is a good project and a safe one. Mr. Uhl said if they reduce the staff hours he doesn't think they would have the adequate time to help that homeowner go through that process which may in fact create a problem for them a more expense to seek an architect to come and redesign the whole thing. He said they don't design for them but they guide them through the process. Mayor Hipp said for clarification they do not design for them. Mr. Uhl responded that was correct they guide them and he thinks that lacks in many municipalities, although they are professionals they just don't have adequate time and that is a shame because they are there they are public servants and they are proud to be a public servant and that is what he wants to do, he wants to serve the public.

Mayor Hipp closed the hearing as no further comments were requested and he thanked all for coming. The Mayor said it was a process that began in February when the governing body had to introduce a budget by the end of March which was a CAP compliant budget which the State requires them to submit a budget which has no more than a 4% municipal property tax levy increase and an overall increase of 2.5%. Mayor Hipp said when they began the process coming off of 2008 spending plan which left the town with an actual deficit of \$652,000 most of that was the result of the accumulated failure of a taxpayer in the town, Encap, to pay property taxes on land that was owned and operated by it; that property tax was in round numbers \$500,000 a year so in 2007 Encap failed to pay \$200,000 in impact fees so in the 2007 budget it was actually a \$700,000 gap between budget and actual because of Encap. The Mayor said the Council was able to overcome that because of surplus monies; in 2008 although the Council didn't budget for the \$200,000 in impact fee which would have been due under the contract, it still was budgeted for \$500,000 in property taxes that didn't come in and basically in a 12 month period over two budget years, they have \$1.2 million in funds that were not received which is another \$500,000 that is a \$1.7 million and a tax point of \$283,000 so almost six points that have to be made up by the Council. Mayor Hipp said it is there responsibility

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and that is the scenario and what they were seeing is a difficult process and it is made more difficult because they have a moving target, efforts are being made every day to get the collection of Encap money and help emulurate some of the impact but they have a problem and they are looking at every means possible. The Mayor said the fact that they are looking at it doesn't mean it's going to happen but it does mean they are going to go through the process and they will do it again with other depts. to see where they can cut because the payroll end of the budget is the largest single item out of the \$26 million budget almost \$19 million is payroll. Mayor Hipp said he wanted to say in general no one is picking on the employees, all of whom work very hard and he thinks deserve a round of applause and deserve to be recognized for their efforts. The Mayor said he didn't mention the fact that the tax base is shrinking by millions and that adds some tension, they will have other meetings of that nature with other depts., the employees are free to have them public as they chose to do that evening and he applauds them as normally it is done in closed but he had no problem with it being in open and he thinks it is more appropriate that the open and transparent process is the more information the public has, the more they appreciate the difficulties that they all faced as a community and they will get through it but they may not like what they hear. Mayor Hipp asked them to trust them, it will happen and they will get through it as it is their problem and they will do it but they will not have all the answers until they adopt the budget in the end of August so there will be more special meetings, more discussions, more efforts to investigate to basically make up that almost \$2 million gap in revenue versus expenditures.

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Councilwoman Keyes made a motion to adjourn the meeting at 11:15 p.m., seconded by Councilwoman Inguanti and unanimously approved on roll call.

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Borough Clerk