

**MINUTES OF A SPECIAL MEETING OF THE
MAYOR & COUNCIL
HELD TUESDAY, OCTOBER 6, 2009**

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

*

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

*

The Borough Clerk read the provisions of the Open Public Meetings Law and confirmed that proper notice of the Special Meeting was posted on September 30, 2009.

*

Consent was given for added items.

*

Mayor Hipp opened the hearing of citizens.

Charles Burrhas, 267 Mortimer Avenue asked question in regards to the proposed budget.

As no further citizens wished to speak, the hearing was closed.

Mayor Hipp responded to his question regarding the monies received from Encap and explained that the overall tax increase was going to be 3.2%.

Councilwoman Inguanti explained that the estimated tax bills that were sent included the higher rate of 4% and now the actual increase will be less for residents.

*

*

*

MINUTES OF SPECIAL MEETING HELD OCTOBER 6, 2009

PUBLIC WORKS

Councilman DeSalvo made a motion to accept the request from 55 Kip Center to use the mini-bus on October 10 for the Pumpkin Run, seconded by Councilwoman Inguanti and unanimously approved on roll call.

* * *

HUMAN RESOURCES

Councilman DeSalvo made a motion to authorize the Borough Engineer to advertise for bids for the Leisure Lane Project, seconded by Councilwoman Inguanti.

Mayor Hipp opened the motion for discussion; discussion took place.

The Borough Clerk read the roll call with unanimous approval.

* * *

FINANCE

Councilwoman Inguanti made a motion to approve the following Resolution awarding the contract to **MET-TEL** for additional telephone project, seconded by Councilwoman Birdsall and unanimously approved for roll call:

WHEREAS, the Borough of Rutherford previously entered into a contract with Extel Communications, Inc. for replacement and installation of a Borough-wide telecommunications system under NJ State Contract A42291; and

WHEREAS, in conjunction with said telecommunications system proposal an analysis of monthly telephone service costs was performed. This analysis has projected an estimated annual savings of \$5,800.00 as compared to current recurring telephone service costs; and

WHEREAS, it was determined that the Borough will enter into an agreement to consolidate telephone line services by utilizing a PRI (primary rate interface) T-1 circuit to deliver necessary services to the Borough; and

WHEREAS, it was determined that such services should be purchased on a monthly basis for a three year term from **Met-Tel (Metropolitan Telecommunications)**, a Verizon service provider and that such services will have a monthly cost of \$668.03 plus usage; and

WHEREAS, the Borough has entered into a previous Agreement with Extel Communications for the installation of a new Borough wide telephone communication system, a separate Agreement is required to be signed with the Carrier, Met-Tel and will provide additional services such as consolidation of existing services by removing existing

MINUTES OF SPECIAL MEETING HELD OCTOBER 6, 2009

telephone and trunk lines that are no longer used, add benefits such as caller ID, unlimited local message units, and other services which are not currently available. This service will replace existing telephone lines resulting in an estimated annual savings of \$6,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the Borough of Rutherford enter into an Agreement with Met-Tel; and

THEREFORE, BE IT FURTHER RESOLVED, that the CFO has certified availability of funds.

*

Councilwoman Inguanti gave a brief overview of the status of the 2009 Municipal Budget. She noted that the Resolution before them did not require them to cancel capital monies and they provided the LFB with an explanation of the Encap money and what it was for. Councilwoman Inguanti stated they received a letter from NJMC detailing the \$200,000 and with all that said they are in a better place with understanding all numbers.

CFO Ed Cortright said the biggest issue the State had was the delinquent tax revenue that they could anticipate in the 2009 although the Borough had already received the money. He said the convinced the State to enable them to use \$1,889,000 of the \$1,940,000 because they used 45% as the ratio of tax collection from the 2008 annual financial statement. The CFO said they were able to use the average of 3-4 prior years when Encap was not involved with the delinquency and that average was about 83%. He continued to state the in order to have a budget that didn't increase more than 2.8% on the municipal end, they reduced police salaries and wages by \$81,000 which made the entire budget balance; the \$81,000 was the result of a retirement. The CFO stated there will be a budgetary freeze on department expenditures to meet with 2.8% and they will be able to cover all potential over expenditures with budgetary transfers. He said the State is in full agreement with it.

Councilwoman Birdsall asked for confirmation that four months of police salary is \$81,000. The CFO responded that it would be closer to \$40,000 and the rest will be covered by transfers dependent what is left in miscellaneous accounts during the last two months which is the norm.

Borough Administrator Les Shenkler stated that they are now offering employees 60-40% with the employee if they opted out of the health insurance; which has cost savings for the Borough.

Councilwoman Birdsall asked what the target was for the budget freeze. The CFO responded his best estimate was \$75,000. Councilwoman Birdsall questioned the amendment with regards to the Police wages as there was an \$81,000 deduction not \$40,000. The CFO explained it was for budget purposes and it would be put back in.

MINUTES OF SPECIAL MEETING HELD OCTOBER 6, 2009

Councilwoman Inguanti explained there were always transfer at the end of the year. Councilwoman Keyes expressed that concern for stating something incorrectly to the LFB. The Mayor said they are presenting an accurate picture and he asked the CFO to reduce the transfer out of police to \$40,000 and take it from another line. The CFO said there is police overtime that they will be receiving to cover those costs.

Councilwoman Inguanti made a motion to adopt the amendment for the 2009 Municipal Budget, seconded by Councilman DeSalvo. The Borough Clerk read the roll call: Councilman Genovesi, Councilwoman Inguanti, Councilman Sasso and Councilman DeSalvo voted aye; Councilwoman Keyes and Councilwoman Birdsall voted nay:

WHEREAS, the local budget for the year 2009 was approved on the 11th day of March, 2009; and

WHEREAS, a resolution to amend the approved budget was approved on September 29, 2009; and

WHEREAS, the public hearing on said approved amendment has been held as advertised; and

WHEREAS, it is desired to amend said approved amendment;

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Rutherford, County of Bergen that the following amendments to the approved budget be made:

Anticipated Revenues:

3. Miscellaneous Revenues – Section G

Special items of General Revenue Anticipated with prior written consent of director other special items:

	<u>From</u>	<u>To</u>
Reserve for debt service	\$ 95,731	\$ 65,128
Total Section G Special items of General Revenue Anticipated with prior written consent – Other special items	\$ 1,334,744	\$ 1,304,141
Total Miscellaneous Revenues	\$ 5,207,938	\$ 5,177,335
4. Receipts From Delinquent Taxes	\$ 1,940,000	\$ 1,889,000

MINUTES OF SPECIAL MEETING HELD OCTOBER 6, 2009

It is hereby certified that this is a true copy of a resolution amending the budget, adopted by the governing body on the 6th day of October 2009.

*

*

*

Councilwoman Birdsall made a motion to approved the following Resolution to go into 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 Tuesday, October 6, 2009 at 7:40 pm in the Committee of the Whole Room to discuss the following matter:

- Omni-point Communications

*

The meeting re-convened to open session. There being no further business, Councilwoman Keyes made a motion to adjourn the meeting at 8:11 p.m., seconded by Councilwoman Birdsall and unanimously approved on roll call.

Borough Clerk