

**MINUTES OF A SPECIAL MEETING OF THE
MAYOR & COUNCIL
HELD TUESDAY, SEPTEMBER 30, 2008**

The meeting was called to order by Mayor Hipp at 7:40 p.m. with the following Councilmembers present:

Councilman Fecanin
Councilwoman Keyes
Councilwoman Inguanti
Councilman Sasso

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Councilman Sommer – via telephone
Councilman Genovesi – via telephone

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

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Councilwoman Inguanti read the provisions of the Open Public Meetings Law.

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Mayor Hipp announced they have a limited agenda with three resolutions; amend of the 2008 budget; second amendment to the 2008 budget; adopt the 2008 budget. Mayor Hipp said there will be a public hearing.

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Councilwoman Inguanti made a motion to amend the 2008 Municipal Budget, seconded by Councilman Sasso.

Councilwoman Inguanti said it was advertised in the Record Newspaper on Friday, September 26. She said the amendment reflects, three quarters of the way through the year, some changes; they are a little more clear on the numbers they introduced in early March with receiving \$200,000 in extraordinary aid and had \$200,000 in municipal aide taken back by Trenton so they are also still struggling under the issues regarding Encap. Councilwoman Inguanti said having had that development suspended by the NJMC, they are nearing the end of the year some areas are in good shape and they have had tremendous cooperation from the Borough Employees. She couldn't stress that enough of how helpful they have been in a very tough budget year and she would like to commend

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CFO Ed Cortright who has been tremendously patient with her, very instructive, he is a great steward of the peoples money, he always prepares for the worse case scenario hoping for the best and he was a tremendous example to her of how they need to look at the municipal budget and she appreciated all his help. Councilwoman Inguanti asked the Mayor to open the meeting to the public.

Mayor Hipp opened the hearing to the public.

Jack Boyle, 109 Mountain Way said in the afternoon he had spoken with the CFO who informed him that they already surpassed the \$120,000 in legal fees that they had in the amended budget, actually they are presently at \$220,000 and the actual might be around \$300,000 and that they passed the \$5,000 allotted for gasoline. Mr. Boyle said the CFO said they would have to do budgetary transfers in the future to cover the excess legal and gasoline fees; his question is why are those numbers not presented in the budget and why are the amended numbers the ones that are still there? His next question was that according to Mr. Cortright on October 21 the Mayor, CFO and others are going to the Local Finance Board in Trenton to seek authorization on the selling of a \$500,000 three year note, what happens if that note is denied, how does that affect the budget and what guarantees do they have that Trenton is going to approve it?

Bonnie Corcoran, 390 Montross Avenue said she wrote the following when she talked to Ed three days ago which involves the cell lease.

Councilman Sommer said because he couldn't hear on the phone, he needed to hang up and was going to call back in ten minutes. Mayor Hipp announced they would wait for him to call back.

Mayor Hipp continued the hearing of citizens when Councilman Sommer and Genovesi were back on the phone.

Bonnie Corcoran continued as she was looking at the budget she received in talking with Mr. Cortright a few days ago about the budget and actually the cell tower lease sales were still on the budget and she showed concern that the lease sales were on and she is glad they were taken off because in the present financial market they can't rely on numbers they really don't have. Ms. Corcoran said the budget has changed and she is wondering what the current tax rate would be now? She said the one thing they do have as stated, is that there are erroneous numbers on the budget; the gas, the legal, Encap tax sale liens, money they are supposedly going to get if the tax sale goes, keep in mind it has been postponed three times which is now going on for October 13 and she hopes it goes through because they could really use the money. Ms. Corcoran said all those figures they don't yet so how can they put that revenue in the budget when they don't have them because it could change in a moments notice. She said to sit on the dais and work with the budget that includes figures that aren't real is just unreasonable, they should be working with a budget that has real and true numbers and it is really sad they are not working with the true numbers for they are going to be shocked if the budget passes and come January 2009 they pass the budget now with holes in it, they are going to have deeper debt and they are going to have to deal with the debt. Ms. Corcoran said

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once they have one debt it just snowballs, that is what happened the past 8 years, with little increases and then they got a massive increase in two years, they got hit hard and now with the financial markets the way they are everyone has to buckle down and start using real numbers. She said over the past few weeks they have lost banks that had been around for decades, they are living on fake numbers and that's what happens to them, the last thing she wants to see is the town go under because they are relying on fake, unreal numbers. Ms. Corcoran asked they vote no on the budget as it stands right now, revisit the budget and put the real numbers down to the penny in the budget and come back with a real tax increase and not a fake one because if they don't it's going to come back to bite them and it will be so hard they are not going to be able to afford Rutherford and it will become a ghost town like the town in California that lost all the homes between taxes and foreclosures and that is the last thing they want to see in Rutherford.

Kim Birdsall, 44 Summit Cross said she sincerely appreciates the time and effort that goes into preparing a budget but there are significant inconsistencies and gaps between figures that are true and statements made last week and what was presented in the document then. Ms. Birdsall said Mr. Cortright is an excellent resource and she completely agrees with them, he was kind enough to spend time and answer some questions she had about the budget and she thanked him. She said as a resident she had some additional questions and concerns on some line items; as was mentioned previously there was discussion that attorney fees would be up to \$300,000 and the budget reflects a line number of \$120,000 that is not accurate for the residents someone who came to look at the budget would be very surprised to see that true number. Ms. Birdsall said in the meeting last week, Ms. Inguanti talked about the capital improvement fund which reflects a zero amount of dollars, there was mention that they would be putting at least \$50,000 in that fund and she believes there is an importance to the fund and they do need to have money there for an emergency. She said she realizes there was a surplus in the capital budget that they will be utilizing but she thinks the importance of an improvement fund compensation should be put in there. Ms. Birdsall continued that she understands that with a reduction of the revenue of \$333,000 from the cell tower that it further reflects a cut in the group insurance by \$228,000 that leaves a difference of \$105,000; she would like to see what the plan is to compensate that amount of money. She said Mr. Cortright spoke about \$24,000 of that being from the Borough Administrative position which had not been filled yet, as well as \$12,000 being from the Recreation Supervisor since that position was only filled six months into the year, that leaves a hole of about \$66,000. Ms. Birdsall said Mr. Cortright mentioned that there would be a purchase freeze to cover excessive gas and lawyer fees above what is projected and she would like to know what that estimate is, what the revenue expected from that purchasing freeze would be? She said also in speaking with him in reference to Dept. Head expenses had been increased by \$45,478 in the budget and he noted that he would look into that further for her as that is a significant increase. Ms. Birdsall said with her calculations there would be a potential hole of \$249,000 plus the cost of gas and anything that exceeds the budgeted \$205,000 and therefore the revenue for the difference from the purchasing freeze, as well as the revenue as Mr. Cortright said some of that group insurance was covered under the DPW workers which had retired, all of that money needs to generate at least \$249,000 for them to stay at the 3.61% rate that was

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presented in the budget. She said based on those discrepancies and calculations she would urge the Council to vote no, as there are inaccuracies in the budget and she thinks it needs a little more review and she believes the numbers should be as truthful and should reflect the estimate they are looking at.

Denise Ross, 205 Wheaton Place said she knows it is not an easy job to sit on up there and do the job that they do, she has a tremendous amount of respect for them but she wish they had some respect for her and the taxpayers out there by not handing out the document that is filled with inconsistencies, that is not open government. Ms. Ross said that is government with holes in it, that is the openness that they are seeing there and then she asked if Councilman Sommer and Councilman Genovesi since she understands that the document was just handed out, did they have the opportunity to see it since they were not present. She said on the record since she waited, the meeting was suppose to start at 7:30 and then started and then stopped and then they waited 25 minutes before they had the Council people that were there but not there, could they hear what was being said? Ms. Ross said she believes that is a big insult to the people in the room, and they laugh about it and she is glad they are laughing about it because they must have been born under a lucky star because the Taxpayers Association isn't here and again the document is plagued with problems. She said she is really concerned and she wished using the word concerned, that the Concerned Citizens where there to also take a look at the document and really truthfully, names changed on the dais, actually caused a member of the audience to go up there and joke about it and she has never seen in all the years, Mayor Hipp that the Council; Republican or Democrat was a joke like it was shown there that evening.

As no further citizens wished to be heard, Mayor Hipp closed the hearing of citizens.

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Councilman Fecanin stated that he had three questions; he asked Councilmen Sommer and Genovesi if they heard they had an amendment to the amendment?

Councilman Genovesi answered yes. Councilman Sommer asked to repeat the question. Councilman Sommer said he was unable to hear and continued he could not hear where the amendment took them to help him understand where they are. Inaudible. Councilman Fecanin said that Councilman Sommer said he doesn't know what is going on.

Councilman Fecanin said the second question is, an amendment to an amendment. He continued to say that Councilwoman Inguanti, why does she keep bringing up Encap as it is not in the amendment to the amendment so why was that announced again, he was confused about that.

Councilwoman Keyes said she and Bonnie Corcoran happened to be on the same page, even though they didn't even speak together but most of the things she has to say Ms. Corcoran already said but she just wanted to start at the beginning and she wanted clearly to have everyone listen because they all remember last year when the Mayor was

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campaigning and saying "they were not going to have a tax increase", "those people spend too much", they heard that over and over again, well there they are. Councilwoman Keyes said so on top of the increases in 2006 and 2007 now they have another increase, it's only fair that since everybody last year said they had a 33% increase and she is not even sure what the increase is now, is it 4%, 5%, 6% that would bring them up to almost 40%. She said it is just incredible because the increases do not go away, they stay with them as part of their tax bill. She said the trend has been that gasoline and fuel have been on the rise, if they can read a newspaper, they know that that trend is there and its not going down, she questioned it at introduction and was told they over estimated that last year but they are still short. Councilwoman Keyes said they used 102% of the gasoline budget and that was as of Sept. 25 and again there the residents have questioned it; new administration, new professionals, their auditing budget is at 97% and it is only Sept. 25. She said again the past administration had too many legal expenses, she would rather have competent legal advise than low-ball their needs and that statement does not in any way reflect the competency of the paid professionals that they have had to go to for legal advice; but still, they low-balled it and they are over by \$150,000 and they still owe money to professionals that served the borough in 2007.

Councilwoman Keyes said they have three police officers that were returned to duty, and she did vote for, their compensation has not been allotted for in this budget, according to the CFO; Back pay and legal expenses have not been accounted for in this year's budget document. She said they were told in March, much like the way the prior administration spread out the cost of the reval for the property owners, that they were going to be able to push that off and carry it over, she sees no evidence of that so far; she guesses they couldn't do that.

Councilwoman Keyes continued that as part of the Council, she did not vote for the sale of a cell tower, also known as the 40 year lease of a cell tower at a questionable rate, to bring in revenue. Revenue is good, when you can get it, not by selling off borough assets. She said this was a done deal, it was to be put into the amendment and where is it, it's not there. She takes no pleasure in not voting for the budget, but lets remember that numbers don't lie, trends are trends because they indicate a certain behavior or result. Councilwoman Keyes said people must have been very, very confident that they could come there and present a budget without any increases, but then again, they always blame it on spending. She is in favor of being fiscally smart but she is also in favor of being honest and true to the residents; the budget does not have a ringing endorsement that they have handled their expenses or a solid plan for the future. Councilwoman Keyes said everyone that spoke there said there are holes in it and she has to agree. She said the \$80,000 that they are spending for a Police Director totally avoidable for someone to sit across the street to write reports for the Mayor and Council, not for the Council actually she has not seen anything, it is just ridiculous when they have competent police officers in line that could move up in rank, that could do the job, but no they chose to spend more money.

Councilwoman Inguanti said to Councilman Fecanin the reason she mentions Encap is because the concern that has been expressed regarding the legal fees and she wanted to remind everyone that when they hired professional legal advisors on Encap it was an

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extent development that was moving ahead with a very aggressive developer who wanted to put 20,000 units of housing in the Meadowlands and then after they hired the person they started learning the particulars of the Rutherford situation, which is all billable hours then the agreement was declared void by the NJMC. She said just as the \$187,000 that McManimon and Scotland is asking from the escrow account that Encap failed to fund starting in 2006, the Encap deal continues to present problems in the budget today because it blew apart and left three towns and the NJMC holding the bag. Councilwoman Inguanti said she just thinks it is important for people to understand the timeline that Encap continues to be a source of stress on the budget.

Councilwoman Inguanti said when they go to present the budget and formulate it in February and March, they can't know all of the numbers, that is why they do their best guess, they can not know what gas is going to do or what legal fees they will have or that there might be a windstorm that causes branches to come down; there are unexpected things that happen in the course of a year so they do the best they can in anticipating what the fees are going to be. Councilwoman Inguanti said with fuel they had budgeted about \$200,000, they only expended \$175,000 in 2007 so they left that as it was and added another \$5,000 to it, it wasn't enough so there are other accounts where they are seeing overages like the Borough Engineer they budgeted \$50,000 he has expended \$23,000 now and they are $\frac{3}{4}$ through the year. She said this is standard, nothing out of the ordinary; in 2007 \$75,000 was budgeted for engineering fees they spend \$118,000 and then there was a reimbursement of \$3,000 so it ended with a net of \$115,000; those are the numbers that as they play out over the course of the year there is really no way to have all of the numbers in February, there is no way to have all of the numbers totally down to the last penny in September, they don't know what is going to happen necessarily in the last three months. Councilwoman Inguanti turned it over to Ed Cortright because he obviously lives and breathes the budget and his fingers have been flying across the adding machine and any questions he would like to address she would yield to him.

Mayor Hipp addressed Councilman Sommer stating the change in the amendment that was introduced and past week is as follows: they removed the sale of the one cellular lease of \$333,000 that has been removed from the amended budget; the decreases in the tax levy which is a reduction in group insurance of \$228,000 so with the proposed amendment those are the two things the Governing Body will be voting on, whether or not to accept the removal of the cellular lease and the reduction of \$228,000 in the group insurance. The Mayor said if it passes the levy will be amended to reflect a 4.81% increase and the overall tax levy will be amended to 3.61% and that is basically it, the rest of it remains unchanged from the document he cast a vote on last week.

Councilman Fecanin said he appreciated Councilwoman Inguanti's performance, they are talking, a public hearing on the amendment to the amendment and she keeps going back about Encap and the reason is about the cell tower the amendment to the amendment. He said they already talked about the amendment last week, now they are on the amendment, amendment.

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Mayor Hipp asked Ed Cortright to speak at the request of Councilwoman Inguanti. CFO Ed Cortright said he was going to answer some of the questions that were asked by their constituents in the audience. He said in regards to the increase in the taxes in the amended budget, the 2008 municipal tax levy as amended is going to be \$19,231,000 versus \$18,349,000 from 2007; a 4.81% increase in the municipal tax levy. He said overall when they factor in the State, County and Municipal budgets the increase is 3.61% and one of the questions that was asked by Jack Boyle was what happens if the emergency that they have for the \$500,000 for tax appeals doesn't materialize. If that is the case but he doesn't think it will be, then that \$500,000 will be an over-expenditure and it will have to be raised in the 2009 budget all in one fell swoop however, he doesn't believe that is going to happen because on October 21 they are going to make an application for the Local Finance Board and appear before them probably in November on which the Mayor, Rose Inguanti, the Borough Attorney, the Auditors, other attorneys as well as himself. The CFO said they make a case to the LFB who will listen to them and he would say that he is 99% assured they will go along with the \$500,000 emergency and let them pay it over three years, namely 2009-2011. Does he know it 100%, no but he would say 98% because they have done it in the past for the Borough and they do it routinely with other municipalities who go through revals which is always a havoc in municipalities and they know it would be unfair to raise the entire amount in one year on the back of the taxpayers. The CFO said he is reasonably certain that the \$500,000 will be passed and they will not have an over-expenditure in that account.

The CFO said another question was the legal account and the fact that it is over budget; they have to remember that the legal account is in a state of flux now, included in the over expenditures are \$50,000 for Paul Barbire who is the attorney representing them in the tax appeals, that \$50,000 is going to be shifted into that special emergency and paid for with the tax appeals over three years. He said that is \$50,000 that is not going to be an over-expenditure. Cifelli and Davies expenses to date are \$33,000 and those legal fees are going to be part of a special emergency that they are going to introduce shortly after the budget is put to bed; that \$33,000 will be paid for in 2009, it will be part of the monies that the Borough has had to paid for the police officers back pay who were involved in the bounty hunter incident. The CFO said along with their salaries are the attorney salaries which will be part of that so it will not be part of the over-expenditure as it appears now on the list of expenditures, similarly they have another bill included in the over-expenditures from Mr. Maraziti, year to date his legal fees included in the over expenditures are \$67,834 Councilwoman Inguanti has been trying (not successfully yet) to set up a trust escrow account for his Highland Cross work. He said it probably will be set up in 2008 possibly in 2009 but the point is if they add those three numbers up, they add up to \$148,000 which is almost exactly the amount of their over-expenditure at the present time. The CFO said the point he is trying to make is that the legal account is in a state of flux and they have sufficient capabilities in November and December to make a transfer to that account if it is necessary to do so.

He said the Mayor and Councilwoman Inguanti have looked over with him, the various line items in the accounts and they know that thanks to the recycling efforts of Sharon DelVecchio they have not only a revenue stream increase, enormous compared to last year, but also the dumping fee account is going to have a surplus in it of \$50,000,

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that's \$50,000 that can be used to cover any potential over-expenditure in the legal account and gasoline account. The CFO said there is a raft of other accounts; worker's compensation account, the liability insurance account which have some monies left which in all probability are going to be available for a transfer so it is his opinion at December 31st when everything is said and done they will have enough money to have absolutely no over expenditures, transfers will be made the same as they have been made for the Borough of Rutherford for the past 30 years and as they are made in almost everyone of the 567 municipalities in the State of New Jersey.

Councilman Fecanin asked Mr. Cortright that he mentioned Sharon DelVecchio from the DPW, in what way did she give the money, didn't it come from the residents of the town that put out the recycling? The CFO responded no, it was from her recycling efforts, she is the recycling guru in the Borough. Councilman Fecanin said she is the recycling coordinator. The CFO said he likes to say guru too, she is the expert in that matter and if they take a look at the budget amendment the increase in recycling costs and recycling revenues; \$109,000 in additional recycling revenue was added as an anticipated revenue in 2008 largely through her efforts. He said that is a \$109,000 which has been reduced from the tax levy and that amount is actually conservative, it is actually going to be even higher but what the Governing Body usually does is they don't anticipate every single revenue to the decimal point, they leave some room for excess and in the case of the recycling revenues they actually will ascertain, realize more than \$109,000. Councilman Fecanin asked another question, the recyclables that are put out on the street, did those items go up, where are they getting the money from, it is coming from the residents of the town, isn't it? The CFO said no these are revenues that they are getting are coming from the recycling efforts of the citizens, they have those recycling materials picked up and they are sold, they get a revenue from them. Councilman Fecanin said so it is the residents putting their recyclables out and doing the right thing and that is why it's going up. Mayor Hipp said if the Councilman wants to engage in a cross examination they can do that. Councilman Fecanin said he was just trying to get a straight answer. Mayor Hipp said he believes he got an answer.

Councilwoman Keyes asked the CFO if the three amounts he just talked about for the special emergency fund for the legal fees; do they have to get approval from the Local Finance Board to do that. The CFO responded yes. Councilwoman Keyes said but they don't have that yet, correct? The CFO responded yes, they do not have that at present.

As no other Council discussion was requested, Mayor Hipp wanted to address the overall idea. The Mayor said there is a difference between what is budgeted and what is actual and the best way to show that by example is to compare the present year's legal budget with last year's and this year's legal actual with last year's legal actuals. Mayor Hipp said last year the Governing Body of the Borough of Rutherford budgeted \$240,000 for legal and they actually expended \$400,000; similar differences occurred in engineering fees this year it was \$120,000 and they will probably be going no more than \$300,000 if they are successful in the application to the LFB it will be about \$70,000. The Mayor said there are a lot of things in the budget because they are now trying to adopt it at the end of September which doesn't quite mesh with actual spending, the document he had in his hand is basically a line item of budgeted to actuals. Mayor Hipp said they would find if

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they went through it that there are a lot of differences and they are not changing all of them to reflect actual spending so he doesn't want people thinking that they are going to ignore the over-expenditure and two items. The Mayor said they are also ignoring major surpluses and small surpluses, there is actually \$57,000 that they will be saving for example in the dumping fees because they have encumbered those amounts and they know what they are going to have at the end of the year. Mayor Hipp said they are going to save maybe \$13,000 to \$15,000 on telephone, they budgeted \$98,000 they will spend less than that; they pretty much know going forward because they are into the last quarter what the expenditures are going to be so they can tell there will be surpluses in a lot of those accounts but to say they have an inaccurate budget is probably to say that no budget in the community or the 566 municipalities in the State of New Jersey ever has an accurate budget. Mayor Hipp said everyone transfers from one account to another as of November 1st it is done all the time, by this Governing Body as a routine basis and that will continue to be the case this year. The Mayor said as they gain more experience in some of these issues they will obviously be able to provide tighter budget controls going forward in 2009 but with the tremendous efforts by the Dept. Heads in the current year will result in incredible savings in a very tight year. Mayor Hipp said he is not terribly happy with the idea of a tax increase, he does disagree with Councilwoman Keyes, what they said this year was they would stop the bleeding and he thinks they have done that. The Mayor said when they finalized the budget last year, 15.7% municipal tax increase and in less than a year they cut it down to 4%, he thinks they have done the best they can to stop the bleeding and they hope to do more going forward and he thinks basically everybody is on the same page as to the need to keep costs down and to keep a control on them. Mayor Hipp said there are things out of their control and with all due respect to the Encap issue, the fact remains that Encap has resulted in significant litigation which resulted in a lot of effort; the new Highland Cross development which was something that was introduced to the Meadowlands Commission in May of the current year has also been a substantial drain on fees. Mayor Hipp said they have to deal with the coalition on affordable housing, they have to deal with new Round Three COAH ranks, none of these things they could have predicted with any degree of accuracy in March of 2008 and they are significant issues that will impact all of them, they do need to provide those services and they do have to pay for those services. Mayor Hipp said even with all of those unforeseen issues, the actual in legal fees will be about \$100,000 less than the actual of legal fees last year without those issues; they weren't litigating with Encap, they weren't litigating with Highland Cross. Mayor Hipp said finally with respect to the gas he has heard people come to the microphone and say it is going to be \$4.00 a gallon, it is going to be terrible they are under budgeting; well one of the reasons they under budgeted is because during the year they did enter into a deal with the Board of Education so that they could start using the fuel dock at the DPW garage; they had never done that before, that saved \$20,000 in just this year alone. Mayor Hipp said that will increase the budget, he has said that publicly, there will be adjustments to that line, not to the budget line but adjustments to the cost and one of the reasons for that is the fact that they are allowing the Board of Education not to have a contract with a private gas station and pay top dollar but to go and use their fuel for their buses and that is a terrific example of cooperation between the two groups which saves the taxpayer dollars. The Mayor said it is going to increase their line but they are going to reimburse them so these are things they didn't know in March, they came to them in the summer and they finally got it going so that's

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why they are going to see the small differences and it is not that significant of an issue if they have overall a spending plan. Mayor Hipp said they are going to spend \$25 million in change, they are going to raise exactly that amount and there are some things they are going to pay off over time so they don't burden the taxpayer and he thinks that is sound, he thinks that is good policy, they are going to get the money from Encap and they are going to do it within the next few weeks and he thinks that is a good idea and had they adopted the budget in April that would have been there and he doesn't think there would have been a human cry whatsoever because people would have realized that anticipated revenues which is what they have there only come in at a certain time. Mayor Hipp said with that he asked the Clerk to call the roll.

The Clerk called the roll call; Councilman Fecanin, Councilman Sommer, Councilwoman Keyes voted nay; Councilman Genovesi, Councilwoman Inguanti, Councilman Sasso voted aye with Mayor Hipp voting aye. The motion passed.

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Councilwoman Inguanti made a motion to adopt the second resolution for the second amendment to the 2008 Budget, seconded by Councilman Sasso.

Councilwoman Inguanti explained the second amendment was done to reflect the removal of the cellular tower lease agreement and she asked Ed to explain the other additions that were being employed to help make up for that. The CFO said the State of New Jersey requires that they have two separate amendments and hence the second rational in having the additional resolution approved by the Governing Body. The CFO said when the cell tower lease was not going to materialize in the amount of \$333,000 it was the Governing Body's decision, or most of them, to try to find an area in the budget where they could cut and the one area they could cut in was into the employee group insurance account. He said they couldn't reduce that by the total of \$333,000 but they could reduce it by approximately \$280,000 which helped to offset the increase in the levy from the tax sale, the sale of the cellular lease which wasn't materializing. The CFO said that he has been asked on several occasions where did the \$280,000 come from in the group insurance account and the answer is at the being of the year they had budgeted in the group health insurance some 12 months worth of group health insurance for the Borough Administrator which has not been appointed and as a result they had almost 12 months worth in that account which is not going to be utilized. He said in addition they had 12 months worth budgeted for Recreation Director who did not materialize until June of 2008 so there was roughly 6 months worth of insurance which freed up some money to be utilized to offset the cell tower loss. The CFO said in addition they have to remember that from 2007 some 12-13 DPW employees through attrition left in 2007 and were not replaced in 2008, the reason they have some money left over in the group insurance was because they budgeted for the possibility of putting one or two additional employees for the DPW and then at the same time have some monies in the account for their benefits and as of the present date it looks as though the money put in there for the additional DPW employees was not necessary. The CFO said hence the extra funds being utilized to

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offset the loss from the cell tower lease and that is the substance of the second of the second amendment.

WHEREAS, the local municipal budget for the year 2008 was approved on the 4th day of March, 2008 and

WHEREAS, the local municipal budget was amended on September 30, 2008, and

WHEREAS, the public hearing on said budget 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 amendment of Sept.30, 2008 be made:

Anticipated Revenues:

	From	To
3. Miscellaneous Revenues – Section B: State Aid without offsetting Appropriations		
Supplemental energy receipts Tax	52,242	0
Energy Receipts Tax	1,199,305	1,251,547
3.Total Section B – State Aid Without Offsetting Appropriations	1,985,156	1,985,156
3. Miscellaneous Revenue – Section G – Special Items of General Revenue anticipated with Prior Written Consent of the Director of Local Government Services:		
Other Special Items:		
	From	To
Sale of Cellular Lease	333,000	0
Total Section G: Special Items of General Revenues Anticipated With Prior Written consent of Director – Other Special Items	1,512,127	1,179,127
Total Miscellaneous Revenues	5,621,059	5,288,059
5. Subtotal General Revenues	6,931,059	6,598,059
6. Amount to be Raised by Taxes for Support of Municipal Budget:		
a) Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	19,126,914	19,231,914

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7. Total General Revenues	26,057,973	25,829,973
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8. GENERAL APPROPRIATIONS

A) Operations Within Caps
GENERAL GOVERNMENT

Employee Group Insurance	3,590,051	3,362,051
Total Operations – Item 8 (a) Within “Caps”	18,238,619	18,010,619
Total Operations Including Contingent Within “Caps”	18,240,619	18,012,619
Detail:		
Salaries and Wages	9,934,703	9,934,703
Other Expenses	8,305,916	8,077,916
(H-1) Total General Appropriations for Municipal Purposes Within “Caps”	18,864,619	18,012,619
(L) Sub-total General Appropriations	25,183,075	24,955,075
9. Total General Appropriations	26,057,973	25,829,973

BE IT FURTHER RESOLVED, that two certified copies of this resolution be filed forthwith in the Office of the Director of Local Government Services for her certification of the Local Municipal Budget so amended.

The Clerk called the roll call; Councilman Fecanin, Councilman Sommer, Councilwoman Keyes voted nay; Councilman Genovesi, Councilwoman Inguanti, Councilman Sasso voted aye with Mayor Hipp voting aye. The motion passes.

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Councilwoman Inguanti moved the following resolution for the adoption of the 2008 municipal budget, seconded by Councilman Sasso:

BE IT RESOLVED by the Borough Council of the Borough of Rutherford of the County of Bergen that the budget hereinbefore set forth is hereby adopted and shall constitute an appropriation for the purposes stated of the sums therein set forth as appropriations, and authorization of the amount of:

\$19,231,914.00 (Item 2 below) for municipal purposes, and the certification to the County Board of Taxation of the following summary of general revenues and appropriations.

MINUTES OF SPECIAL MEETING HELD SEPTEMBER 30, 2008

The Clerk called the roll call which was unanimously approved.

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Councilwoman Inguanti made a motion to adjourn the meeting at 9:05 p.m., seconded by Councilwoman Keyes and unanimously approved on roll call.

Borough Clerk