MINUTES OF A SPECIAL MEETING OF THE

MAYOR AND COUNCIL

HELD TUESDAY, MARCH 8, 2005

The meeting was called to order by Mayor McPherson at 6:10 p.m. with the following Councilmembers present:

Councilmember Bartlett

Councilmember Keyes

Councilmember Reyes

Councilmember Frazier arrived at 7:45 pm

Councilmember Fecanin and Councilmember Matthews were absent

Mayor McPherson asked those present to join her in a salute to the flag followed by a moment of silent prayer. She asked that they remember Charlie Agel, former Fire Chief and Asst. Supt. DPW who passed away last week.

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Councilmember Bartlett read the provisions of the Open Public Meetings Law.

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Mayor McPherson opened the hearing of citizens.

As no citizen wished to speak, Mayor McPherson closed the hearing of citizens.

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Under the Consent Agenda, Councilmember Bartlett moved the following resolution, seconded by Councilmember Keyes with all members present voting aye:

RESOLVED: That Current Account Bills in the amount of $6,257.00 for

Current Account Bills, $30,129.46 for Capital Account bills, $140.73 for Grant fund bills and $4,502.39 for Trust Account bills all as detailed on the attached sheets be passed for payment, warrants drawn and charged in the proper accounts. A complete list of these bills is on file with the Borough Clerk.

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Under the Consent Agenda, Councilmember Bartlett moved the following resolution, seconded by Councilmember Keyes with all members present voting aye:

1. In the amount of $30 payable to the following as recreation refund:

Gavin Davis, Kyle Davis, Maddelena Esca, Marissa Esca, Lindsay Kriston,

Patrick Laka, Rodney Marsella, Meredith McPherson, Mary Melfa, Kelly Moore,

Michael Prince, Rebecca Regina, Jaimi Roberts, Chris Skowronski, Danica Sommer,

Ryan Tucker and Mac Ward.

2. In the amount of $5 payable to Theresa Casadonte as recreation refund.

In the amount of $150 payable to Kathy Weidel as recreation refund.

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For Finance and under the Consent Agenda, Councilmember Bartlett moved to accept with regret the resignation of CFO Maria Incremona, seconded by Councilmember Keyes with all members present voting aye.

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Under the consent agenda, Councilmember Bartlett moved the following resolution, seconded by Councilmember Keyes with all members present voting aye:

WHEREAS, the Borough of Rutherford desires to apply for and obtain a

grant from the NJ Department of the Treasury for $100,000 to carry out a project to Acquire/Develop/Use of land or facility for Recycling Center or Recycling Activities;

BE IT FURTHER RESOLVED, that the Borough of Rutherford does hereby authorize the application for such a grant; and upon receipt of the grant agreement from the NJ Department of the Treasury, does further authorize the execution of the grant agreement; and also, upon receipt of the fully executed agreement from the Department, does further authorize the expenditure of funds pursuant to the terms of said agreement between the Borough of Rutherford and the NJ Department of the Treasury.

BE IT FURTHER RESOLVED, that the persons whose names, titles and signatures appear below are authorized to sign the application, and that they or their successors in said titles are authorized to sign the agreement, and any other documents necessary in connection therewith and act as representatives of the aforementioned organization.

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Under the Consent Agenda, Councilmember Bartlett moved approval of Change Order #1 for Additions & Alterations to 55 Kip Center bid for sprinkler system, $62,590.00, seconded by Councilmember Frazier with all members present voting aye.

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Councilmember Keyes asked that the Supplemental Debt Statement be filed.

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Under the Consent Agenda, Councilmember Bartlett moved the following resolution, seconded by Councilmember Keyes with all members present voting aye:

Be it resolved by the Mayor and Council of the Borough of Rutherford, after entertaining the issues on March 8, 2005, as follows:

The Borough of Rutherford shall sell two Class C Plenary Liquor Consumption Licenses, by public sale and bidding.

The minimum bid requirement for each liquor license shall be $600,000.00 each.

The Borough reserves the right to reject all bids if the highest bid is not accepted.

All bidders shall be qualified to have an interest in a retail alcoholic license under standards set forth in N.J.S.A. 33:3-1 et seq., and under all applicable rules and regulations and municipal ordinances governing the issuance and location of said license.

All bidders shall meet the requirements and specific conditions as set forth in the bid documents to be drawn by the Borough Attorney.

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Under the Consent Agenda, Councilmember Bartlett moved to authorize the Attorney for appraisal for potential recycling center, seconded by Councilmember Keyes with all members present voting aye.

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Councilmember Keyes made the following statement:

As The Borough of Rutherford has prepared its 2005 Introductory Budget Statement. This introductory budget document presented today reflects an increase in the Municipal Purpose Tax of $1,940,230. This preliminary increase translates to approximately 13.5% on the average property assessment at $190,000. It is relevant to note that 34% (or about 1/3 of this preliminary 13.5% increase) is attributable to a couple of key factors, namely (1) the rise in healthcare benefit costs to our Borough employees and (2) a provision for successful tax appeals.

Without the particular increases described above in addition to other fixed overhead increases as noted herein, the relative municipal tax result leaving state aid at 2004 levels would be a 3.23% increase.

Some of the fixed overhead operating expenses which neither the Councilor Finance committee have any control over include (1) rises in energy costs which account for an increase in our budget of $79,000; (2) dumping fees that amount to an increase of $40,000; (3) necessary and mandatory sewerage treatment costs which have grown by $125,350; (4) the increase in pension costs for Borough, employees of $145,000; (5) our participation in the N.J. Meadowlands Tax Sharing Program which account for $84,419; (6) and the fact that we do not recognize the anticipated receipt of any extraordinary aid, which in 2004 was $380,000, at this point in the budgeting process, particularly in this Introductory

Budget Statement.

As a reminder, last year at this point in the budgeting process, we had introduced a preliminary budget with a 12.6% increase forecast for 2004. But, at the time of adoption with the final budget proposed, the Finance committee had reduced the result to an increase of just less than 1%. And, that relatively small increase followed a three_year period with no municipal tax increases.

In addition, everyone should be aware that we ended the 2004 year with a surplus of $1,108,000 including almost $751,000 in grants and aid to the Borough. These net_favorable effects do not happen without the continuous efforts of the governing body, and particularly our department heads, to contain costs and pursue any and all eligible grants and aid that can benefit the community and result in tax savings.

Our ambition is to pursue an aggressive agenda beginning with a review of all budgetary areas in the coming weeks before we formally adopt the 2005 Municipal Budget later this year. Some of these highlighted areas include:

ADDITIONAL STATE AID: An application for Extraordinary Aid will be submitted to Trenton shortly for consideration. Our application request will be for approximately $1,000,000 which includes allowances for the certain 2005 budget increases that were described above, i.e. employee health benefits and other fixed overhead items, such as energy costs. Again, in 2004, $380,000 was received in extraordinary aid to assist in this area.

DEPARTMENTAL OPERATING EXPENSES: The Finance Committee will continue to scrutinize each municipal department's operating budget with the aim toward cost savings. Apart from this annual budgetary process, but along these lines going forward, I will be instituting a quarterly progress review with each department head to assess established budgetary goal performance and to take relevant action as may be needed on a more dynamic basis. The belief is that by monitoring expenses more aggressively as well as ensuring that revenue objectives are realized, we can enhance our operating environment and performance.

GRANT FUNDS: We have already received approximately $400,000 in grant funds year_to_date. We will continue to pursue eligible grant sources.

CAPITAL BUDGET PROJECTS: All major capital improvement requests submitted by the various department heads that have already been received will be reviewed for consideration. But, as in the past, only certain projects

that promise the most favorable net result (benefit) to our residents will be considered further. And importantly, wherever feasible, the use of federal and state grants will be allocated to fund those projects that may be selected in the final budget presented later this year.

Separately, but relevant to the overall budgeting process, we increased our debt in 2004. However, it should be noted that the Borough continues to carry a very low debt_to_real_property ratio. This ratio is well under 1% (or .561% to be exact). The lower ratio has undoubtedly helped The Borough of Rutherford maintain a favorable debt rating of A1, as assessed by Moody's, one of the larger national bond rating agencies.

In conclusion, the 2005 Budget process has begun and is still a long way from adoption. As a reminder, we adopted last year's budget in August 2004. Every resident should be assured that the Council and the Finance committee will exhaust every effort to contain costs (through aggressive review of operating expenses) and enhance revenues (by pursuing eligible federal and state aid as we have done so in the past), all with the stated ambition to increase cost savings, while maintaining and/or improving the level of municipal services that we offer our Borough residents.

In short, I would like to thank the Finance committee; Mayor McPherson; our Borough Administrator, Mr. Timothy Stafford; our CFO (and newest member to our Finance department), Ms. Dawn Babcock; who has done a wonderful job successfully acclimating herself to our Borough, as well as our former CFO, Edward Cortright, who has been instrumental in this process with his guidance and experience throughout his many years of service to the Borough.

Mayor McPherson made the following remarks: AI too would like to thank the Finance Committee, Councilmember Keyes who chairs that committee as well as our CFOs= who assisted us.□It was certainly a comfort to have Mr. Cortright back with us and I would like to thank him for being here and certainly Miss Babcock is a welcome addition to our finance team.□I did note during our various discussions that our Administrator, Mr. Stafford has certainly gained a great deal of knowledge and shared a great deal of knowledge with us over the year, this would be his second budget process with us and he is certainly a much needed and added member to that finance committee.□This is, I believe,□the sixth budget that I have introduced or have been present for introduction for as Mayor and the challenge remains the same.□The challenge is in maximizing the revenues that lessen the burden on our taxpayers while devoting our expenditures to meet the services that our residents deserve and desire in the most cost efficient and effective way. I am proud to say that we have met that challenge in the past by increasing Rutherford=s share of grants and aid and making the right but very, very difficult choices in the administration

of various departments, most notably the DPW at least in this year. The challenge, I want everyone to know will be greater this year given the state budget but our efforts will be no less as Councilmember Keyes stated and as Councilmembers know this is for introduction purposes this evening, our work is by no means over. We will continue to do what we have done in the past and that is to be aggressive advocates for our fair share of state, federal and county aid as well as making the right choices in terms of negotiations and as well as Councilmember Keyes noted, going through the various operating budgets to see where we may continue to provide the most cost efficient service to our residents.

Councilmember Keyes moved the following resolution, seconded by Councilmember Bartlett with all members present voting aye:

BE IT RESOLVED, that the following statements of revenues and appropriations shall constitute the Municipal Budget for the year 2005;

BE IT FURTHER RESOLVED, that said Budget be published in the News Leader in the issue of March 17, 2005

The Governing Body of the Borough of Rutherford does hereby approve the following as the budget for the year 2005;

Ayes

Bartlett
Keyes
Reyes Nays None Abstained None
Mayor McPherson

Absent
Matthews
Frazier
Fecanin

Notice is hereby given that the Budget and Tax Resolution was approved by the Governing Body of the Borough of Rutherford, County of Bergen, on March 8, 2005.

A hearing on the Budget and Tax Resolution will be held in the Municipal Building Council Chambers on April 26, 2005 at 8:00 pm at which time and place objections to said budget and tax resolution for the year 2005 may be presented by taxpayers or other interested persons.

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For POLICE and under the consent agenda, Councilmember Fecanin moved the following resolution, seconded by Councilmember Frazier with all members present voting aye:

WHEREAS, certain organization have applied for Raffle Licenses and have been approved by the Chief of Police and paid the required fees;

NOW, THEREFORE, BE IT RESOLVED that Licenses be issued to:

St. Mary=s Aquinas Club Carnival Games
55 Kip Center 50/50 Off- Premise

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Mayor McPherson said that what she and the finance committee were proposing is that we begin to permit the parking permits for Erie Ave. She said that at this time last year we still had DPW employees who had to park on Erie Ave. She said that now there is unordinanced parking there and what they are proposing is offering permit parking on Erie Ave. to serve our commuters. The Mayor said that if this ordinance is introduced we will be granting permits on Erie Ave., having it ordinanced, the permits being $100. per month. She said the number to be determined.

Borough Attorney Rizzuto said this was discussed during the February, 2005 Council meeting. She said they received 3 different diagrams to consider whether we wanted to do metered parking vs permit parking. Ms. Rizzuto said that what she has given the Council is a permit parking ordinance. She said that she had to substantially revise the old ordinance because many of the sections have been amended numerous times and were illogical. Ms. Rizzuto said this is a revision of the entire ordinance, but the new section is the Erie Ave. Permit only parking areas. She said that on the revised ordinance they will be giving a path of roadway, for example: E. Erie Ave. from Hackensack going 340 feet. She said the ordinance does not specify the specific spaces but rather specifies the few different areas on Erie Ave. that will be permit only parking. She said these spaces are closest to the train station and therefore more valuable than the other parking lots. She said commercial vehicles will be allowed permits. She is recommending a violation on Erie Ave. be $50. Ms. Rizzuto said she also handed out an additional memo from the Traffic Coordinator, Patrolman Bill Gumbman who is very well in assisting her in doing this ordinance. She said there are some minor issues that will be decided by the Police Dept. such as: signage, stripping, total number of spaces, enforcement etc. She said that in addition Erie Ave. is a County road and they had an initial conversation with them and the indication is that we should go ahead and pass the ordinance and forward it on to the

County and as long as we are not increasing parking there should not be a problem with allowing this.

In response to Councilmember Bartlett, Attorney Rizzuto said that currently they are not issuing permits that give them a particular spot, it is an area that is going to be covered by the particular permit. Again in response, she said that if some spots have not had permits purchased, they would go unutilized. Currently, as to weekend parking, she said the ordinance does not address weekends for any of the parking lots and if the Council wants they may logically differentiate the public street from those parking garages. She said that now it is permit only all seven days of the week during the day so if the Council feels that Erie Ave. should have a provision that permit parking is only Monday thru Friday from 5am to 9pm and then it is free for anyone else to use she could add that provision to the ordinance.

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For Ordinance on First Reading, Councilmember Bartlett moved AN ORDINANCE TO AMEND AND SUPPLEMENT THE CODE OF THE BOROUGH OF RUTHERFORD CHAPTER 126, ENTITLED VEHICLES AND TRAFFIC, ORDINANCE NO. 2140-74 be read by title only by the Clerk, seconded by Councilmember Keyes with all members present voting aye.

The Clerk read the ordinance by title only.

Councilmember Bartlett moved AN ORDINANCE TO AMEND AND SUPPLEMENT THE CODE OF THE BOROUGH OF RUTHERFORD CHAPTER 126, ENTITLED VEHICLES AND TRAFFIC, ORDINANCE NO. 2140-74 be passed on first reading and advertised according to law, seconded by Councilmember Keyes with all members present voting aye.

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Councilmember Bartlett moved the following resolution, seconded by Councilmember Keyes with all members present voting aye:

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

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council will hold a closed meeting on March 8, 2005 at 6:40 p.m. in Borough Hall Co to discuss contract negotiations; and

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

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Mayor McPherson reconvened the meeting at 7:40 pm.

For Ordinance on First Reading, Councilmember Keyes moved AN ORDINANCE TO AMEND AND SUPPLEMENT THE FOLLOWING: AAN ORDINANCE REGULATING THE EMPLOYMENT, TENURE AND DISCHARGE OF CERTAIN OFFICERS AND EMPLOYEES OF THE BOROUGH OF RUTHERFORD, UNDER THE PROVISIONS OF THE CIVIL SERVICE ACT (TITLE 11, N.J. REV. STAT.) OF NEW JERSEY@ ORDINANCE NO. 3069-05 ADOPTED FEBRUARY 22, 2005 be read by title only by the Clerk, seconded by Councilmember Bartlett with all members present voting aye.

The Clerk read the ordinance by title only.

Councilmember Keyes moved AN ORDINANCE TO AMEND AND SUPPLEMENT THE FOLLOWING: AAN ORDINANCE REGULATING THE EMPLOYMENT, TENURE AND DISCHARGE OF CERTAIN OFFICERS AND EMPLOYEES OF THE BOROUGH OF RUTHERFORD, UNDER THE PROVISIONS OF THE CIVIL SERVICE ACT (TITLE 11, N.J. REV. STAT.) OF NEW JERSEY@ ORDINANCE NO. 3069-05 ADOPTED FEBRUARY 22, 2005 be passed on first reading and advertised according to law, seconded by Councilmember Bartlett with all members present voting aye.

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Mayor McPherson read a resolution in memory of Charlie Agel.

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Councilmember Frazier arrived at 7:45 p.m.

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For Ordinance on First Reading, Councilmember Keyes moved BOND ORDINANCE PROVIDING A SUPPLEMENTAL APPROPRIATION OF $350,000 FOR IMPROVEMENT TO THE LIBRARY'S HEATING, LIGHTING, VENTILATION AND AIR CONDITIONING SYSTEM IN AND BY THE BOROUGH OF RUTHERFORD, IN THE COUNTY OF BERGEN, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF

$332,500 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION AND AMENDING BOND ORDINANCE NUMBERED 3028-03 AND REVISED BY 3039-04 TO REVISE THE AVERAGE PERIOD OF USEFULNESS FOR THE PURPOSES AUTHORIZED be read by title only by the Clerk, seconded by Councilmember Bartlett with all members present voting aye.

The Clerk read the ordinance by title only.

Councilmember Keyes moved BOND ORDINANCE PROVIDING A SUPPLEMENTAL APPROPRIATION OF $350,000 FOR IMPROVEMENT TO THE LIBRARY=S HEATING, LIGHTING, VENTILATION AND AIR CONDITIONING SYSTEM IN AND BY THE BOROUGH OF RUTHERFORD, IN THE COUNTY OF BERGEN, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF $332,500 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION AND AMENDING BOND ORDINANCE NUMBERED 3028-03 AND REVISED BY 3039-04 TO REVISE THE AVERAGE PERIOD OF USEFULNESS FOR THE PURPOSES AUTHORIZED be passed on first reading and advertised according to law, seconded by Councilmember Frazier with all members present voting aye.

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Councilmember Bartlett moved that all the items on the Consent Agenda be passed, seconded by Councilmember Keyes with all members present voting aye.

As there was no further business, Councilmember Bartlett moved to adjourn the meeting at 7:50pm, seconded by Councilmember Keyes with all members present voting aye.

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Borough Clerk