

The April 15, 2009 regular/work meeting was called to order at 7:03 p.m. by Mayor Petillo in the Hopatcong High School Auditorium, Windsor Avenue, Hopatcong, NJ.

Mayor Petillo announced this meeting is held in accordance with the 1975 Open Public Meetings Act, NJSA 10:4-6 et seq., annual notice having been forwarded to the New Jersey Herald/New Jersey Sunday Herald, the Daily Record, The Star Ledger, and posted on the bulletin board maintained in the Municipal Building for public announcements.

ROLL CALL - Councilmembers present: Richard Bunce, Michael Francis, Marie Galate, Madeline McManus, Robert Modick & John Young. Others present: Attorney John Ursin, Acting Administrator John Eskilson, Auditor Dave Evans, CFO Kelleyanne McGann, Engineer John Ruschke & Clerk Lorraine Stark.

MOMENT OF SILENT REFLECTION AND PLEDGE OF ALLEGIANCE

Sale of Property: Contiguous owners for Ordinance #10-2009 Block 20004, Lot 4 (partial), minimum bid \$12,000. Mayor Petillo reported that a request to postpone until May 20, 2009 was forthcoming from the Crofts. The consensus was to carry this matter.

Councilmember Bunce moved approval of minutes for regular meeting held on March 4, 2009, seconded by Francis. The vote was unanimous.

RESOLUTIONS:

- A. #151-09 Approve Amendment to Temporary Budget General Fund. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Galate, Francis, McManus, Modick, Young.
- B. #152-09 Approve Payment of Bills following the removal of checks # 26407, #26430 & # 26435. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Galate, Francis, McManus, Modick, Young.
- C. #153-09 Authorize payment of checks #26407 and #26430 and check #26435 not be paid because of a fuel surcharge on the bill. Motioned by Bunce, seconded by Francis. Roll Call Vote: **YES** - Bunce, Francis, McManus, Modick, Young. **ABSTAINED** - Galate.
- D. #154-09 Authorize Pension Deferral for 2009. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Galate, Francis, McManus, Modick & Young.
- E. #155-09 Award of 2009 Lawn & Field Maintenance Contract to Pat Scanlan Landscaping, LLC in an amount not to exceed \$34,897. Motioned by Bunce, seconded by Francis. Councilwoman McManus said that she wanted Ron Jobeless to look into this matter, and see if the DPW could perform these duties. Mayor Petillo commented that she spoke with Ronny today, and that he said that it needed to be done by a contractor. Mr. Ursin requested that this matter be authorized pending his

review of the lowest bidder documents. Roll Call Vote: **YES** – Bunce, Francis, Galate, Modick, Young. **NAY** – McManus.

PUBLIC COMMENT: (comments limited to 5 minutes). A resident asked what was being considered for garbage. Mayor Petillo spoke about getting under the 4% CAP, and how she spoke with the Accountant who came up with the idea of having a fee for garbage collection, which would reduce our CAP. There was still the option of privatizing. Since this idea was discussed on Monday evening, Mayor Petillo explained that she realized that an additional fee was not solving the problem, and was causing anxiety among residents; she changed her mind and could not endorse this idea after giving it more consideration.

Toni Haines said that she had additional names that increased the number who signed the petition to approximately 1,350; these people are telling you not to privatize. She also told the governing body to look closely at the numbers.

Another resident asked the governing body to vote no; she complemented the DPW employees for doing their job well especially during this time of turmoil. By making a change the only ones hurt would be the residents of Hopatcong.

Tom Aimone said that he looked at some numbers for cell phones, noting that the Police Department had an account for one phone that was over \$500 for the year. He also asked why the Borough pays for dental and health insurance for governing body members and their spouses; dental cost \$44 per month for single & \$88 per month for husband/wife, medical husband/wife is \$13,992 or \$41,976 per year or \$46,428 per year for both. He commented that he doesn't see how they can accept these benefits when employees are losing their jobs.

Ryan from Williams Trail said that he stands behind the DPW employees; he questioned the numbers used for snow plowing since he has experience in this matter, & with Mt. Hope. He commented that the number in the budget was very conservative.

Greg Mason stated that the DPW employees were willing to give up clothing allowance, wages and take furloughs, did not want to privatize garbage.

Councilwoman McManus noted that a letter was received from the DPW Union Attorney addressed to the Borough Attorney outlining what the members were willing to give up. Since there has been a change in the garbage policy, the governing body should take one or two years to see what the DPW could do in reducing garbage costs and become more efficient.

Denise Bagby who resides on Stevens Trail remarked that she was at Monday's meeting and was impressed with the Sussex County Health & Human Services presentation. She said that the DPW employees are a resource that not only collect garbage, but also notice potholes and watch out for our property & children. We live in a special place and these guys are part of the reason we feel safe.

Steve reported that he has been a resident since 1986, that the DPW guys do a good job, and that if the town wanted to save money they should go after the School Board; you should be looking to save us some money. Tom Friel lives at 365 Maxim Drive said that we seceded from Byram to better serve our interests. He commented that he has confidence in the governing body, but needs to trust the numbers they are presenting. He wants to understand why they are making the decision; wants services but also wants to be told no if that is the correct decision. He thanked the governing body for listening to the people here this evening.

Fred from Wildwood Shores said that the DPW guys were looking out for our community.

William Sanford resides on Durban Avenue remarked that these guys watch out for our kids and property, don't get rid of them.

Karen Magrini from 22 Benjamin Street said that before we privatize there are places to cut the budget: health and dental. She reported that the Freedom Wall cost \$30,000 and that money was spent on updating the Dispatch Center. Mayor Petillo informed those present that \$25,000 was spent to upgrade the 9-1-1 system, and that the State was looking to regionalize the services. The population cap set by the State in 2013 is 65,000 residents, which represented the population in the smallest county. Hopatcong would be forced to give up their 9-1-1 dispatching services in 2013 and regionalize.

Dan Haines who is the Shop Steward for the DPW employees said that he understands that 12 men would be cut and taxes would still be raised. Mr. Eskilson responded that was correct about a 12% increase in taxes. Mayor Petillo commented that taxes were going up no matter what cuts are made, mainly due to loss of revenue. She also said that they are not looking at the DPW because they are not doing their job. Mr. Haines asked if it costs more to keep the garbage with the DPW. Mayor Petillo revealed that they were looking at a reduction in cost and a savings of 1.9 million dollars in five years. Mr. Eskilson interjected that for every \$100,000 removed from the budget there was a savings of \$16. Dan Haines said that they need to continue to regulate garbage, and thanked the people who were present tonight to support the DPW.

Lee Hayes lives at 106 Hudson Avenue thanked the DPW employees who also support our local businesses. He is a business owner and during these difficult times has taken less money. He encouraged the governing body to "do the right thing".

A resident from 106 Harris Avenue gave the DPW a vote of appreciation, told the Council that they are asking for the DPW to make sacrifices, but are unwilling to make any themselves, and that they were elected to follow the will of the people.

Another resident spoke strongly against privatization because they do not want a vendor coming into Hopatcong. He also noted that he has spoken with Mayor Petillo about Code Enforcement in town, which should be done.

Mr. Feltwater thanked the DPW, they do a great job; he would like to see their jobs saved.

John Thiessen 6 Ridge inquired who was going to fix the roadways when the garbage contractor rips them up, and who will perform the patching for water repairs? He also spoke about health insurance, and that he pays an amount toward his premium.

Mayor Petillo commented that the Borough was having a cash flow problem, and budget cuts needed to be made.

Bryan from Williams Trail said that he appreciates the Police and Dispatchers thanking them for the work they do.

Mrs. Haines said that by using their numbers they did not see a savings until 3 years; these numbers are valid and the Council's numbers are incorrect. She did not care if reductions were made as long as the DPW remained intact.

Ed a dedicated DPW employee for 12 years said that there has been a reduction in the amount of garbage collected, reduced truck quantity from 14 to 8 trucks in addition to the number of dumpsters at the recycling center. He asked that the DPW be given an opportunity to work with the new regulations and prove what they can do.

Mr. Murphy 117 Bucknell Trail thanked the people, and asked if the contractor's service cost more, what would happen. Mr. Eskilson responded that there would be a 5-Year contract with fixed costs. Mr. Murphy also wanted to know if the contractor did not provide the services as per agreement, what recourse the Borough would have. Mr. Ursin explained that they would be executing a standard State contract which provides the Borough with recourse should it be necessary. Mr. Murphy inquired if all options have been exhausted before letting the DPW employees go, and if 1.9 million dollars in savings over 5 years was the correct number.

A resident asked Mr. Ruschke what his qualifications were. Mr. Ruschke said that he was a P.E. She also asked Mayor Petillo if her husband was a SCMUA Commissioner. Mayor Petillo answered affirmative.

Alex Martinez resides on Lincoln Trail and reported that he distributed a document at Monday's meeting; his review of the numbers showed that a total savings over 5 years would be \$250,000 or \$8 per household. He thinks that keeping the DPW employees is worth the money. He questioned if they looked at attrition, and cost savings measures realized by changing how the garbage was collected. Mr. Martinez said that he stands by his numbers.

Councilmember McManus stated that the man spent a lot of time on these numbers, and wanted to know if anyone could dispute them because she would be interested in what they had to say.

Councilmember Bunce remarked that his number was similar to Mr. Martinez's.

Mr. Garrison 42 Jefferson Trail said if the company was willing to employ seven of our guys, why not all twelve? Mayor Petillo commented that they needed seven who know Hopatcong's route to collect garbage.

Paul from Elmira Trail stated that he has been a resident for two years and during that time taxes have increased. Whatever is decided at the end of the day his taxes would increase and he would be paying more money.

A resident from Oklahoma Trail remarked that whatever is going to be done, the taxes would be increased by 12%; suggested that the DPW do the job for what the private contractor was going to be paid. The DPW employees are willing to do the job, and the governing body controls the purse strings. He said if people don't say enough is enough government would continue to increase taxes; they should cut salaries as much as possible.

A resident told the governing body that they need to cleanup the town. Alan Curley has lived in Hopatcong since 1968 questioned what happened to the surplus. Mr. Eskilson responded that it was used over a five-year period to offset the taxes in all five years. Mr. Curley wants the school budget reduced, wants to cut expenses and increase revenue. Mr. Ursin remarked that the State does not permit the governing body to cut the School Budget below the previous year's budget. Mayor Petillo stated that anyone with School Budget concerns should appear before the School Board.

A resident commented that there was a lot of anger and frustration exhibited here tonight, this is a very serious situation, and we are in a Country that is falling apart. He appealed to the Council's human side because they were looking at affecting 12 families.

Eddie Carabillo from Marshall Trail stated that he moved into town two years ago, and this was his first home; he moved into Hopatcong because of the community. He would rather pay higher taxes than to have a contractor collect his garbage. You were elected to be our voice, and we are telling you what we want; keep the DPW employees and don't privatize garbage.

Another resident said that she does not know why Mrs. Petillo is so concerned about residents paying a fee of \$65. The DPW employees are willing to take cuts, and you are not willing to give up benefits. She asked what the tax rate increase would be. Mr. Eskilson responded that it looks like a 12% increase, the tax rate was not figured out yet.

Vince is a new resident and reported that he and his family is happy with the community. He does not want to get whacked with a tax increase and does not want services cut. He told them to be creative and think outside the box, do a better job. Mayor Petillo commented that there was not money to pay employees.

A resident said that our children are worth more than 1.5 million dollars. Another resident commented that her family has lived here for 55 years and that doing this was not the answer. One bad snowstorm and this town would be buried with higher taxes; wants to keep the DPW employees.

Greg Mason inquired if once the decision was made, if they were going to have a referendum. Mayor Petillo informed those present that a referendum could not be held until November. Mr. Ursin remarked that the State has said that in the Borough form of government, a referendum is non-binding.

William Sanford said what happens if we privatize and the company goes out of business. Mr. Ursin explained that a bond would be in place, and

the bonding company would be required to hire another contractor to complete the contract.

A resident stated that they should know what they are buying; this town has a history of doing things wrong.

Ms. Rossi from Roosevelt Trail reported that this was her first home, and Hopatcong was one of the few places she could afford to live. She is here because she is concerned; she is able to go to work during the winter because of the DPW. She would be willing to pay a little more if it means not privatizing. Ms. Rossi said they should eliminate the summer time help to save money.

Willie Hughes remarked that the DPW employees have agreed to take a cut in income. Hopatcong is a very unique town and community; if it was going to cost more money to keep these guys it was worth it. The DPW employees know that they are valued, and will go above and beyond and be more efficient. His vote to keep the DPW is yes, willing to pay more money.

A resident who lives on Charles St. said that he graduated from Hopatcong High School, and he thinks there is something wrong with the governing body receiving benefits. He thinks that they are not doing their job and he would have to vote them out of office.

A question was asked about the consequences if the Borough does not get under the CAP. Mr. Eskilson responded that the State of New Jersey has the authority to make the cuts, and reduce the budget below CAP or take over the Borough. It was noted that what was proposed was a reduction of 52% of the laborers or twelve out of 23. He wanted to know if the DPW employees perform other services. Mayor Petillo said yes, and they would be looking to re-organize the department. Mayor Petillo also answered that they were looking to award a 5-year contract. The resident said that they would end up paying more money, and wanted to know the insurance deductible because there would be lawsuits. That was not known.

Paulette Ricciardi remarked that they could make people pay for health insurance and not provide money to those who chose not to take the health benefits; these guys should not be the only people to give back.

A resident said that they were told that tonight they would get the garbage numbers; the only paper she received was the one given out by people outside. If she has a choice she wants the DPW employees to stay, and thought that Mr. Evans idea of paying a quarterly fee was a good one; life cost money and you have to pay for the services you receive.

Another comment was that the governing body promised to help save the DPW, this is not being done and she is ashamed of them.

Someone questioned the amount for delinquent taxes. Ms. McGann reported that it was \$883,000 last year and now a little over one million dollars.

Delores Kennedy has a towing business and without the DPW employees they would not be able to get to an accident in a timely manner.

Tom Aimone noted that there was not one figure that was not in dispute, and recited a quote from Ronald Reagan.

Jim Markwith resides at 35 Roosevelt Trail has been a resident for 35 years and has seen his taxes increase from \$700 to \$3,500, we have lost services; money is not being spent on people. He wants to see them get the taxes under control, and farming out services is not the answer; keep the men we have, don't let them go.

Jan Sloat said that as far as she is concerned we are in a depression; what's lacking in this town is a creative image. She encouraged volunteers to assist in obtaining this new image, and proposed two more town meetings to set goals for the future, to find a way to bring more people into Hopatcong to increase the revenue so that the town does not have to rely on its current resources.

Councilman Francis moved to close the public portion of the meeting, seconded by Bunce. The vote was unanimous.

Comments from Council:

Councilman Bunce reported that he had a meeting with the Shop Stewart, Dan Haines to review garbage numbers; savings for 2009 \$141,000 and \$284,761 in 2010. He thinks that we should go with the \$65 quarterly fee for two quarters, and with the DPW concessions the fee goes down to \$48. He agrees with Alex on the tonnage number, and thinks that the fee should be instituted, and this question should go to referendum.

Councilperson Bunce said that the proposed DPW wage freeze should be less, they should get 2%, and that it was helpful to have DPW employees agree to perform shift work. He would not support privatization. The numbers presented do not take into consideration the projects undertaken by the DPW. He thinks that they need to leave things the way they are for now.

Councilwoman McManus said that when she looked at this issue as a Councilperson she needed to look at if we are really saving money, there does not appear to be a savings. The bulk fee money we collect will come back to the Borough if we continue to collect our own garbage.

Councilwoman McManus said that if we have a quarterly fee of \$65 that does not mean that taxes will not increase. She noted that Mayor Petillo was concerned about our CAP and wants to get revenue. Councilwoman McManus commented that she agrees with Mr. Bunce.

Councilman Francis moved for a ten-minute break at 10:45 p.m., seconded by Galate. The vote was unanimous.

Councilman Bunce moved to continue at 11:00 p.m., seconded by McManus.

Council President Galate thanked everyone for staying this evening. She informed those present that only 3 towns in Sussex County do not privatize garbage and we are one. She has spoken with Ron Jobeless regarding snow plowing, and he would re-organize the DPW. Council President Galate said that the goal is to make the Borough fiscally sound for the future; this may not be achieved in 2009. She said that she would abide by the decision of the Council and work hard to make Hopatcong

fiscally sound. She also said that Tom Aimone took benefits as a former Councilmember; he took dental.

Councilman Bunce said his biggest fear was that you privatize garbage and we don't get below CAP; if we go with the \$65 fee we do not have to beg the State. He asked the governing body to consider this, and not to privatize but enact the \$65 per quarter fee.

Mayor Petillo stated that there were two issues: taking garbage out of taxes and privatizing. Regarding the numbers presented by Alex she said that she did not agree with them because he took the numbers from March 2009 and projected 5 years. She did not think that the projection was adequate because numbers are always less coming out of winter, and when the economy improves tonnage would increase. She spoke about the stickers and bulk collection as well as generating income from the sale of five garbage trucks. Mayor Petillo commented that the issues that were raised were good issues. However, people are telling us to keep things the same but not to raise taxes. We have lost two police officers that will not be replaced, the Health Department is going to Interlocal Services with the County, and five employees in Administration have been eliminated. They are not looking at just one year's budget, and it's not about our employees not being good. Mayor Petillo remarked that she only votes if there is a tie, this is a heart wrenching decision, and that she is in favor of privatization.

Councilmember McManus said she was looking at the DPW budget, and only one truck was requested until 2014; tonnage is not going up because they are only putting out 3 cans with weight limit of 35 pounds. The numbers you are using are not correct.

Councilperson Bunce said he was appealing to Councilmembers to give the DPW a six-month trial; permit the DPW to cut costs before any changes were made to see if we are truly going to have savings. He said that there was no reason to do this now, take a breath and see what happens.

Resolution - #156-09 Authorize Privatization of Garbage Collection/Award Bid. Motioned by Modick, seconded by Young. Roll Call Vote: **YES** - Modick, Young, Francis. **NAY** - Bunce, Galate, McManus. Deciding vote went the Mayor Petillo. **YES**.

Council President Galate moved to adjourn at 11:25 p.m., seconded by Bunce. The vote was unanimous.

Respectfully submitted: