

The May 20, 2009 regular/work meeting was called to order at 7:30 p.m. by Mayor Petillo in the Municipal Building, 111 River Styx Road, 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 & John Young. Absent - Robert Modick. Others present: Acting Administrator John Eskilson, Attorney John Ursin & Clerk Lorraine Stark.

MOMENT OF SILENT REFLECTION AND PLEDGE OF ALLEGIANCE

Mayor Petillo informed those present that this is our last meeting with John Eskilson; she thanked him for his hard work and presented him with a small gift. Mayor Petillo said that we could not have gotten through the 2009 Budget without his valuable assistance.

Auditor Dave Evans was present to guide the budget discussion. Mr. Evans reported that the governing body would take action on three items, including the introduction of the 2009 Municipal Budget, which is an increase of 10.98 % over last year or about a \$13 per month increase to the average taxpayer.

He revealed that a CAP Waiver was necessary, and that a hearing would take place with the Local Finance Board on 8th July; budget hearing was 15th July and we would either adopt or take further action depending on outcome of the Cap Waiver hearing.

Councilwoman McManus asked about the sewer users, who pay a maximum amount to the MSA, and how the MSA refund was reflected in the budget. Mr. Evans said that he believes the MSA provides a prior year credit, which gets rolled into the next years contribution, and that you would never see a separate number for that in the budget. The MSA should be providing a report showing you that information so that you can see what is happening. This is information the Borough Engineer can obtain for the governing body.

Mr. Eskilson revealed that the appropriation side of the budget is increasing less than 1%. That ranks as one of the tightest Municipal Budgets in the State without question. This budget crisis started with the collapse on the revenue side of the budget; he thinks that with this budget the Borough has turned the corner and is on its way to future stability & sustainability. Next year the work on the appropriations side would not be easy, but because of what is being done in 2009 it will be a whole lot better. He noted that this budget as well as the County budget

is extremely tight. The good news was that 15 out of 24 Municipalities have a reduction in 2009; the bad news is that Hopatcong was not one of these.

Municipal Budget:

- Resolution – #197–09 Approve Average 3 Year Tax Collection Rate. Motioned by Galate, seconded by Francis. Roll Call Vote: **YES** – Galate, Francis, Bunce, McManus, Young. **ABSENT** – Modick.
- #198–09 Introduction of 2009 Municipal Budget. Motioned by Galate, seconded by Francis. Roll Call Vote: **YES** – Galate, Francis & Young. **NO** – Bunce & McManus. **ABSENT** – Modick. The public hearing is scheduled for July 15, 2009.
- #199–09 Resolution – Approve Submission of Tax Levy CAP Waiver Application. Mr. Evans reported that we are asking for a Tax Levy CAP Waiver in the amount of \$825,000. Motioned by Galate, seconded by Francis. Roll Call Vote: **YES** – Francis, Galate, McManus, Young & Bunce. **ABSENT** – Modick.

Mayor Petillo thanked Mr. Evans for his work on the budget, and for being here this evening.

PUBLIC COMMENT: Meeting open to public for comments on items on the agenda for which no public discussion is provided. (Comments limited to 5 minutes). Mr. Ursin said that Mayor Petillo has asked him to monitor the public session.

Toni Haines said she had a couple of questions and wanted clarification. She said the paper reported an approximate increase of \$153 for Municipal Tax, School Tax would be \$128 to \$130 and County Tax is \$70; total for an average \$315,000 home is \$350 for the year. Mr. Eskilson responded that was about right. She also inquired about when the letter was sent to Civil Service regarding the DPW lay-offs. Mr. Eskilson said the plan was filed about two weeks ago and approved 10 or 12 days ago; it was approved just a couple of days after being submitted. He explained that he has a good working relationship with Civil Service, and had begun working on the Plan when it was apparent that a contact was going to be authorized. Mrs. Haines questioned what the amendment to the Lay-off Plan was about. Mr. Eskilson reported that he was asking to have this tabled because he is still working with a couple of employees. The amendment would only affect the most senior man on the list and possibility the second most senior man. Mrs. Haines wanted to know where she could get a copy of this budget because the public did not have a copy. Mr. Eskilson informed those present that it becomes public upon introduction; so it is public now and the clerk would make it available to the public tomorrow. Ms. Stark remarked that it was free and that an OPRA request was not required. Mrs. Haines asked Mr. Ursin if he believed that it was legal to execute a contract without having an adopted

budget. Mr. Ursin replied that it was legal. He went on to explain that anytime a contract is awarded the CFO must certify that funds are available; the CFO did certify funds for the garbage bid. Mr. Eskilson reported that this is done all of the time by the County and other municipalities prior to the adoption of a budget; there is a temporary budget in place, which permits the municipality to conduct business. Mara Modes 3 Ithanell Road asked about a cell phone bill of \$1,500 that was on the bill list. She wanted to know why we pay so much and why they are being paid individually instead of having a plan. Mr. Eskilson revealed that one half or \$750 was the charges related to the MDT Police mobile data equipment, and that rates are probably under a State Contract. Ms. Modes commented that we could get a cheaper rate, and should look for another contract. She also wanted to know if she was going to get cake tonight because there was a bill for a cake for John, and if she was not having any cake she did not want to pay the bill. Mayor Petillo said that the cake was for department heads, and not for this evening.

Mayor Petillo stated that there was a long engineer's report and that she wanted to move the agenda along and get back to Mr. Ruschke.

Councilmember Bunce moved approval of the minutes for the Regular/work meeting for March 18, 2009, seconded by Galate. Those present voted affirmative. Absent - Modick.

CONSENT AGENDA: All items with an (*) are considered to be routine by the Members of the Borough Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Council member so requests in which event the item will be removed from the general order of business and considered in its normal sequence on the agenda.

- A. #200-09 Approve Outside Lien Redemption Certificate #2007-9 in the amount of \$4,410.95*
- B. #201-09 Approve Outside Lien Redemption Certificate #2007-8 in the amount of \$1,374.93 plus premium in the amount of \$300.00.*
- C. #202-09 Approve Outside Lien Redemption Certificate #2008-70 in the amount of \$2,818.49.*
- D. #203-09 Approve Cancellation and Refund for B40319/20 Due to Exempt Status in the amount of \$603.77.*
- E. #204-09 Approve Raffle Licenses RA #13-2009 - RA #16-2009 for Carnival Games, an Off Premises 50/50 Raffle and two On Premises 50/50 Raffles for St. Jude Church.*
- F. #205-09 Approve TWA Application for Dupont Sewer Project.*

Consent agenda motioned by Bunce, seconded by Galate. The vote was unanimous with the exception of Councilman Modick who was absent.

ADOPTION OF ORDINANCES:

- A. Public Hearing Ord. #18-2009 AN ORDINANCE ESTABLISHING A MINIMUM AND MAXIMUM RANGE OF SALARY AND COMPENSATION FOR CERTAIN TITLES OF OFFICERS AND NON-CONTRACTUAL EMPLOYEES OF THE BOROUGH OF HOPATCONG. Open to the public for comment, none was received. This ordinance establishes the Administrator's salary & part-time Dispatcher's for 2008. Councilman Bunce moved ordinance, seconded by Galate. Roll Call Vote: **YES** - Bunce, Galate, Francis, McManus & Young. **ABSENT** - Modick.

RESOLUTIONS:

- A. #206-09 Approve Amendment to Temporary Budget - General. Motioned by Bunce, seconded by Francis. Roll Call Vote: **YES** - Bunce, Francis, Galate, McManus, Young. **ABSENT** - Modick.
- B. #207-09 Approve Amendment to Temporary Budget - Water. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Francis, Galate, McManus, Young. **ABSENT** - Modick.
- C. #208-09 Approve Amendment to Temporary Budget - Sewer. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Francis, Galate, McManus, Young. **ABSENT** - Modick.
- D. #209-09 Approve Payment of Bills following the removal of checks #1113 & #26592. Motioned by Bunce, seconded by Francis. Roll Call Vote: **YES** - Bunce, Francis, Galate, McManus, Young. **ABSENT** - Modick.
- E. #210-09 Payment of checks #1113 & #26592. Motioned by Bunce, seconded by Francis. Roll Call Vote: **YES** - Bunce, Francis, McManus, Young. **ABSTAINED** - Galate. **ABSENT** - Modick.
- F. #211-09 Authorize Interlocal Service Agreement with the County of Sussex for An Employee Assistance Program Through Alliance Work Partners. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Francis, Galate, McManus, Young. **ABSENT** - Modick.
- G. #212-09 Authorize the Mayor and Clerk to Execute Agreement with Sussex County for the Alliance Work Partners Services. Motioned by Bunce, seconded by Galate. Roll Call Vote: **YES** - Bunce, Francis, Galate, McManus, Young. **ABSENT** - Modick.
- H. #213-09 Authorize Award of Bid for Ductile Pipe & Fittings To Waterworks Supplies in an amount not to exceed \$49,984. Mr. Ursin recommended that the low bid be rejected because the bidder was using some foreign materials, and award the bid to the second lowest bidder Waterworks Supplies. Motioned by

Francis, seconded by Bunce. Roll Call Vote: **YES** – Francis, Bunce, Galate, McManus, Young. **ABSENT** – Modick.

- I. Authorize Amendment to DPW Lay-Off Plan. Acting Administrator John Eskilson requested that this matter be removed from the agenda.
- J. #214-09 Authorize Execution of Separation Agreement with Wm. Quail. Mr. Eskilson revealed that Mr. Quail would be retiring before the end of this year, and that he would continue on health insurance until 31 December instead of receiving reimbursement payment; this resulted in a net savings of \$4,000. Councilwoman McManus inquired if this was being discussed with other DPW employees. Acting Administrator Eskilson noted that he is working every day with DPW employees, and would continue to do so up until 1 July. Motioned by Francis, seconded by Bunce. Roll Call Vote: **YES** – Francis, Bunce, Galate, McManus, Young. **ABSENT** – Modick.

Councilman Bunce reported that PSE & G has expressed an interest in two lots that the Borough owns located within the Highlands. Mr. Ursin commented that if the Borough did not need these properties they could be sold at auction. Resolution – #215-09 Intro. Ordinance #21-2009 AN ORDINANCE OF THE BOROUGH OF HOPATCONG, COUNTY OF SUSSEX, NEW JERSEY, AUTHORIZING THE SALE OF CERTAIN PROPERTY OWNED BY THE BOROUGH AND NOT REQUIRED FOR PUBLIC PURPOSES BLOCK 60001 LOT 1 & BLOCK 60001 LOT 11. Moved by Bunce, seconded by Galate. Roll Call Vote: **YES** – Bunce, Galate, Francis & Young. **NO** – McManus. **ABSENT** - Modick.

ADMINISTRATOR’S REPORT: Mr. Eskilson commented that he hoped the 2009 Budget Workbook he prepared was helpful. Council President Galate departed at 8:11 p.m. due to an emergency.

ENGINEER’S REPORT: Mr. Ruschke revealed that the Grant he reported on two weeks ago is being modified because the project had to be bid ready and that was not the case; the required DEP permits may not be issued prior to the grant deadlines. The DEP had recommended a reduction in the project scope to 209 homes; however, as per review by auditor Dave Evans this size project was not substantial in scope to reduce the current user rates. Councilmember McManus pointed out that there does not appear to be sufficient gallonage to add new connections due to the drastic increase in usage numbers. Mr. Ruschke explained that they would have to negotiate with the MSA or Stanhope for gallonage that would increase the cost of the project. Councilwoman McManus also expressed concern about moving ahead without knowing all of the pertinent information. Mr. Ruschke said that it was up to the governing

body to decide to move ahead or not; he felt that with the reduction in scope the deadlines could be met.

OLD BUSINESS:

- A. Sale of property to Croft – continue to hold until the Planning Board makes lot line adjustment.

NEW BUSINESS:

- A. #215–09 Sale of property. Introduction of ordinance #21–2009.
- B. #216–09 Authorize an extension of the permit for the St. Jude Church Carnival. Motioned by Francis, seconded by Bunce. Those present voted affirmative. **ABSENT** – Modick.
- C. Sewer Utility Connection fees – Introduction of Ordinance if in order. No action take.
- D. #217–09 Approve Professional Services for Stimulus/Sewer Grant as per certification of the CFO. Motioned by Francis, seconded by Young. Roll Call Vote: **YES** – Francis, Young, Bunce, McManus. **ABSENT** – Modick & Galate.

COMMITTEE REPORTS: Councilman Young commented that registration for the Summer Recreation Programs was currently under way, and that it appears that the numbers are similar to last year. The Ms. Hopatcong Contest would be held on 10th July at the High School. The Recreation Commission was making a commitment to be self-supporting with the Summer Recreation Program; staff adjustments were made from last year and the fee schedule revived.

PUBLIC COMMENT: (comments limited to 5 minutes). Alex Martinez remarked that he appreciated John Eskilson’s ability to crunch numbers; difficult task to perform. He thanked him for helping the governing body and residents through this difficult time. Mr. Martinez inquired if a decision was made regarding a new administrator. Mayor Petillo revealed that two finalists would be interviewed next week, and that a decision would be made shortly. Mr. Martinez requested a copy of the proposed sewer area. Mr. Ruschke said that he would make one available. Susan Jones of Elba Avenue, said she has been a volunteer in this town for 30 years, and read a statement expressing her displeasure with decisions made by the Mayor & Council, resigning from the Open Space Committee effective immediately. Mayor Petillo commented that she was sorry to hear that.

Toni Haines inquired if any Councilmembers gave up health benefits, and who was receiving the \$1,800 stipend. Mayor Petillo said she is no longer taking dental. Those present did not receive the health stipend. Mrs. Haines asked Mr. Ruschke how we planned on a sewer extension if there was not sufficient gallonage, and what the MSA 5 million dollar expansion was for. Mr. Ruschke replied that the current gallonage of

580,000 gallons was based on Phase I & II, not an expansion project; any new gallonage would have to be negotiated with MSA or another municipality. The expansion was for Hopatcong's 500,000 gallons, in addition to 80,000 gallons received by MSA plant re-rating. Mrs. Haines stated that she believes that there are inequities with how business and household rates were determined, and that it was not fair for the sewer users to absorb the cost of water that was not being used. Mr. Ruschke noted that the Borough negotiated with the DEP for a 200 gallons per household per day number, which is less than what they usually require. Mrs. Haines wanted to know if they don't move ahead with the Bucknell project if they could give back the extra gallons that are not being used by the sewer users. Mr. Ruschke said if we stabilized and had extra gallonage, the Borough could look to sell it to someone, not just a matter of giving it back to the MSA. Mrs. Haines said that it was not fair to the people of this town who are paying for water that is not being used. Louise Bagby Stevens Trail said that at the meeting 2 weeks ago another resident asked Mr. Modick to clarify what his motion and intent was regarding garbage. Ms. Bagby remarked that she heard Mr. Modick say that he voted to privatize the collection of garbage in the Borough of Hopatcong. She went on to say that a person from the back of the room shouted (she later found out that this individual was the husband of the Council President) and disrupted the proceedings, which were then closed to the public. She said that her statement is that the person that asked the question was not shouting. Mayor Petillo remarked that she has a different recollection of what happened that evening. A resident (Mara Modes) said that she was the one who asked the question, and she did not get an answer to her question because people started fighting. She had a question about the Tropicana Resort and who went there, referring to check #26647. Mr. Eskilson noted that the bill was for an Emergency Management Conference and speculated that either police or health personnel attended this event; the bill list does not provide the name of the individual(s). Ms. Modes expressed her opinion on how the privatizing of garbage was accomplished.

COUNCIL COMMENTS: Councilperson Bunce encouraged residents to attend the Memorial Day Parade, put out their flags, and attend the VFW wreath ceremony on Saturday at Veteran's Field.

Councilman Young thanked everyone for coming and urged residents to drive safely and watch out for the kids on the streets. He noted that he dittoed what Councilman Bunce said, and that we all owe a huge debt to our veterans. He also requested that residents keep Kyle an eight year old who has an inoperable brain tumor in their prayers.

Councilman Bunce moved resolution for closed session at 8:59 p.m., seconded by Young. Those present voted affirmative. Absent - Galate & Modick. Mayor Petillo announced that the matter being discussed

pertains to contact negotiations for additional sewer capacity. Mr. Ursin informed the public that although they could not remain in the room they could stay in the building because once the closed session was completed the governing body may come back into open and take action on the matter(s). The public could then witness any action that was placed on the record.

Continue open session at 10:09 p.m.

Mr. Ruschke recommended that one item be authorized, that is a fee so that we can stay on schedule with the sewer application, pending certification of CFO. Both Councilmembers McManus & Bunce questioned what the numbers were for this project. Mr. Ursin said the essentially what they would be authorizing was for the professionals to perform the work necessary to keep the grant process alive plus \$1,000 for the permit; the \$15,000 TWA Permit fee would be held until the next meeting. Mr. Ruschke said that he would be attending the next MSA meeting just in case they had any questions about our grant application. Councilman Francis moved that Mr. Ruschke continue to the next step in this grant application, seconded by Young. Roll Call Vote: **YES** – Francis, Young, Bunce & McManus. Absent – Galate & Modick.

Councilman Bunce moved to adjourn at 10:13 p.m., seconded by Francis. The vote was unanimous.

Respectfully submitted: