

TOWNSHIP OF DENVILLE
MUNICIPAL COUNCIL
REGULAR MEETING

MAY 4, 2010

The Meeting was opened by President Andes at 7:32 p.m. The Salute to the Flag was recited, followed by an Invocation given by Councilman Golinski. The Open Public Meetings Act Statement was read by Township Clerk Donna Costello.

ROLL CALL: FITZPATRICK, GOLINSKI, KUSER, SHAW, SMITH, STECKY, ANDES
ALSO IN ATTENDANCE: MAYOR HUSSA, ADMINISTRATOR/CFO GOBLE,
TOWNSHIP ATTORNEY SEMRAU, LABOR COUNSEL KNAPP AND MOST OF THE
TOWNSHIP EMPLOYEES.

LIAISON REPORTS:

Councilman Shaw had no report.

Councilman Stecky reported that there will be a Beautification Committee bus tour this week-end and anyone interested may call Town Hall, extension 223 for further information and reservations.

Councilman Golinski had no report.

Councilwoman Smith said that she will save her report for the next public meeting.

Councilman Kuser reported that the Open Space Committee held their meeting and will be having a bus tour on May 15th and view the properties that are being considered for open space.

Councilman Fitzpatrick had no report.

President Andes noted that Thursday, May 6th at noon the National Day of Prayer will be observed in the courtyard outside of the Council chambers.

MAYOR'S REPORT: A copy of the Mayor's remarks is attached to these minutes.

ADMINISTRATOR'S REPORT: Mrs. Goble advised that she will present her report at the next meeting.

President Andes noted that there will be a public portion for each ordinance and the budget, as well as the public portion for any issue. He asked that each speaker limit him/her self to three minutes and, at the end of five minutes, he will call on the next person. Attorney Semrau added that this public portion is open to any item that someone wishes to discuss. He noted that later in the meeting there will be a public portion for each of the particular ordinances that are being considered for adoption and the public will have the opportunity to be heard relative to each of those ordinances.

OPEN PUBLIC PORTION:

Albert Szollosi, 61 Crystal Drive, had a prepared statement that he requested to have read into the record. Township Clerk Costello read the statement, a copy of which is attached to these minutes. The statement concerned the status of Mary Avenue as a public or private street.

President Andes advised that the situation regarding Mary Avenue is very ambiguous and more details are needed as to what the exact situation is there. He said that the Township wants to take care of Mary Avenue if it is legal to do so. Mr. Andes noted that there is a long history of traveled way and paper roads, but if there is anything that can be done, it will be done.

Attorney Semrau noted that he has spoken with Mr. Szollosi and has been to the site. He advised that, a number of years ago, there was litigation because people wanted to build homes in that area. Mr. Semrau noted that the Township's position was that they would have to improve roadways like Mary Avenue. He said that litigation went on, through the Appellate Division, for about 5 ½ years. Mr. Semrau stated that the former Administrator even went to Court with him to try and get to the bottom of it. He said that the Court found that it is not a public street and the Township has acquired property in that area to prevent development and traffic from intensifying. Mr. Semrau assured Mr. Szollosi that this is not something that has fallen off the back burner; the Township was successful in its litigation and has pursued Open Space endeavors to minimize the impact. He said that it is certainly something that they will follow up with.

President Andes noted that Attorney Paula DeBona did the research but she is on vacation this week. He said that the Township will be in touch with Mr. Szollosi.

Mr. Szollosi noted that all the maps are incorrect and do not indicate Mary Avenue they all say Towpath Road. He said that it cannot even be found by GPS.

Jim Shea, 6 Harvest Way, advised that he has an 18 page speech but will shorten it because of the time limitations. He said that he has come tonight to for an honest and open debate regarding the Township's finances and financial planning. Mr. Shea stated that his questions and comments are not intended to be personal attacks. He said that he is very well-versed in financial accounting and budgets. Mr. Shea addressed a letter written by former Councilman Bob Grant concerning Mr. Grant's vote against the 2009 Township budget. He emphasized that he does not know Mr. Grant and is here to represent his own views. Mr. Shea noted that he wrote to Mr. Andes, and copied the rest of the Council, requesting an explanation for last year's tax increase when the Township had a surplus of \$4 million. He said that Mr. Andes response was unsatisfactory. Mr. Shea stated that it appears to him that the tax increase being proposed by the Council is nearly the maximum allowed by the State levy system. He said that the surplus is a cushion and is money that the Council has stock-piled over many years and not returned to its owners. Mr. Shea continued speaking about the surplus and his perception that it is misused by the Council. He noted that Mr. Golinski had stated that "we have favorable interest rates" as a defense for not using the surplus. Mr. Shea commented that this year's budget contains \$12,000 in interest income on a budget surplus that ranges from \$2 million to \$4 million. He said that, to his knowledge, there are no favorable interest rates out there. Mr. Shea gave a re-cap of the propose surplus for the last few years and the actual surplus at the end of that year. He said that he is sure the surplus at the end of this year will be close to \$4 million. Mr.

Shea noted that, according to his analysis, if the Township collects the same amount of taxes in 2010 as it did in 2009, there will be no need for a tax increase and will have a surplus. He said that the Mayor has stated that the Council has done everything it can do to avoid a tax increase and the tax increase is unavoidable. Mr. Shea stated that he does not find those statements to be true. He continued to question various aspects of the budget.

President Andes asked Administrator Goble to take note of Mr. Shea's questions and address them when we are discussing the budget.

Pete Regan, 23 East Shore Road, commented on the lack of a cost of living increase for Senior Citizens and objected to any salary increase in these economic times.

Gerald Idec, 1 East Longview Trail, stated that it is fine to be patriotic when you have the money. He said, however, that he does not understand how the Council can authorize spending \$10,000 on fireworks when teachers are being laid off, there are no supplies for the kids and there won't be supplies for the janitors to clean the schools. Mr. Idec asked if the turf is absolutely necessary at a cost of \$80,000. Mr. Idec noted that his last concern is about the lawn care on the fields. He said that whenever the Township puts chemicals on the fields it has to notify the public, through the newspapers. Mr. Idec stated that the fields are being treated with poisonous chemicals and it is a danger to the children playing on the fields.

Administrator Goble replied that we have had a contract with Field Pro for many years to maintain the fields. She said that someone with more expertise than she would have to speak about that. Mrs. Goble noted that she is not familiar with the law concerning the treatment of fields but the contract has been bid out for many years. Attorney Semrau added that the bid goes to companies that are licensed and we can certainly follow up on that.

President Andes asked the Mayor if he tries to get donations for the fireworks display. The Mayor responded that he sends out letters and tries to cover as much of that as possible through private donations. He said that we usually don't spend the whole \$10,000 that is in the budget. Mr. Hussa added that part of the money is used for the band that we hire for the 4th of July concert, which we also try to save on.

Mr. Idec commented that if the Township wants to be patriotic they should give the money back to the taxpayers. Mr. Idec stated that the Township wants a new Police Station and the police want a raise and he thinks they deserve one, but where is the money going to come from. He said that there need to be more cuts.

Mr. Idec then referenced a meeting at which residents of Beaverbrook Lane requested new water pipes and were told that the Township has no money to replace the water pipe.

President Andes retorted that is not what was said. He explained that it is a water project and there is a water budget and a process that must be adhered to. Mr. Andes told Mr. Idec that he is misrepresenting what happened at that meeting. He said that the Council will take his suggestion regarding the fireworks under consideration. Mr. Idec asked that newspaper notification of field treatments also be looked into.

Stan Sebastian 35 Morris Avenue, asked for the dollar amount for ratables for the year 2010. He said that there is a new storage facility being built and a "McMansion" going up on Franklin Avenue. Mr. Sebastian wanted to know what additional ratable revenue will be coming in for 2010 that were not in 2009. Administrator Goble replied that, by State law, nothing can come on line and be anticipated as revenue until it is completed and the tax bills go out. Mr. Sebastian asked if anyone in this room knows what the projected revenue is. Mrs. Goble responded that there is no projected revenue in here because it is not permitted by law. She said that the State does not allow the projection of revenue from items that are not yet on the books. Mrs. Goble explained that we do not have the values until the project is completed, a CO is issued and the Tax Assessor goes out and the tax bills are sent out. She further explained that they would then receive an "added and omitted" tax bill in November. Mr. Sebastian asked if he is to believe that the money coming in in November will be gravy. Mrs. Goble again explained the process for "added an omitted" tax bills. She said that it is considered gravy, in a way, because we only have to pay the County tax on it and not the School tax. Mrs. Goble further explained that the property owner is not obligated to finish the project in the year in which it is started; if they hold off on finishing the project until next year, then the taxes will come in next year.

Mr. Sebastian asked what the percentage of increase for the total costs is this year as compared to last year. Mrs. Goble replied that this year's budget actually has a decrease of \$82,634. She noted that 2009 salary and wages was \$10,000 more than this year's budget and the operating expenses were \$40,000 more last year. Mrs. Goble said that, even though we had increases in some line items, the over-all budget is down \$82,000. She noted that it includes all expenses.

CLOSE PUBLIC PORTION.

President Andes advised that there will be a public portion on the budget and on each of the ordinances for adoption.

CORRESPONDENCE: All copied to Council.

MATTERS OF OLD AND/OR NEW BUSINESS:

President Andes noted that the Council received correspondence from Mr. Pally who was interested in giving a presentation to the Council. Mr. Andes said that he spoke with the residents of Old Boonton Road and they expressed the desire that the Council not reverse its previous decision. Attorney Semrau advised that, after speaking to Mr. Pally's attorney, it was decided that they would not come back unless there is some change in the situation.

President Andes advised that there some procedural changes in the Agenda. He said that they must first adopt ordinance #8-10 - EXCEED BUDGET APPROPRIATION LIMITS AND ESTABLISH A CAP BANK.

He asked Mrs. Goble for a brief explanation of the ordinance.

Mrs. Goble stated that it is something we take out as an insurance policy, on the advisement of our auditor. She said that we do this every year and have never used it. Mrs. Goble noted that it is done for security reasons and that it will protect us next year if we have a 2 ½ % cap. She said that we have been doing this for the last ten years and have never used it.

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
CALENDAR YEAR 2010 ORDINANCE TO EXCEED THE MUNICIPAL BUDGET
APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A.: 40A:4-45.14)
BE READ BY TITLE ON SECOND READING AND A HEARING HELD THEREON:
MOTION TO READ BY TITLE: MOVED BY MEMBER GOLINSKI, SECONDED BY
MEMBER KUSER

AYES: GOLINSKI, KUSER, FITZPATRICK, SMITH, ANDES

NAYS: SHAW, STECKY

OPEN PUBLIC HEARING ON #8-10: No one wished to be heard.

CLOSE PUBLIC HEARING.

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
CALENDAR YEAR 2010 ORDINANCE TO EXCEED THE MUNICIPAL BUDGET
APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A:40-45.14:
BE PASSED ON FINAL READING AND THAT A NOTICE OF FINAL PASSAGE BE
PUBLISHED IN THE 5-12-10 ISSUE OF THE CITIZEN.

MOTION TO ADOPT: MOVED BY MEMBER GOLINSKI, SECONDED BY MEMBER
FITZPATRICK

AYES: GOLINSKI, FITZPATRICK, KUSER, SMITH, ANDES

NAYS: SHAW, STECKY

R-10-104 RESOLUTION AUTHORIZING THE ADOPTION OF THE TOWNSHIP OF
DENVERVILLE'S 2010 MUNICIPAL BUDGET

MOTION TO APPROVE R-10-104: MOVED BY MEMBER GOLINSKI, SECONDED BY
MEMBER FITZPATRICK

AYES: GOLINSKI, FITZPATRICK, KUSER, SMITH, SHAW, ANDES

NAY: STECKY

President Andes noted that, prior to the public hearing, he would like to make a brief statement. A copy of that statement is attached to these minutes.

OPEN PUBLIC HEARING ON BUDGET ONLY:

Jack Ryan, 9 Wetmore Drive, asked if the budget that is up for adoption is exclusive of the salaries that are proposed. Administrator Goble replied that the increase in salaries is included in the budget and, if the salary ordinances are not passed, the money will revert back to the surplus. She said that we wanted to get the budget passed in order that the tax bills can go out, since that is our source of revenue. Mrs. Goble added that the budget and the ordinances are two separate issues.

CLOSE PUBLIC HEARING.

Administrator Goble asked President Andes if, at this time, she might address two questions that were raised which she would really like to have an opportunity to respond to. President Andes invited Mrs. Goble to proceed.

Mrs. Goble said that one question was that \$800,000 unexpended balance at the end of 2009. She noted that this was an indication of only what the unexpended balance was as of December 31, 2009, when we have to close our books. Mrs. Goble advised that, as everyone who runs a household knows, all of the December bills, such as utility bills, are billed in the month of January. She said that the figure of \$800,000 as of the end of December is not a true figure because the December bills are not due until January, so the \$800,000 has to be there to pay them. Mrs. Goble advised that this year our snow budget was short \$250,000 and a transfer had to be made to cover that short-fall. She said that many charges, including December overtime are charged in January. Mrs. Goble added that the balance that you see at the end of 2010 will not be anywhere near that figure.

Mrs. Goble then spoke of the "surplus anticipated". She noted that she thinks there may be a misunderstanding when discussing that. Mrs. Goble explained that it is the figure that we take from our surplus funds to offset the cost of this budget. She noted that she charted the surplus from 2003 to 2010 noting that each year was something over \$2 million. Mrs. Goble advised that the surplus did not go to \$2.9 million in 2009 because we did not generate enough revenue in prior years to fund it at that amount. She said that had we funded it at the higher level last year, as we were asked to do, we would not have been able to fund the surplus at this level this year and there would have been a huge tax increase. Mrs. Goble noted that you should never use more than you can regenerate in one year.

Administrator Goble advised that it should not be called a surplus, it should be called a fund balance because it is our cash bank basis. She said that when we have to pay our bills and we don't get our taxes paid in full and we have to pay the County and School Boards 100%, how do we do that without a cash bank. Mrs. Goble noted that two weeks ago we had \$800,000 in that account which had to pay bills and payroll and, she added, there is never \$4 million in that account. The Administrator advised that we do need to have a cash flow and that's what that fund is as well. She said that we are helping to offset this budget and we could not fund it to any higher level because we know that in 2010 we are not going to generate \$3 million or \$2.8 million. Mrs. Goble noted that it is conservative but it is the courageous thing to do, to stand up and say I have to worry about all the years that are coming.

Mr. Shay remarked that the surplus that Mrs. Goble quoted was a forecasted surplus. Mrs. Goble replied that is incorrect, it is the amount that we put in the budget; she said that when we say "surplus anticipated" that means we are giving that much towards that budget. Mr. Shay commented that the year was started with a \$4 million surplus, took \$2.4 and ended at a projected surplus for 2010 of \$1.7 million. Mr. Shay insisted that the \$4 million is there at the end of every year because the Township is being over-conservative on the collection of taxes and he doesn't understand why we have 3%

assumed. Mrs. Goble asked what she would have to raise next year if she used that \$1.7 million and had no surplus. Mr. Shay stated that, if taxes need to be raised, she should go to the taxpayers and say here's what we're spending and here's what we need it for. Mrs. Goble advised that the State only allows the municipality to raise it 4%. Mr. Shay said that is what it is being raised right now, it is within \$800,000 of the maximum allowed by statute. Mrs. Goble replied that she is aware of that and asked, if she used another \$600,000 and had no place to go for that, she could not legally raise the taxes anymore. Mr. Shay stated she would then have to make cuts. Mrs. Goble said that \$600,000 is a lot of services to give up and that is a decision that this Council was not willing to make, and she doesn't know that the residents would want services cut to that extent. Mr. Shay noted that there is \$400,000 in interest expense in this budget and \$12,000 in interest income. Mrs. Goble replied that, last November, we went out to borrow, with the Library's money, \$4.2 million at an interest rate of .90% for a year and thought it was a great rate. She said that this year we went out and borrowed \$1 million and the interest rate was .61%. Mrs. Goble advised that all of the financial institutions told her that Denville is one of the best towns that they have seen in a long time and the town could be proud of how financially secure it is. The Administrator noted that our auditor can attest to how many towns are in disarray because they have done what people think that we should be doing in stripping our fund balance. There was an additional exchange between Mr. Shay and Mrs. Goble regarding the interpretation of the budget figures. Mr. Shay insisted that, if the Township collects the same amount of taxes that it did in 2009, taxes will not have to be raised and there will be a \$300,000 surplus. Mrs. Goble noted that we have 176 tax appeals this year, which we never had before, and last year we had 12. Mr. Shay was adamant in his opinion that we will end the year with a \$3 ½ -4 million surplus and he will be here to prove it.

Mr. Shay asked Mr. Andes if the Council gets health benefits. Mr. Andes replied that no one on this Council takes health benefits. He added that the Mayor and Council are entitled to health benefits because we are in the State Health Plan, but nobody on the Council takes health care benefits.

President Andes advised Mr. Shay that his time is up. Mr. Andes asked Valerie Dolan of Nisovoccia & Co, Township Auditors, if she would like to make a statement.

Mrs. Dolan stated that the budget is written very conservatively but the State of N.J. does want the municipalities to operate on a conservative basis. She advised that the problem with using up the surplus is that you will never regenerate it. Mrs. Dolan noted that the State of N.J. has cap laws that prohibits increasing the taxes. She said that if you were to give it all back by using the surplus you would be looking at a tax increase in the subsequent year that, by law, we are prohibited from imposing. Mrs. Dolan explained that you would then be obliged to cut services next year and there would be no way to avoid that. She said that even if the taxpayers said they want to be taxed more, the State won't allow it. Mrs. Dolan noted that the only way to protect the town from a tax spike and to be consistent, is to keep a steady cash surplus. She said that

Mrs. Goble is correct in saying that there is never a \$4 million balance in that account, many months there is no money in the account. She said that it is not a slush fund, it is just how the town operates on a daily basis.

President Andes thanked Mrs. Dolan for her input.

Bob Grant 114 Ridgewood Parkway East, commented on the issue of spending the surplus. Mr. Grant stated that his proposal last year was to use part of the surplus to avoid a tax increase. He said that the \$60 tax increase does not have to happen and should not happen in these times. Mr. Grant stated that it is not a positive message that the Council is sending to the taxpayers and he urged that the Council take more from the surplus and present a no tax increase budget.

Lorrie Toth, 11 Chestnut Hill Drive East, spoke about the stock market, the state of the European economy and the English housing market. She then commented on bank failures in the U.S. and the fact that, this year, Social Security will be paying out more than it will bring in. Ms. Toth stated that this is a very frightening reality and something has to be cut.

Andy Wilkow, 8 East Shore Road, stated that the public sector can always compel the private sector to give it whatever it wants. He said that if the Council is going to agree to salary increases before a vote to cap property taxes, you will have a deficit, which is not allowed in the State of N.J. Mr. Wilkow stated that the Council is going to have to find a new and creative way to raise revenue, or someone is going to have to go. He said that no one in the private sector can compel their income to go up like the public sector can. Mr. Wilkow spoke about private sector lay-offs and business declines and asked where the taxpayer is expected to get the money for the tax increase when some or in danger of losing their jobs. He asked the Council to please think of the taxpayer before passing the budget and salary ordinances.

Barbara DeLuna, 396 Diamond Spring Road, stated that she served on the School Board Financial Committee this year. She asked Auditor Dolan to explain a question that she has about the fund balance; she said that the School Board's fund balance was only \$200,000 on a \$25 million budget. Ms. DeLuna noted that it is capped at \$500,000 and the rest must go back to the taxpayer, by State Law. She said that she does not understand why the Township's surplus is \$4 million and the School, whose budget is a little bigger, has a surplus of under \$500,000.

Mrs. Dolan noted that way a municipality and a school work are an entirely different accounting base. She said that schools are on a cap basis and municipalities are on what is called an other comprehensive basis. Mrs. Dolan advised that schools have a 2% cap on their expenses and that is all that the school is allowed to hold. She noted that is because the school's function is to educate a child and once that student is educated for that year, the year is complete and they are not allowed to hold reserve. Mrs. Dolan explained that a municipality does not have a hold on its reserve, there is no cap limit. She added that a school district can increase your taxes because they have to pay for going forward with the next school year, they have to give back what is referred to as "excess surplus". Mrs. Dolan noted that municipalities don't have that law

so it does not apply; even though they both operate under N. J. law they do so under completely different cap laws, so comparing them is next to impossible.
CLOSE PUBLIC PORTION ON BUDGET.

President Andes asked the Mayor if he has any comments on the budget. Mayor Husa stated that he supports the budget. He said that he would like to enumerate a few items that cover a three year period which, when divided by three, will indicate the savings in this particular year.

Tax Relief:

Beautification Committee - beginning in 2008 and extending to the end of 2010, saved \$54,000

Business Administrator/CFO position combined for a savings of \$390,000 over three years.

Buildings and Grounds and IT Specialist positions combined for a savings of \$270,000.

Environmental Health Officer not replaced upon leaving and duties were transferred to the Health Director at a savings of \$115,000 over 2 ½ yrs.

No full-time Mayor's secretary for the three years that Mayor Husa has been here at a savings of \$240,000 over three years.

DPW Director not replaced upon retiring; position filled from within by John Egbert at a savings of \$200,000 for 1 ½ yrs.

Shared Court with Mt. Lakes will save \$48,000 for this fiscal year.

Three DPW workers left and were not immediately replaced. They have now been replaced and the savings through the end of 2010 is approximately \$440,000.

Mayor Husa stated that, since he became Mayor, the work force has decreased by eight full-time and one part-time employees.

The Mayor stated that when the budget was first presented to the Council, there was a minimal tax increase of \$17 on the average assessed home. He said that, after all the efforts that went into trying to cut spending and into the savings that he just listed, he was demoralized when the Governor withdrew the Energy Receipt Tax and the CMPTRA aid, which is rightfully our money. Mayor Husa noted that, one week before introduction, the Governor took \$460,000 from us. He said that if the Governor had not done that, we would have had a flat tax. The Mayor stated that we were able to find about half of that \$460,000 to reduce the tax increase. Mr. Andes interjected that it wasn't quite half, but the increase was reduced from \$70 to \$59 per average home.

Mayor Husa stated that he stands behind this budget. He said that he wishes it could have been a little better. The Mayor noted that he is putting in a double full-time effort to find shared services. He said that he is talking to at least five towns right now and looking for revenue wherever we can find it. The Mayor advised that they are working as hard as possible to find efficiencies in the work force. He said that the Council is working hard on the residents' behalf and stated that the Township employees are the ones who make it happen.

President Andes said that he has a final comment on the fund balance/surplus/cash

flow. He said that the schools and the County get their money on the first of the month. He noted that the Township needs to have the money to pay the bills as they need to be paid. Mrs. Goble interjected that we have to pay out \$3 million every month. She said that both school boards must be paid 100%. Mrs. Goble advised that, when we say that we end up with a 98% collection rate at the end of the year, it doesn't mean that the first quarter wasn't a 92% and we still have to pay that \$3 million. She said that, if we didn't have a cash flow to go to for it, we would have a major problem. The Administrator advised that we are fortunate that the school boards will work with us and accept a reduced amount if the State delays the tax bills.

Councilman Kuser stated that he is for the budget. He said that this is the lowest it has been in five years and gave the amount of increase in each year since 2006. Mr. Kuser noted that, even with having the \$469,000 taken from us, we are still able to present a budget with a lower increase than any of the last five years. He commented that he is a taxpayer as well and also a citizen, and the Township owes it to the citizens to give them the services that they are accustomed to receiving. Mr. Kuser advised that the Council was aiming for a zero increase and got close to \$17 until the State intervened. Councilman Fitzpatrick stated that he also supports this budget. He explained that the budget process begins with the Mayor presenting the proposed budget to the Council and the Council then works to ratify that budget. Mr. Fitzpatrick noted that every step of the way is pretty much in the public view, with budget workshops being held in open session. He said that the Council does the best it can to make the right decisions while working on the budget and making the necessary cuts. Mr. Fitzpatrick noted, looking at the tax increases for the last five years, that when there is a zero, or very low increase, the following year the tax increase shot way up. He said that does have to do with the fund balance. Mr. Fitzpatrick stated that he feels it is very important to realize that we do have to pay the School Boards and the County 100%, but it is a situation that we can't change. He said that there are many other things that the Council is looking at to try to improve things for next year and the years to follow. Mr. Fitzpatrick noted that the Council is trying to do the very best it can and will continue along that path.

Councilwoman Smith advised that this is her 15th budget and, other than Mayor Husa, she has worked on more budgets than anyone on the Council. She noted that consideration must be given to the previous year and the subsequent year, as well as the year of the budget that is being worked on. Mrs. Smith stated that the Council has the responsibility for the health, welfare and safety of our residents. She said that this Council made a conscious decision not to cut services, but cut costs wherever they could. Councilwoman Smith advised that, before she became a Council person, she sat down with former Administrator Sandman and with Clerk Costello seeking to learn about the surplus. She said it is difficult to explain and hard to comprehend. Mrs. Smith noted that, many years ago, a previous Council chose to use up all of the surplus and the tax rate went up 10 tax points the next year. She said that this Council is charged with the responsibility of trying to give the taxpayers something that they can predict, as to having stable tax payments. Mrs. Smith spoke about the tough economic

times and noted that the Council came close to a zero budget until the State pulled the funds. She said that the Council worked hard on the budget and she will support it. Councilman Shaw noted that he has worked on twenty-two budgets, twenty of them for the Morris Hills Regional School District. He spoke about his disagreements with the increases in each of those school budgets. Mr. Shaw then commented on what it was like to live through the depression years. He noted that there are a lot of senior citizens in this community that are hurting for money and will get no raise in their Social Security this year. Mr. Shaw advised that when he was on the Police force they received no raise one year. He said that he knows what the employees, present here tonight, are going through but he is not voting for a raise for anyone this year.

Councilman Stecky noted that he, like Mr. Fitzpatrick, is in the private sector and is charged with saving more money each year than he costs the company. He stated that everyone worked very hard and got very close to a zero increase. Mr. Stecky said that he will vote against the budget because, as it is presented, it includes the contract increases and we haven't approved the contract increases yet. He noted that the question was asked as to whether the increases are in the budget and the answer was that they are, but we have not voted for the budget yet. Mr. Stecky said that, in principle, he has a problem with this and will vote no.

Councilman Golinski commended the Mayor, Administrator and his peers for the work that went into this budget and the long hours of debating, arguing and challenging each other to trim the budget as much as possible. Mr. Golinski repeated the comments that were made previously regarding the Council's success at bringing the budget down to a \$17 increase and the additional work that was required to re-examine it after the State withheld the \$460,000. He said that it was difficult to bring it down from \$70 to the \$59 that is the current increase. Councilman Golinski noted that it is our job to be ready for any kind of emergency or catastrophe that may come up and he thinks that this budget allows us to do that and still remain a lean budget. He said that it allows us to keep the town running efficiently, provide the needed services, pay our bills and be fiscally responsible.

AYES: GOLINSKI, FITZPATRICK, KUSER, SMITH, SHAW, ANDES

NAY: STECKY

R-104A RESOLUTION TO AMEND THE INTRODUCED MUNICIPAL BUDGET

President Andes asked Administrator Goble to explain this resolution.

Administrator Goble noted that when we sent the budget to the State the figure that had been given to us to get a State grant in the amount of \$3,204.00, was shown in the budget. Mrs. Goble advised that when we got our paperwork from the State it showed the amount of the grant as \$1,623.00, so we had to amend our grant from \$3,204 to \$1,623. She said that it is decreasing our budget by approximately \$1,600 but the State wanted an amendment to reflect that decrease because it is different than what we adopted.

MOTION TO APPROVE 104A: MOVED BY MEMBER SMITH, SECONDED BY MEMBER FITZPATRICK

AYES: SMITH, FITZPATRICK, KUSER, SHAW, STECKY, GOLINSKI, ANDES

ORDINANCE(S) FOR ADOPTION:

#9-10 PROHIBITS LIBRARY FACILITIES FOR PRIVATE INSTRUCTION, FOR PROFIT

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
AN ORDINANCE OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY TO AMEND CHAPTER XXV, LIBRARY PROPERTY AND BOOKS, OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP
BE READ BY TITLE ON SECOND READING AND A HEARING HELD THEREON:
MOTION TO READ BY TITLE: MOVED BY MEMBER SMITH, SECONDED BY MEMBER FITZPATRICK
AYES: SMITH, FITZPATRICK, KUSER, SHAW, STECKY, GOLINSKI, ANDES

OPEN PUBLIC HEARING ON #9-10: No one wished to be heard.
CLOSE PUBLIC HEARING.

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
AN ORDINANCE OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY TO AMEND CHAPTER XXV, LIBRARY PROPERTY AND BOOKS, OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP
BE PASSED ON FINAL READING AND THAT A NOTICE OF FINAL PASSAGE BE PUBLISHED IN THE 5-12-10 ISSUE OF THE CITIZEN
MOTION TO ADOPT: MOVED BY MEMBER STECKY, SECONDED BY MEMBER FITZPATRICK
AYES: STECKY, FITZPATRICK, KUSER, SMITH, SHAW, GOLINSKI, ANDES

#10-10 AMENDS TAXI AND LIMOUSINE REGULATIONS

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
AN ORDINANCE OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY AMENDING AND SUPPLEMENTING CERTAIN PORTIONS OF CHAPTER 9, TAXICABS, OF THE REVISED GENERAL ORDINANCES
BE READ BY TITLE ON SECOND READING AND A HEARING HELD THEREON:
MOTION TO READ BY TITLE: MOVED BY MEMBER GOLINSKI, SECONDED BY MEMBER KUSER

OPEN PUBLIC HEARING ON #10-10: No one wished to be heard.
CLOSE PUBLIC HEARING.

AYES: GOLINSKI, KUSER, FITZPATRICK, SMITH, SHAW, STECKY, ANDES

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
AN ORDINANCE OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY AMENDING AND SUPPLEMENTING CERTAIN PORTIONS OF

CHAPTER 9, TAXICABS, OF THE REVISED GENERAL ORDINANCES
BE PASSED ON FINAL READING AND THAT A NOTICE OF FINAL PASSAGE BE
PUBLISHED IN THE 5-12-10 ISSUE OF THE CITIZEN.

MOTION TO ADOPT: MOVED BY MEMBER SHAW, SECONDED BY MEMBER
FITZPATRICK

AYES: SHAW, FITZPATRICK, KUSER, SMITH, STECKY, GOLINSKI, ANDES

#11-10 POLICE SALARY ORDINANCE

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:
AN ORDINANCE TO ESTABLISH THE SALARIES AND TERMS OF EMPLOYMENT
FOR THOSE EMPLOYEES OF THE DEPARTMENT OF POLICE GOVERNED BY
COLLECTIVE BARGAINING OF THE TOWNSHIP OF DENVILLE, COUNTY OF
MORRIS, STATE OF NEW JERSEY

BE READ BY TITLE ON SECOND READING AND A HEARING HELD THEREON:
MOTION TO READ BY TITLE: MOVED BY MEMBER STECKY, SECONDED BY
MEMBER SHAW

Attorney Semrau noted that this vote is for the ordinance to be read by title.

President Andes said that is correct.

AYES: STECKY, SHAW, FITZPATRICK, KUSER, SMITH, GOLINSKI, ANDES.

Before proceeding, President Andes thanked Chief Wagner and his entire department, on behalf of the Mayor, Council and all of the citizens of Denville, for the fine job they do in protecting our residents and our property. He also thanked the DPW for keeping our roads safe and snow-free, our parks and fields pristine, our water safe to drink and our sewerage free-flowing. Mr. Andes thanked the Township employees for all that they do to keep the Township in good health and legal and financial order.

President Andes then read a statement concerning the process that was followed to arrive at the contract that is up for adoption. A copy of that statement is attached to these minutes.

OPEN PUBLIC HEARING ON #11-10 ONLY.

Stephen Toth, 11 Chestnut Hill Drive, East, stated that we cannot fully compensate our Police for the service they provide; he said that, realistically, we can only pay them what we can afford. Mr. Toth commented that he doesn't believe we can afford these raises at this time, not only for the Police but for all of the salary ordinances. He asserted that N. J. municipal employees are already among the most highly compensated in the nation. Mr. Toth noted that inflation is at zero percent and there is no justification for a raise at this time. He spoke about the difficult economic times and its affect on the taxpayer, but noted that he is not against giving raises. Mr. Toth said that he does not believe that the way these raises have been structured is in the best interest of the taxpayers of Denville and a smaller raise would not be a hardship for the employees.

Carol Spencer, 86 Woodstone Road, stated that her comments have nothing to do with the quality of work of any of Denville's employees. Ms. Spencer commented that all of the Council members supported Gov. Christie's election and she would have thought they would support his call for reining in the cost of government. She gave a few

quotes from the Governor's comments upon taking office and spoke about his agenda for reducing costs. Ms. Spencer gave the voting records on Senate bills S-2, 3 & 4 on pension reforms. She indicated that on May 22nd public employees will be subject to these new laws. Ms. Spencer then spoke of private sector employees and their costs for health coverage. She stated the amount that she pays for her two, unmarried children and noted that, after May 22nd, she will have to pay 1 ½ /2% of her salary for health benefits. Ms. Spencer commented that, under the proposed contracts, a Denville employee making \$100,000 per year, will pay just \$400 annually for medical insurance; if that same employee has a family, he will pay \$800 per year. Ms. Spencer advised that on May 22nd, under S-3, he would pay \$1,500. She said that, as a public employee, she thinks that is a good deal and is not at all upset by having to pay 1 ½% of her salary for medical benefits. Ms. Spencer stated that she is upset by Denville employees being able to skirt out from under paying that 1 ½ % for the next four years. She urged the Council to vote no on these contracts, stating that they do nothing but circumvent the law of the State of New Jersey.

Barbara DeLuna, 396 Diamond Spring Road, stated that she feels she was denied the opportunity to review the contracts. She suggested that the ordinances be tabled to give the public an opportunity to review the contracts. Ms. DeLuna asked if the wording in the contracts allows the Township to opt out of the State Health Plan. She spoke about the savings to the School Board budget obtained through privatizing the health care and suggested that the Township look into that possibility.

Dale Huston, Ford Road, stated that she has a small business and the cost for health insurance for two employees is \$937 per month. She also listed the amounts for co-pays and deductibles. Ms. Huston commented that \$400 annually for Township employees is unacceptable. She said that voting for the budget, before voting for these issues does not seem entirely fair to her.

Pete Regan, 23 East Shore Road, noted that it costs him in the neighborhood of \$10,000 per year for health care for himself and his wife. Mr. Regan stated that \$400 per year for the employees is a joke.

Jim Schoner, 65 Kitchell Road, said that everyone agrees that Denville is a great town and we have great employees. He said that there are many homes for sale and people are leaving because they can't afford to stay here any longer. Mr. Schoner suggested that the Council look at a salary freeze and paying the 1 ½ %. He displayed election brochures, commented on the election promises of fiscal responsibility and said that he does not see those promises being kept. Mr. Schoner stated that he thinks that the budget is inappropriate and it should all go away and go back to 0%.

Bob Grant, 114 Ridgewood Parkway East, stated that the Mayor's neighbor, Mrs. Brennan, had to leave but asked Mr. Grant to express her support for the Police Department. Mr. Grant noted that there has been much talk about arbitration and how dangerous it is and how damaging it would be to go to it. Mr. Grant provided the Council with a copy of a letter sent to the Mayors of the State by the League of Municipalities Executive Director Bill Dressel. (A copy is attached to these minutes.) Mr. Grant read the terms of an arbitration case that is documented in this letter. He

said that he brought this up because of the Council and Mayor's refusal to go to arbitration. Mr. Grant cited the reason for that refusal as it being too damaging to the fiscal position of the Township. He noted that, according to the arbitration decision that he has just presented, arbitration seems to be moving back toward a significant balance between the employee unions and the employers. Mr. Grant reminded the Council that last year when the Council was asked what terms they would like to see in a new contract, they replied that they would like a one-year contract. He said that the reasoning was that it would provide time to assess the economic situation after one year and go back to the bargaining table for a new contract.

Bruce D'Adamo, 6 Wilson Avenue, commented on the number of his colleagues who have lost their jobs. He said that he is curious, after these raises are passed out and the health insurance co-pays are passed, how the Council will explain to those people how they can pay the taxes that are still due, even though they no longer are employed. He spoke about the current economics, decrease in the cost of living and drop in home values. Mr. D'Adamo made various comparisons between private and public employees.

Gary Beumee, 10 Sky Top Drive, commented on what a great town Denville is and all the opportunities it provides for children. He said that he attended the School Board meetings and that the teachers stepped up and helped in the budget crunch. Mr. Beumee spoke about the hard times and people struggling because of being out of work. He noted that everyone has to tighten their belt, step up and sacrifice. Mr. Beumee stated that he lives in the Union Hill section of town and is in the minority because he is not a Republican. He said that he does not pretend to be anything that resembles a Republican and does not hide the fact that he is not a Republican. Mr. Beumee told the Council that they need to step up and act like Republicans.

Mark London, 107 West Shore Road, asked about the procedure for the publication of ordinances. Township Clerk Costello explained that the ordinance is read by title, sent to the newspaper the next day for publication in the Citizen, our legal newspaper. She noted that salary ordinances mandate one printing in full; on adoption they are printed by title. Mrs. Costello advised that bond ordinances must be printed twice, in full.

Attorney Semrau added that it is also listed on the agenda prior to final adoption.

Scott Welsh, President of PBA #142, noted that he is here to speak on behalf of the Local. Mr. Welsh read a prepared statement which is attached to these minutes.

Chief Christopher Wagner, Denville Township Police Department, stated that it was not his intention to speak tonight; his intention was to leave it to the members of the PBA and the members of the Police Department. He said, however, that he will not sit back and allow what was said to be said and what may happen, to happen. Chief Wagner stated that he would like to present a different perspective than almost everyone in this room. He said that he received an anonymous letter today condemning him for asking for a contract and a new building and telling him that he should take a 20% deduction in the operating budget. The Chief stated that he has already cut that budget by 20%. He reminded the Council that a couple of months ago, at a budget meeting, he sat and told the Council that he understands the economic times we are in and would defer asking

for additional manpower in the Police Department. Chief Wagner noted that when the Governor cut \$460,000 from the Township he told Mrs. Goble that it was o.k., he would make do with what he has. He said that he then had to defend himself for how much work the Police Department has done with less. The Chief advised that he had to write a four page memo explaining to the Council how they could be doing more with less. Chief Wagner made a statement regarding the passion that the members of the Police Department feel for their jobs and that it is the job they will die for. He said that their wives and children know that they might leave here tonight and not come home - that is the job that they do.

Chief Wagner noted that this contract does not include his salary but the members of the PBA of the Denville Police Department came to the Township and negotiated in good faith, and accepted an offer from the Township. He said that, in hindsight, it may not look that great, but hindsight is always 20/20. The Chief asked that the Mayor and Council not go back on what they negotiated because there is a change in the political climate. He said that he certainly hopes that, if the financial situation is in such dire straits, that everything that money is spent on will be examined very carefully. The Chief noted that he hopes that other services in town will not become more important than public safety. He said that he simply asks that the Mayor and Council honor the contracts that they signed and introduced - in public. The Chief noted that everything was done up front, there was no smoke and mirrors. He said that he has always asked his people not to go to the Council but he begged them all to come tonight. Chief Wagner commented that he resents the comment that they are an "opposition force" because they are not, they are here to fight for their livelihood, as he would expect anyone else would in the same situation. The Chief advised that the Police budget is \$80,000 less than it was last year. He told the Council that they negotiated a contract that they thought was fair and then everything changed when there was a hiccup. Chief Wagner noted that it is not generally a good way to do business with your employees since it makes it hard for the employees to understand what is right and wrong, what's good and bad and what's true and false.

CLOSE PUBLIC HEARING.

President Andes asked Administrator Goble if she had any comments on this ordinance. Administrator Goble stated that she knows it was an arduous negotiation and that times are tough for everyone. Having said that, Mrs. Goble noted that she is very proud of the relationship she had with the PBA and all of the other employee associations during the negotiations. She said that it was done in a peaceful and friendly manner. Mrs. Goble advised that Mr. Grant alludes to an arbitration agreement in 2007. She noted that she was involved in the arbitration that went on in Denville and the settlement that Denville got in 2007 was no where near what Mr. Grant was alluding to. Mrs. Goble stated that, in 2007, the Township lost on every count that it asked for and the arbiter's award was 3.95%, 4%, 4% and 4% and flatly turned down any co-pay from the employees. She said that she found it to be an expensive, futile effort. The Administrator added that she, the Mayor and the Council made a conscious decision

to avoid arbitration. She said that, had they known what they knew when they did this, she is not sure that this would have happened the way it did. Mrs. Goble advised that she explained to this Council that her word is the only thing that she has and her integrity is what she lives with. She said that she faced these people and made an offer to them based on what the seven people sitting on that dais told her to offer. Mrs. Goble stated that she did not do this on her own. President Andes interjected that it was eight people. Mrs. Goble replied that it was eight, seven people, plus the Mayor. Addressing the Council, Mrs. Goble said that they all were kept up-to-date on all negotiation meetings and what the counter-offers were. She explained that the reason we went for a four year contract was that it was a great concession for the PBA to give by lowering the starting salary by \$9,000. Mrs. Goble noted that freezing that salary will save us a great deal of money in future years and we would not have gotten any where near that concession with a short-term contract. She alluded to the number of hours she puts in doing two jobs and noted that she would be getting a good deal more in the private sector, including bonuses. Mrs. Goble stated that she does not feel that they should all be held up by their fingernails, she thinks this is a good and fair contract. Attorney Semrau noted that there has been some discussion about negotiations and certainly members of the public and PBA have every right to come and speak as they would like. He added that, because this Council went into Executive Session, he will have to limit comments on the negotiation process, but they are free to discuss whether or not they are in favor of the contract.

President Andes asked Mrs. Goble if it is fair to say that the contract that was accepted by the PBA this year is very similar to the contract that was rejected by the arbitrator four years ago. Mrs. Goble replied that it is less than what the arbitrator awarded four years ago. Mr. Andes asked if it is not correct that what we asked for the last time is pretty much the same as this contract. Mrs. Goble said that is absolutely correct and all things considered, the salaries are still \$10,000 lower in this year's budget than they were in prior years.

President Andes asked for the Mayor's comments.

Mayor Hussa stated that he agrees with Patrolman Welsch in that, everything was negotiated and we came up with a contract. He said that he apologizes for not being aware of the State law that goes into effect on May 21st. He noted that he became aware of the impact of this law after he signed the contract and apologized for his lack of understanding on this issue. The Mayor commented that he did some math and discovered that, if we do go with the State plan, the following amounts would be saved:

Year 1	\$33,800	Year 2	\$37,000	Year 3	\$38,600
Year 4	\$42,000				

The Mayor stated that it is over \$150,000 over four years. He said that, due to these figures, he would like to ask the Council to table the salary ordinances until after May 21st. He noted that this plan is actually better for those employees who earn under \$54,000.

President Andes commented that the Mayor does not then support this ordinance. He asked the Mayor if it is his intent to veto the ordinance if it is approved tonight.

The Mayor replied that he will have to think about that.

President Andes asked if it is not so that he and the Mayor had a conversation yesterday, during which the Mayor told him he would veto it.

The Mayor said that he would think about it at this point.

Mr. Andes stated that he is asking the question because it will add to the process.

The Mayor replied that he understands.

Mr. Andes commented that yesterday, when the Mayor was getting off his bike, he told Mr. Andes that he would veto it if it passed tonight.

The Mayor replied that tonight he is telling Mr. Andes that he will think about it.

President Andes then asked if the Mayor was in agreement when the entire Council and Administrator Goble when we gave her the parameters to negotiate.

Mayor Husa replied yes, as he said, we had a contract. He said that he has also listened very carefully to the public tonight and concurs that there are very serious economic times. He again asked the Council to table the ordinances until after May 21st.

Mr. Andes asked the Mayor if he signed the contracts.

The Mayor replied that he did, but he has been advised by the Township Attorney that the contracts are not in effect until the ordinances are passed.

Mr. Andes read a newspaper article that quoted the Mayor as saying that "I would have preferred a contract with lower raises but the town wanted to avoid arbitration. In my 14 years on the Council, we never won anything in arbitration and there is no way we were going to do any better than we did".

The Mayor hesitated to answer and Mr. Andes stated that it was in the newspaper. The Mayor started to reply and Mr. Semrau interjected that Labor Counsel Knapp is present and he, Mr. Semrau, does not know if it is in anyone's interest to start talking about possibilities with arbitration. Mr. Semrau said that he will defer to Mr. Knapp as to whether the Mayor should discuss that or not. Mr. Knapp replied that he agrees with Mr. Semrau that the context of negotiations are inappropriate for discussion. He said that the matter for discussion is whether or not the governing body agrees with the contracts.

Councilman Shaw commented that he doesn't believe that the parameters were centrally stated to him. He said that he was led to believe it was going to go one way and the next thing he knew, it was a done deal. Mr. Shaw noted that he has nothing against any of the employees and would never go against his "brothers".

Councilman Stecky stated that two weeks ago, when the ordinances were introduced, he had serious questions about the contracts. He said that he voted no at introduction.

Mr. Stecky noted that the Council went into Closed Session and he came out of that session and voted yes. He said that after much research, he is very concerned about both the taxpayers and the employees because this doesn't work for either side well at all. Mr. Stecky spoke about the State being in crisis and asked how the taxpayers can afford these increases. He said that his concern for the employees is that, if there is a 2% cap next year on the budget, how can we sustain a 3% increase. Mr. Stecky advised that would result in cutting services or people. He spoke about the State

government working together to pass pension and budget reform and the possibility of layoffs if the economy doesn't improve. Mr. Stecky noted that his comments refer to all of the contracts before the Council this evening, not just the Police contract.

Mr. Stecky cited three articles from the Burlington Times concerning three municipalities in southern N. J. that voluntarily offered give-backs in their contracts. He said that everyone has to sacrifice and give a little in order to do what's best for the town and the community, not for individual groups.

Councilman Golinski stated that it is true, hindsight is 20/20. He said that he'd like to go back and buy some stocks that were for sale at certain prices on March 21st, but I can't do that. Mr. Golinski noted that he has heard some very moving comments tonight, but one thing that was not addressed was that this contract is an opportunity for us to make some real advantages in the future. Mr. Golinski said that Mr. Schoner quoted his election literature as saying that Mr. Golinski wanted to be fiscally responsible. He said that he wants to be fiscally responsible, not just now and between the next election, but for at least another decade, if not forever. He said that in this contract we have the opportunity to push salaries backwards for up to \$15,000 per year. Mr. Golinski noted that there is the opportunity to save almost \$200,000 per year. He said that he sees some good in this contract and, being fiscally responsible, he wants to avoid any gamble we may take, or expenses we may incur in arbitration. Mr. Golinski noted that he sees the potential for a lot of saving in the long run.

Councilwoman Smith apologized for missing the last meeting due to illness. She spoke about previous negotiations, arbitration and contracts that she has been involved with. Mrs. Smith noted that the intention had been to get the starting salary down in order to cut costs but that had not happened. She apologized to her fellow Council persons and to the employees. Mrs. Smith spoke about the economy and its impact on everyone. She said that the new Governor has established some guidelines and if we don't follow them and set an example we are not going to be able to accomplish things. Mrs. Smith commented on the Governor's 1 ½ % health care plan and the 2 ½ % cap. She said that the cap troubles her and she does not think that a four year contract, at this time, is not what she feels is wise. Mrs. Smith stated that she would feel more comfortable with a one-year contract with the agreements we've made. She said that she does not feel it is fiscally responsible for us to go with a four-year contract for any and all employees. Mrs. Smith noted that she will vote no on the contracts.

Councilman Fitzpatrick stated that we have a lack of leadership here. He noted that he has only been here for four months and didn't know anything about politics when he arrived. Mr. Fitzpatrick said that he thought a regular person could make a difference and that is what he is trying to do. He commented that he is a private sector person and has said, on the record during budget meetings, that he didn't see how we could give raises in these economic times. Mr. Fitzpatrick again spoke about the lack of leadership; he spoke to the cost of arbitration. He said that the entire Council supported that and gave their word. Mr. Fitzpatrick commented that the Mayor suggested tabling these ordinances but asked if it is correct that it would not change anything. Mr. Fitzpatrick asked the Mayor if he supports his negotiation, yes or no.

The Mayor asked him to repeat the question. Mr. Fitzpatrick repeated the question and added that he does not mean table it, does he support it as it currently stands. The Mayor replied that all he wants the Council to do right now is table it. Mr. Fitzpatrick said that he will take that as a no. The Mayor noted that it goes for all of the contracts.

Members of the public spoke out and asked the Mayor for a yes or no answer. President Andes called for order in the Chambers and noted that, earlier, he had asked the Mayor if he is in favor of the contracts and the Mayor indicated that he would like the Council to table the ordinances. Mr. Andes commented that, in a conversation with the Mayor yesterday, the Mayor indicated that he is against the contract and, if the ordinance is passed, he will veto it.

Councilman Kuser stated that this is the Mayor's contract; he said that the Mayor negotiates the contracts and the Council ratifies them. Mr. Kuser noted that everyone here is giving the Council reasons why they should not vote for this contract. He said that the Council did not negotiate this contract, they heard what was going on and the Mayor told the Council that this is the best contract he can do. Mr. Kuser read a list of the Mayor's responsibilities that he downloaded from his computer:

- 2-7.1 Executive Power
 - (g) Negotiate all contracts, sign all contracts, bonds or instruments requiring the consent of the Township.
 - (l) Fix the salary, wages or other compensation of certain employees of the Administrative Department, who are not otherwise required to have their salary set by ordinance.

Mr. Kuser asked the Mayor if he did this negotiation and is this his contract.

The Mayor replied yes, but he was working on incomplete data as he said in his statement. He noted that he only received the missing piece on Thursday, April 29th, which is the difference between the \$800 for family and \$400 for single, which comes out to a give-back of \$79,000. Mr. Hussa advised that the 1 ½ % of the salary it comes out to a saving of \$113,000, a difference of close to \$34,000.00. He said that he would like to see the Township comply with the State plan and see that money stay in the taxpayers' pockets. The Mayor repeated the yearly savings that he previously quoted. Mr. Kuser asked if the Mayor is saying that he negotiated a contract and did not know. The Mayor responded that was what he said. Mr. Kuser asked if the Mayor watches the news or reads the newspapers. Mayor Hussa stated that, to let everyone know how ignorant he was of the situation, you accused me of not wanting to pay anything for health insurance and quoted \$800. He said that he thought that was \$800 per month. Mr. Hussa apologized for "not being in tune", he is in tune now and it will save \$150,000 over four years for the taxpayer and he is asking the Council to table the ordinances. President Andes asked the Mayor if he was saying that he thought the give-back was \$800 per month instead of \$800 per year. The Mayor answered that is what he said and he was not in tune with that situation.

Councilman Stecky interjected that there are people working in town who's job it is to keep the Mayor briefed.

Administrator Goble noted that she will honor issues that were discussed in Executive Session, but if Mr. Stecky would like to go back into Executive Session and make accusations against her, she is willing to do that.

President Andes advised that he made it very clear, throughout the Executive Sessions, that he wanted to see the Mayor and the Council in 100% agreement. He said that he wanted to make sure that the Council supported the Mayor. Mr. Andes commented that it is the Mayor's responsibility, as well as each Council member's responsibility, to get all the information that is needed to make the necessary decisions.

Councilman Kuser asked Mayor Hussa what he is planning if this is tabled tonight. The Mayor replied, "As I said before, I'll think about it".

Mr. Kuser asked if it is correct that if, as the Mayor wishes, it is tabled until May 21st the Mayor will be out of compliance with the contract.

The Mayor asked Attorney Semrau to answer that question.

Mr. Semrau said from a legal aspect he cannot say that. He advised that, if the ordinance is tabled, there would be some legal opinions and information that he, and Mr. Knapp, would have to share with the Council in Executive Session.

Mr. Kuser commented that the new Governor talks about everyone having the toolbox to go and cut municipal spending. He said that the toolbox is empty right now, we are still waiting for the tools. Mr. Kuser noted that he is concerned about arbitration and that it looks like it is going that way. He said that he is concerned that the Mayor doesn't have a plan and that he is negotiating for the residents of Denville. Mr. Kuser stated that everyone has anger towards the Council but it is the Mayor's contract. He noted that the Mayor said that this is a good contract. Mr. Kuser added that he has only been on the Council a short time whereas the Mayor has fourteen years of experience. He said that he was instilled with the fear of arbitration and the Mayor said that this is best contract that could be negotiated and the Mayor was very confident with it.

Mr. Kuser stated that he is very disappointed that the Mayor is going to possibly veto the ordinance, but that he has no plan and indicates that he knows nothing about the 1 ½ % insurance pay-back. He said that, unless we are living in a spider-hole somewhere in Iraq, he does not know how we can not know what is going on.

Mr. Kuser noted that the only options for the Council at this point, are to vote no on the ordinances or withdraw them and have the Mayor renegotiate all of the contracts, and hopefully the Mayor can educate himself about what is going on.

Mr. Kuser then made a motion to withdraw all of the salary ordinances.

Mr. Fitzpatrick seconded the motion.

Attorney Semrau explained that there is a motion on the table to withdraw this ordinance and all other contract ordinances that are scheduled for adoption. He said that, in his opinion, a motion to withdraw would not defeat the ordinance, nor would it approve the ordinance. Mr. Semrau stated that the action would just come off the agenda and the governing body would have the option to consider them at a later date, in its present form or in another form. He said that he wanted to make that clear for a number of reasons, one being that he wants to be sure that this is the intention of Mr. Kuser and Mr. Fitzpatrick.

Mr. Kuser replied that is correct.

President Andes asked Mr. Kuser to amend his motion to eliminate ordinance #17-10, which deals with seasonal, summer and part-time employees. He said that this ordinance does not involve raises or benefits and it should be passed since it is a repeat of last year.

Mr. Kuser agreed to that amendment and Mr. Fitzpatrick seconded the amended motion.

Mr. Semrau advised that the motion would take precedence because it has to do with the direction of the ordinance. He noted that if they vote yes, all of the ordinances would be withdrawn and would not be considered; if the vote is no, then the Council would go back to considering the ordinance that is before them.

Councilman Stecky asked how this plays out with regard to having signed contracts which are possibly not valid until the ordinances are passed. Attorney Semrau replied that, from a legal perspective, he would advise the Council and the Mayor to discuss the contracts in Executive Session at another time. He again explained the Council's options with regard to the motion to withdraw.

Mr. Stecky asked Attorney Semrau if the Council is getting itself into a situation here.

Mr. Semrau responded that, from a legal aspect, things that he and Mr. Knapp have discussed with Administration, it is never the best practice to get into this type of situation. He said that there is nothing he can say to compel the Council to vote for, or against the ordinance; they must make the decision based on their own past discussions and practice and whatever is in their own best interest and the best interests of the Township. Mr. Semrau advised that it is very difficult for him to say any more than that.

President Andes asked if the legal ramifications between tabling and withdrawing these ordinances will be very different.

Attorney Semrau replied that anything less than adopting the ordinance will probably create a number of inquiries from the various units.

President Andes asked for a Roll Call on the motion to withdraw.

AYES: KUSER, FITZPATRICK, SMITH, SHAW, STECKY, GOLINSKI, ANDES, for all but #15-10 and #16-10.

RECUSE: ANDES for #15-10 and #16-10.

President Andes explained that his son works for Denville's DPW and that his reason for recusing himself on those two ordinances.

#17-10 SEASON, SUMMER AND PART TIME EMPLOYEES SALARY
ORDINANCE

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:

AN ORDINANCE CONCERNING WAGES FOR PART-TIME, SUMMER AND
SEASONAL EMPLOYEES OF THE TOWNSHIP OF DENVILLE, COUNTY OF
MORRIS, STATE OF NEW JERSEY NOT GOVERNED BY COLLECTIVE
BARGAINING

BE READ BY TITLE ON SECOND READING AND A HEARING HELD THEREON:

MOTION TO READ BY TITLE: MOVED BY MEMBER SMITH, SECONDED BY MEMBER KUSER

OPEN PUBLIC HEARING: No one wished to be heard.

CLOSE PUBLIC HEARING.

AYES: SMITH, KUSER, FITZPATRICK, SHAW, STECKY, GOLINSKI, ANDES

OPEN PUBLIC HEARING: No one wished to be heard.

CLOSE PUBLIC HEARING.

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:

AN ORDINANCE CONCERNING WAGES FOR PART-TIME, SUMMER AND SEASONAL EMPLOYEES OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY NOT GOVERNED BY COLLECTIVE BARGAINING

BE PASSED ON FINAL READING AND THAT A NOTICE OF FINAL PASSAGE BE PUBLISHED IN THE 5-12-10 ISSUE OF THE CITIZEN.

MOTION TO ADOPT: MOVED BY MEMBER GOLINSKI, SECONDED BY MEMBER SHAW

AYES: GOLINSKI, SHAW, FITZPATRICK, KUSER, SMITH, STECKY, ANDES

#18-10 ESTABLISHES FEES FOR MULTIPLE REQUESTS FOR CALCULATIONS TO REDEEM A TAX LIEN - PURSUANT TO ASSEMBLY BILL 1619

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:

AN ORDINANCE AMENDING PORTIONS OF CHAPTER 2-A, FEES, RATES AND CHARGES, SECTION 2A-3, COLLECTION OF TAXES, OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY

BE READ BY TITLE ON SECOND READING AND A HEARING HELD THEREON:

MOTION TO READ BY TITLE: MOVED BY MEMBER GOLINSKI, SECONDED BY MEMBER SMITH.

AYES: GOLINSKI, SMITH, FITZPATRICK, KUSER, SHAW, STECKY, ANDES

OPEN PUBLIC HEARING: No one wished to be heard.

CLOSE PUBLIC HEARING.

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:

AN ORDINANCE AMENDING PORTIONS OF CHAPTER 2-A, FEES, RATES AND CHARGES, SECTION 2A-3, COLLECTION OF TAXES, OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF DENVILLE, COUNTY OF MORRIS, STATE OF NEW JERSEY

BE PASSED ON FINAL READING AND THAT A NOTICE OF FINAL PASSAGE BE PUBLISHED IN THE 5-12-10 ISSUE OF THE CITIZEN

MOTION TO ADOPT: MOVED BY MEMBER SHAW, SECONDED BY MEMBER

GOLINSKI

AYES: SHAW, GOLINSKI, FITZPATRICK, KUSER, SMITH, STECKY, ANDES

ORDINANCE(S) FOR INTRODUCTION:

#19-10 BOND ORDINANCE FOR CAPITAL IMPROVEMENT PROJECTS

Township Clerk Costello acknowledged receipt of the Supplemental Debt Statement, provided by CFO Goble.

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS OF THE TOWNSHIP OF DENVILLE, IN THE COUNTY OF MORRIS, NEW JERSEY, APPROPRIATING THE AGGREGATE AMOUNT OF \$1,203,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$929,100 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF

BE INTRODUCED AND READ BY TITLE ON FIRST READING:

MOTION TO INTRODUCE: MOVED BY MEMBER SMITH, SECONDED BY MEMBER FITZPATRICK

DISCUSSION: None.

AYES: SMITH, FITZPATRICK, KUSER, SHAW, STECKY, GOLINSKI, ANDES

BE IT RESOLVED THAT AN ORDINANCE ENTITLED:

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS OF THE TOWNSHIP OF DENVILLE, IN THE COUNTY OF MORRIS, NEW JERSEY, APPROPRIATING THE AGGREGATE AMOUNT OF \$1,203,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$929,100 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF

BE PASSED ON FIRST READING

AND BE IT FURTHER RESOLVED THAT SAID ORDINANCE SHALL BE CONSIDERED FOR FINAL PASSAGE AT THE MEETING OF THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF DENVILLE ON 6-1-10 AT 7:30 P.M. IN THE EVENING PREVAILING TIME, AT THE MUNICIPAL BUILDING IN SAID TOWNSHIP OF DENVILLE AT WHICH TIME AND PLACE ALL PERSONS INTERESTED SHALL BE GIVEN AN OPPORTUNITY TO BE HEARD CONCERNING SAID ORDINANCE. BE IT FURTHER RESOLVED THAT THE MUNICIPAL CLERK BE AUTHORIZED AND DIRECTED TO ADVERTISE THIS ORDINANCE IN THE CITIZEN ACCORDING TO LAW.

MOTION TO PASS ON FIRST READING: MOVED BY MEMBER SMITH, SECONDED BY MEMBER SHAW

AYES: SMITH, SHAW, FITZPATRICK, KUSER, STECKY, GOLINSKI, ANDES

NON-CONSENT AGENDA

R-10-109 RESOLUTION AUTHORIZING THE AWARD OF A TWO YEAR CONTRACT FOR TURF MANAGEMENT SERVICES TO NATURAL GREEN LAWN CARE - \$41,625 (2010) AND \$41,625 (2011);

ALTERNATE A - \$1,200 FOR 2010 AND 2011 AND ALTERNATE B -
\$750 FOR 2010 AND 2011

MOTION TO APPROVE R-10-109: MOVED BY MEMBER FITZPATRICK, SECONDED
BY MEMBER KUSER

AYES: FITZPATRICK, KUSER, SMITH, SHAW, STECKY, GOLINSKI, ANDES

R-10-110 RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE
REDEMPTION OF A TEX SALE CERTIFICATE IN THE AMOUNT OF
\$7,227.09

R-10-111 RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE
REDEMPTION OF A TAX SALE CERTIFICATE IN THE AMOUNT OF
\$58,879.65

MOTION TO APPROVE R-10-110 AND R-10-111: MOVED BY MEMBER SMITH,
SECONDED BY MEMBER KUSER

AYES: SMITH, KUSER, FITZPATRICK, SHAW, STECKY, GOLINSKI, ANDES

R-10-112 RESOLUTION AUTHORIZING ACCEPTANCE OF FUNDS FOR CLICK IT
OR TICKET 2010 HIGHWAY SAFETY GRANT IN THE AMOUNT OF
\$4,000.00

MOTION TO APPROVE R-10-112: MOVED BY MEMBER GOLINSKI, SECONDED BY
MEMBER KUSER

AYES: GOLINSKI, KUSER, FITZPATRICK, SMITH, SHAW, STECKY, ANDES

President Andes asked if anyone from the Council or the public wished to have anything removed from the Consent Agenda. Councilman Smith noted that she would like an explanation of R-10-107. President Andes asked Mrs. Goble to provide an explanation. Mrs. Goble replied that she does not know about it. Councilman Stecky suggested that R-10-107 be removed and more information be provided to Council. Clerk Costello noted that it is a simple developer's agreement approval that has been through the Planning Board and this is a natural progression as it has always been done. Attorney Semrau added that it has approvals and there is a resolution of approval and this is what follows the developer's agreement. Mr. Stecky said that he just has a single piece of paper with no back up information and nobody seems to know anything about it. He said that the Council has no idea what it is being asked to vote on. Mrs. Costello advised that it has been on the books since 2008 and has been languishing through the Planning Board.

President Andes asked for a motion to table until the next meeting.

MOTION TO TABLE R-10-107: MOVED BY MEMBER SMITH, SECONDED BY
MEMBER FITZPATRICK

AYES: SMITH, FITZPATRICK, KUSER, SHAW, STECKY, GOLINSKI, ANDES

CONSENT AGENDA:

Township Council
5-04-10
Page 26

R-10-105 RESOLUTION AUTHORIZING RAFFLE LICENSES IN THE TOWNSHIP OF DENVILLE

R-10-106 RESOLUTION AUTHORIZING APPLICATION FOR THE 2010 UNITED STATES DEPARTMENT OF JUSTICE BULLETPROOF VEST PARTNERSHIP GRANT

R-10-108 RESOLUTION REFUNDING THE PAYMENT OF TAXES OVERPAID FOR CALENDAR YEAR 2010 - \$1,331,72

MOTION TO APPROVE CONSENT AGENDA: MOVED BY MEMBER SMITH, SECONDED BY MEMBER STECKY

AYES: SMITH, STECKY, FITZPATRICK, KUSER, SHAW, GOLINSKI, ANDES

MOTION TO APPROVE MINUTES OF 4-6-10 AND 4-20-10: MOVED BY MEMBER SHAW, SECONDED BY MEMBER GOLINSKI

AYES: SHAW, GOLINSKI, FITZPATRICK, KUSER, SMITH for 4-6-10, STECKY, ANDES

ABSTAIN: SMITH for 4-20-10.

President Andes, addressing the Mayor, noted that the Mayor has some work to do on re-negotiating the contracts. Mr. Andes asked the Mayor to please have something that he can support from the beginning to the end, when he brings them back to the Council. Mr. Andes asked Chief Wagner what time the Police Department tours will be held. The Chief replied that the tours will be held on Thursdays from 7 p.m. to 9 p.m. and Saturdays from 1 p.m. to 2 p.m.

MOTION TO ADJOURN: MOVED BY MEMBER SHAW, SECONDED BY MEMBER STECKY

AYES: SHAW, STECKY, FITZPATRICK, KUSER, SMITH, GOLINSKI, ANDES
MEETING ADJOURNED AT 10:31 P.M.

Respectively submitted,

Kathleen A. Costello
Deputy Township Clerk