

OFFICIAL MINUTES
OF THE MAYOR AND COUNCIL
OF THE BOROUGH OF LITTLE FERRY
SPECIAL MEETING
MARCH 30, 2010

CALL TO ORDER: Mayor Raguseo called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE: Mayor Raguseo led the Pledge of Allegiance

CALL TO ORDER: Present: Mayor Mauro D. Raguseo, Council President
George Muller, Councilman Ronald Anzalone,
Councilwoman Roberta Henriquez, Councilman
Thomas Sarlo, Councilwoman Sue Schuck
Councilwoman Peggy Steinhilber

Absent: None

SUNSHINE STATEMENT:

Meeting authorization was called by the Governing Body of the Borough of Little Ferry, with notification of said meeting transmitted to The Record and Star Ledger on March 23, 2010 giving notice that a Special Meeting has been scheduled for March 30, 2010 at 7:00 p.m. or as soon thereafter as the matter may be heard in the Council Chambers, Municipal Building, 215-217 Liberty Street, Little Ferry, New Jersey at which time formal action may or may not be taken as provided by the Open Public Meetings Act. A copy of meeting notice and agenda were filed in the Borough Clerk's Office and have been posted on the bulletin board outside the Borough Clerk's Office.

PURPOSE: Matters of Personnel and Introduction of 2010 Municipal Budget.

Mayor Raguseo said the reason for tonight's meeting was because the Finance Committee was presenting to the Governing Body and the taxpayers of Little Ferry their recommendations for the 2010 Municipal Budget. Mayor Raguseo said at the end of the meeting after public comments, the Council will vote to introduce the budget. Final adoption of the budget will take place in June or July after the State legislature approves the State budget. He said nearly every municipality is devastated by the reduction of the amount of State Aid and the increase in statutory obligations. He said there are many residents unemployed and are in danger of foreclosure on their homes because they cannot pay their mortgage or taxes. Mayor Raguseo said all Borough departments have had to sacrifice with this year's budget. He said the Finance Committee, Auditor and Administrator have worked day and night to craft a budget that would responsibly maintain service and be fair to the already burdened taxpayer and dedicated employees. Mayor Raguseo said that after the Administrator presents the budget, the Borough Attorney would go over the procedure for the Rice Notice Closed Session and the public portion of this meeting

Councilwoman Henriquez said that for over two decades she has been involved with school or municipal finance. She said this is the most difficult she has ever worked on. She said the draft budget being presented tonight is what the Finance Committee feels will provide core services, provide maintenance for our infrastructures and equipment and maintain our growing recreation and community based activities while not negotiating tomorrow's financial concerns. She said every department will suffer. She said the goal was to be fair. She commended the Borough staff for managing their departments. Councilwoman Henriquez said the fiscal issues of today and tomorrow are not the result of poor management of operation. It is a result of extraordinary factors which the Borough has little or no control over. She said the next financial years would be just as difficult if not more difficult. Councilwoman Henriquez said today's needs must be addressed while keeping an eye on tomorrow. The Governing Body has asked that any suggestions on the budget be presented in writing to the Administrator by April 6th. A Finance

Committee meeting will take place on April 7th. They will review all comments and suggestions. She thanked everyone for their professionalism.

Michael Capabianco, Administrator, gave a presentation of the draft of the 2010 Municipal Budget. Mr. Capabianco said when the Finance Committee began meeting a few weeks ago, the main issue discussed was best practice actions. He outlined the steps for best practice that should be taken as quickly as possible. Mr. Capabianco also gave a quick overview of Economic Development efforts. He also gave an overview on the effects on the Borough and the residents. He spoke about unemployment, the housing market and foreclosures. Mr. Capabianco spoke about no increase in social security benefits for the senior citizen population and how they will handle the various tax increases. He also gave a breakdown of tax-paying properties within the Borough and tax collection rates. Mr. Capabianco spoke about the reduction of State Aid and how it affects the taxes. The 2010 draft budget process started in October, 2009 with requests from departments and elected officials. He explained the increases in the budget before the preparation of the draft budget even began. He said the total amount the Finance Committee was faced with finding was \$1,449,032. Mr. Capabianco explained the major expenditure categories for the fiscal year 2010. Mr. Capabianco reported the Finance Committee's recommended actions for all departments in the Borough.

Mr. Capabianco did speak about \$30,000 in lost costs on COAH issues and the \$10,000 in external lawsuits. He said a line item was renamed the Donald Nuckel Lawsuit Fund. He said the Borough needs to move forward and some hard decisions will need to be made. Some decisions will be popular and some decisions will not be popular.

Mr. Capabianco said the comments he made about Donald Nuckel were not approved by the Borough Attorney.

Attorney Monaghan said that the Administrator Michael Capabianco did a great job on the presentation tonight. He said the comments about Donald Nuckel were inappropriate and on behalf of the Mayor and Council, he apologized to Donald Nuckel. He said even a joke about a Donald Nuckel fund is inappropriate. Attorney Monaghan said that he has been the Borough Attorney for about ten years. He said in his ten years, he has never heard anyone in the municipality ever refer to the litigation line as a Donald Nuckels Fund. Donald Nuckel has filed three lawsuits against the Borough in the last six years. Attorney Monaghan explained in detail Mr. Nuckel's lawsuits against the Borough. Attorney Monaghan said in defense of Mr. Nuckel, since the lawsuits, the Borough has had a spirited cooperation with Mr. Nuckel and his properties for a couple of years. Attorney Monaghan explained the Rice Notice and the procedures. Rice Notices are for the purpose of giving advance notice to employees that their position may be discussed. The employees would then have the option of having the issue discussed in private or at a public hearing. Attorney Monaghan said the part of tonight's meeting which deals with personnel will be held in private session. Members of the public will be required to leave the room when the private session portion of the meeting is held. After the private session is held, the public will be invited back into the room.

CITIZENS HEARING:

Mayor Raguseo entertained a motion to Open Citizens Hearing.

Motion by: C/M Muller

Second by: C/W Schuck

All ayes

Michael Walsh, 43 Grand Street, came forward to speak. He questioned the fact that several members of the Council are receiving health benefits. He felt that as

CITIZENS HEARING CONTINUED:

part-time members of the Council, this was not fair to the taxpayers. Councilwoman Henriquez said the Finance Committee has discussed this issue as part of the budget process. She said the members of the Council have agreed to pay into their benefits. She said a settlement still needs to be made. Mr. Walsh felt this was not fair because no other part-time employee is entitled to this. Councilwoman Henriquez did not want to hurt anyone who might need the benefits right now. She said the Mayor and Council are taking a cut in their salary and they have not taken a raise in four years. Councilwoman Henriquez said she is always available to the taxpayers and she puts in a lot of extra hours. Mr. Walsh said he has the utmost respect for the Fire Department, but felt they could cut the cost of the Appreciation Dinner. Councilwoman Henriquez said the deposit was already made for the Appreciation Dinner. Councilwoman Henriquez said the operating budget for the Fire Department was cut from \$69,500 to \$40,050. Councilwoman Henriquez said the Governing Body is trying hard to be fair. She said the taxpayers are going to get hurt and so are the Borough employees.

Mayor Raguseo said the Mayor and Council all took salary freezes for the last three years and they will be taking a 15% cut in their stipend this year, along with the pay freeze. He said if a Council member gets health insurance, their entire stipend would be taken away and then they would either pay 100% into their benefits or whatever they could afford. It is State law that no more benefits will be given to part-time elected officials.

Since there was no one else wishing to speak, Mayor Raguseo entertained a motion to close Citizens Hearing.

Motion by: C/W Steinhilber

Second by: C/W Henriquez

All ayes

All non-employees were asked to leave the room so the Executive Session of the meeting could begin.

Mayor Raguseo entertained a motion to enter into Private Session for matters of personnel.

Motion by: C/W Henriquez

Second by: C/W Steinhilber

All ayes

Return from Private Session:

Roll Call: Present: Mayor Raguseo, Council President Muller, Councilman Anzalone, Councilwoman Henriquez, Councilman Sarlo, Councilwoman Schuck, Councilwoman Steinhilber

Absent: None

Mayor Raguseo entertained a motion to open Citizens Hearing for the purpose of discussing the issues discussed in Private Session.

Motion by: C/W Henriquez

Second by: C/W Steinhilber

All ayes

John McAusland, PBA Counsel, came forward to speak. He questioned the Governing Body's interpretation of a financial crisis. He said the PBA is willing to work with the Mayor and Council. He said he would like to be able to preserve jobs. Mr. McAusland said the PBA is looking to have an open discussion. He felt more issues could have been hashed out prior to this meeting. Councilwoman Henriquez said the recommendations could be changed. She said she met with

CITIZENS HEARING CONTINUED:

the PBA and they did not offer to re-open their contract. She said the Finance Committee said they would listen to any recommendations.

Attorney Monaghan said that what may or may not happen tonight is not cast in stone. The proposed effective date for the recommendations will be May 3, 2010. He said there is still time for discussions. He said he did not want the Finance Committee to make the presentation unless everyone received a Rice Notice. Councilwoman Henriquez said she would be willing to meet with the PBA at any time. Councilman Sarlo told Mr. McAusland that the PBA was invited to meet with the Finance Committee prior to this meeting. Mayor Raguseo said he welcomed the opportunity for the Finance Committee to meet with the PBA and discuss other options.

Pat O'Brien, 50 Grand Street, came forward to speak. She spoke on behalf of the Administrative Staff. She said they would like to have the same courtesy that was extended to the DPW and the Police. She said the staff would like to be able to meet with the Finance Committee to discuss some of the issues, which were discussed, that pertains to them. She said the Administrative Staff feels that are getting hit hard. Mayor Raguseo said the Finance Committee would meet with the Administrative Staff as soon as possible.

Regina Coyle, 68 Grove Street, came to speak. She said Mr. Capabianco gave a presentation which really enlightened her. She said as a taxpayer she wanted to know how the New Jersey Meadowlands Commission and the BCUA has gotten away with not paying taxes. She wanted to know why previous Administrators did not explain this the way Mr. Capabianco has. Ms. Coyle said the BCUA and Meadowlands owes the Borough. She commended Mr. Capabianco on his presentation of the budget and how well he explained everything. She said the town has great volunteers and hopes the Borough will not lose any of them. She said she has worked with the DPW, First Aid and Fire and they all work extremely well with what they have.

Mayor Raguseo said the Borough of Little Ferry has had an ongoing battle with the New Jersey Meadowlands Commission and the BCUA for decades. He said a letter was sent to Governor Christie and is still waiting for a response. Mayor Raguseo said along with the letter he gave some suggestions that he hopes would help Little Ferry in the future. He said he is still hopeful.

Steven Iurato, 76 Summit Circle, came forward to speak. He said he is the Shop Steward representing the DPW workers. He wanted to know if there would be more layoffs next year. Councilwoman Henriquez said she could not give an answer because she did not know. Mayor Raguseo said Mr. Iurato was right, 2011 is going to be bad also. He said it makes no sense that the schools were cut by \$800,000 and State Aid to the Borough was cut by about \$300,000. Mayor Raguseo said it makes no sense since Governor Christie eliminated the millionaire's tax. He did say there is hope because Senate President McSweeney said he would shut down the State Government over this. He said if there were going to be such drastic cuts, the millionaire's tax must be reinstated.

Frank Novak, Little Ferry Police Department, came forward to speak. He wanted to know if the PBA were to bring forth a proposal to save money, would the savings go directly to the PBA to save jobs and prevent demotions or would it go towards lowering the tax rate. Mayor Raguseo said if the demotions and the layoffs cost \$120,000 and the PBA could find (for real) \$120,000 in savings, the demotions and layoffs would be prevented. Mayor Raguseo said that every department has to suffer right now. If more money that can be found either

CITIZENS HEARING CONTINUED:

through getting money from the BCUA or the Meadowlands Commission, it would be applied to help the tax rate.

Sam Aguilar, Little Ferry Police Department, came forward to speak. He requested that an officer's job be saved before the idea of police demotions being withdrawn. Mayor Raguseo said that this was all negotiable.

Mayor Raguseo entertained a motion to close Citizens Hearing.

Motion by: C/M Muller

Second by: C/W Steinhilber

All ayes

ORDINANCE FOR INTRODUCTION:

Mayor Raguseo entertained a motion to vote on Ordinance for Introduction No. 1294-04-10.

Motion by: C/W Henriquez

Second by: C/M Anzalone

Roll Call: Ayes: Muller, Anzalone, Henriquez, Sarlo, Schuck, Steinhilber

Nays: None

Absent: None

ORDINANCE NO. 1294-04-10- BOROUGH OF LITTLE FERRY BERGEN COUNTY, NEW JERSEY CALENDER YEAR 2010 ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A-4-45.14)

Mayor Raguseo entertained a motion to add Resolution No. 113.

Motion by: C/W Henriquez

Second by: C/W Steinhilber

Roll Call: Ayes: Muller, Anzalone, Henriquez, Sarlo, Schuck, Steinhilber

Nays: None

Absent: None

Mayor Raguseo entertained a motion to vote on Resolution Nos. 110 through 113.

Motion by: C/W Henriquez

Second by: C/W Steinhilber

Roll Call: Ayes: Muller, Anzalone, Henriquez, Sarlo, Schuck, Steinhilber

Nays: None

RESOLUTIONS:

110. Cancelling Balances of Completed General Capital Improvement Authorizations

111. Introduction of 2010 Municipal Budget

112. Private Session

113. Approving Recommendations of 2010 Proposed Budget

Attorney Monaghan said that although the Mayor and Council are voting on Resolution No. 113, it will not be effective until May 3rd and there is still time for discussion and recommendations.

Attorney Monaghan read Resolution No. 113 into the record.

Mayor Raguseo thanked Borough Administrator Michael Capabianco for his detailed presentation of the draft of the 2010 Municipal Budget. Mayor Raguseo said the comments about Mr. Nuckel are not the opinion of this Mayor and Council. He said we have a spirit of cooperation with Mr. Nuckel. He urged the Borough Administrator to communicate to Mr. Nuckel his apology as soon as possible.

Since there was no other business to be conducted, Mayor Raguseo entertained a motion to adjourn.

Motion by: C/W Henriquez
Second by: C/W Steinhilber
All ayes

Meeting adjourned at 10:15 p.m.

Minutes transcribed by Deputy Borough Clerk Patricia Lazzaro and respectfully submitted by Borough Clerk Barbara Maldonado. I hereby certify the foregoing Minutes to be a true account of the Special Meeting of the Mayor and Council held on March 30, 2010.

Barbara Maldonado, Borough Clerk