

Minutes of the Regular Meeting of the Township Council of the Township of East Hanover held on Wednesday, July 7, 2010 at 7:00 P.M. in the Municipal Building, 411 Ridgedale Avenue, East Hanover, New Jersey.

The Mayor called the meeting to order.

Present: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

Also Present: Joseph Tempesta, Jr., Administrator
Kenneth Huelbig, Chief Financial Officer
Matthew O'Donnell, Township Attorney
Steven Wielkocz, Auditor
Paula Massaro, Township Clerk

The Mayor led the Pledge of Allegiance and Councilman Jocher gave the Invocation.

Mayor Pannullo read the Public Announcement in which he stated that the meeting had been advertised, the press notified, and the notice posted on the bulletin board in the Municipal Building.

Adoption of **June 7, 2010** Minutes:

Motion by Councilwoman Jandoli, seconded by Councilman Tedesco to adopt said minutes.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

Middle School students that participated in the Pyrecto Science Camp Program presented a plaque to the Mayor in appreciation for his generous donation and support for this educational program, which was sponsored by the Board of Education and New Jersey City University.

2010 MUNICIPAL BUDGET:

The Administrator announced that subsequent to introduction of the budget, a significant decrease in state aid was anticipated of \$448,000. Essentially, he explained that the budget was amended by decreasing appropriations and including new revenue sources, as outlined in the Chief Financial Officer's memo dated June 25, 2010. Mr. Tempesta especially

noted that the proposed amendments would keep the tax rate at the same level as it was introduced on March 8, 2010.

The Auditor stated that this was a conservative budget in terms of utilizing surplus and noted that the tax increase would be approximately \$94 for the average taxpayer. Mr. Wielkotz further mentioned that during this budget process, it was fiscally prudent to project two to three years ahead, which has always been the Township's policy since he was appointed Auditor.

A noteworthy item, which was questioned by Councilman Jocher, was Library Surplus of \$118,740. The Administrator explained that the Library Board volunteered to return the monies to the Township. However, new legislation was just passed that would enable municipalities to retain this surplus without an application process. The Township would have the discretion to take an amount above 20% of the Library's operating budget in the bank to be utilized solely for property tax relief.

53-2010 - Resolution Re: Amend Budget

Motion by Council President DeRosa, seconded by Councilman Tedesco to adopt said resolution.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

Resolution Re: BUDGET ADOPTION

Councilman Tedesco first inquired as to fiscal planning with regard to lump sum payments for potential retirees. The Administrator explained that there was a reserve fund of \$175,000 that would be utilized for some retirees. He anticipated about eight over the next fifteen months, which would be spread over three budget years. Mr. Tempesta noted that the exposure would be \$1 million and felt confident that the Township was in a good position for these retirements.

Another concern raised by Councilman Tedesco was the pension deferral payment. The Auditor explained that the Township had the option to pay the \$571,000 in full by 2012 or opt to pay on an annual basis. He also acknowledged that there would be \$1.6 million of surplus in the budget this year. Both Councilmen Tedesco and Jocher were very vocal regarding the Township's position with future retirees and pension payments.

Mr. Tempesta mentioned that there had been subtle cost effective savings of \$20,000 just for the July 4th celebration, as well as in overtime costs, attrition of personnel, and prudent departmental cuts.

Councilman Jocher voiced more concerns and dissatisfaction with next year's increases for salaries (4%), pension payments, and health benefits. He likewise mentioned the liability risk of commercial tax appeals and \$20 million debt in bonding. Councilman Jocher suggested a pay freeze mainly for department heads, who basically had higher salaries and annual contracts. Another suggestion brought up was to open employee and police contracts, renegotiate, and extend and spread the 4% increase by giving 2% this year and 2% for the next five years. Councilman Jocher was resolute that this action should have been done in these tough economic times.

The Mayor quickly responded to Councilman Jocher's remarks stating that he made it very clear early on that all employee contracts would be honored, pension deferral payments would be made, and emphasized that the tax increase this year would have been minimal if not for the cut in state funds. The Mayor's posture was that this was an excellent budget, the Township was in great shape, and taxes were good.

Councilwoman Jandoli was of the opinion that she would not consider a payback especially because the employees already received their raises for six months. Councilman Jocher was discouraged that the Township had not taken a more fiscally conservative approach, which he indicated surrounding towns have done so through employee renegotiations. He intimated that Township employees were probably paid 25 to 30% higher than any other municipality and furthermore, there were a considerable number of employees receiving benefits that make over \$100,000. Councilman Jocher firmly believed that the Township was not doing anything to reduce the \$20 million debt in bonding or to pay off pension deferral payments, and there were anticipated revenues; all of which were a major concern to him.

Council President DeRosa likewise responded to Councilman Jocher's comments. He first mentioned that no surrounding municipality petitioned for a pay freeze; they actually had employee layoffs and services were cut, and they still raised taxes more than East Hanover's increase. Council President DeRosa was definitely not in favor of asking employees to give back raises and repeatedly questioned Councilman Jocher as to what his intentions were concerning employee contracts. He was

visibly frustrated that Councilman Jocher did not respond. A debate ensued between the Councilmen.

The Mayor was dismayed that so much time was expended discussing these issues when in fact the approved budget was pending for four months. He clearly indicated there were no secrets and was disappointed that the perception was that some wanted to "close Town Hall." Finally, the Mayor asked for a motion to adopt the budget.

Motion by Councilman Tedesco, seconded by Council President DeRosa to adopt the 2010 Municipal Budget.

Be It Resolved by the Mayor and Council of the Township of East Hanover of the County of Morris that the budget hereinbefore set forth is hereby adopted and shall constitute an appropriation for the purposes stated of the sums therein set forth as appropriations, and authorization of the amount of \$13,564,897.08 for municipal purposes.

Ayes: Councilwoman Jandoli, Council President DeRosa, and Mayor Pannullo

Nays: Councilmen Tedesco and Jocher

Councilwoman Jandoli recommended that the Council should amicably move forward as a team to start planning for 2011. Councilman Jocher concurred and suggested that a Finance Committee be formed. In this regard, the Mayor recommended that Councilmembers Jandoli and Jocher sit with him on the new committee.

PUBLIC HEARING: 2010 Morris County Open Space Trust Fund Application

Barbara Heskins Davis, Vice President of Programs at The Land Conservancy of New Jersey, first explained the process necessary for submittal of the Morris County Open Space Trust Fund application. She informed that the designated property was located at 646 Ridgedale Avenue and owned by the Froling Estate. Ms. Davis further provided generalizations on the property, mainly pointing out that the land consisted of 3.89 buildable acres and was adjacent to a historic house. She emphasized that this acquisition would offer the Township the opportunity to preserve open space for recreation and conservation purposes.

Ms. Davis briefly touched upon the funding aspect and then proceeded to answer all inquiries raised by the Council. Thereafter, the meeting was opened to the public, and the following individuals voiced their comments:

1. Don McHugh, Counsel representing the Froling estate
2. Al Farese, 53 Surrey Lane
3. Maria Callanan, 8 Brookline Avenue
4. Theresa Linfante, 4 Brookline Avenue
5. Ed O'Connor, 21-2 Dara Drive
6. Mike Martorelli, Chairman, Environmental Commission
7. Bice Del Galdo, 9 Gregory Lane

Motion by Council President DeRosa, seconded by Councilwoman Jandoli to close the public hearing on this application.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

54-2010 - Resolution Re: Authorize Application to Morris County Open Space Trust Fund Committee Pertaining to the Acquisition of the Froling Property

Motion by Council President DeRosa, seconded by Councilman Jocher to adopt said resolution.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

OLD BUSINESS:

None

PUBLIC INPUT:

Al Farese, 53 Surrey Lane, suggested that the Council just deal with East Hanover matters and not refer to other municipalities.

Motion by Council President DeRosa, seconded by Councilman Jocher to close the public input.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

COUNCIL INPUT:

Councilman Tedesco announced that the concerts would begin next week @ Lurker Park. He also gave a Recreation Department report.

Councilman Jocher gave an update in regard to the temporary emergency services provided by Atlantic Ambulance and advised that proposals were solicited for services on a full-time basis. A report would follow at a future meeting.

Councilwoman Jandoli congratulated all the graduates in the community. She reminded the public of the Farmers Market @ Lurker Park parking lot on Mondays. Councilwoman Jandoli praised the Special Improvement District for their efforts in paying off the bond.

Council President DeRosa gave a Police Department report. He extended kudos to the Administrator for the savings to the Township of \$20,000 for the Fireworks celebration as well as curtailing overtime. He reported that the Township received federal reimbursement of \$21,000 for storm relief, which basically covered employee overtime that was expended. Council President DeRosa again brought up the condition of the sidewalks in front of the municipal building, and he requested that the Administrator look into the Safe Routes and School Grant for this purpose.

CONSENT AGENDA:

Matters listed within the Consent Agenda have been referred to members of the Township Council for reading and study, are considered to be routine, and will be enacted by one motion of the Township Council with no separate discussion. If separate discussion is desired, the item may be removed from the Consent Agenda by Council action and placed on the regular agenda under new business.

- 55 -2010 - Resolution Re: Governing Body Certification of 2009 Annual Audit
- 56 -2010 - Resolution Re: Approval of Corrective Action Plan in Response to 2009 Audit Recommendations
- 57 -2010 - Resolution Re: Appointment of Auxiliary Fire Dept Members (Michael Theall & Thomas Vender)
- 58a-2010 - Resolution Re: RL:1463/Sussex County Womens Forum
- 58b-2010 - Resolution Re: RL:1464/UNICO Foundation Montville

- 59 -2010 - Resolution Re: Award of Contract to Lawrence Conforti for Concession to Vend on Public Property
- 60 -2010 - Resolution Re: Renewal of Alcoholic Beverage License/ The Godfather Pizzeria Inc
- 61 -2010 - Resolution Re: Award of Contract to Top Line Construction for Improvements to River Road Sect III
- 62 -2010 - Resolution Re: Mayor's Appointment to Special Improvement District - Charles Napoli

Motion by Council President DeRosa, seconded by Councilwoman Jandoli to adopt the foregoing resolutions.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

COMMUNICATIONS & DISCUSSION ITEMS:

- **Memo from John Orlich, Director of Land Use Re: Relief Request for Pool Decking Encroachment into Township Drainage Easement**

Verbal motion by Councilwoman Jandoli, seconded by Councilman Tedesco to grant the request of Raimundo and Kathleen Gonzales in accord with John Orlich's recommendations set forth in memo dated July 7, 2010, and the homeowners' execution of an Indemnification and Hold Harmless Agreement.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

NEW BUSINESS:

Introduction: Ordinance No. 3-2010 - Reappropriating \$47,662.56 Not Needed for Original Purposes and Further Reappropriating \$2,091.05 from Ordinance 32-87 to Provide for Technology Upgrades

The Clerk announced that she had Ordinance No. 3-2010, entitled "AN ORDINANCE REAPPROPRIATING \$47,662.56 PROCEEDS OF OBLIGATIONS NOT NEEDED FOR THEIR ORIGINAL PURPOSES, AND FURTHER REAPPROPRIATING \$2,091.05 FROM ORDINANCE 32-87 OF THE TOWNSHIP, IN ORDER TO PROVIDE FOR THE TECHNOLOGY UPGRADES IN AND BY THE TOWNSHIP OF EAST HANOVER, IN THE COUNTY OF MORRIS, NEW JERSEY."

Motion by Council President DeRosa, seconded by Councilman Tedesco that Ordinance No. 3-2010 be introduced by title,

adopted on first reading, placed on file in the Clerk's office, and set down for public hearing on August 2, 2010.

Ayes: Councilmembers Tedesco, Jocher, Council President DeRosa, and Mayor Pannullo

The Mayor stated the ordinance would be published according to law.

PAYMENT OF BILLS:

Motion by Councilman Tedesco, seconded by Councilman Jocher to pay bills in the amount of \$5,298,024.68.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

ADJOURNMENT:

Motion by Councilman Jocher, seconded by Councilman Tedesco to adjourn meeting.

Ayes: Councilmembers Tedesco, Jandoli, Jocher, Council President DeRosa, and Mayor Pannullo

The meeting adjourned at 9:45 P.M.

Respectfully submitted,

PAULA A. MASSARO
Township Clerk