

BOROUGH OF BOUND BROOK MINUTES
AGENDA /WORKSHOP MEETING –TUESDAY, MAY 10, 2011

Mayor Pilato called the meeting to order at 7 PM with a reading of the Open Public Meetings Law Statement, Opening Prayer read by the Borough Clerk and the Pledge of Allegiance.

ROLL CALL

Mayor Pilato	present
Council Dietrich	present
Council Petti	present
Council Buckley	absent
Council Wagner	absent-arrived @ 7:05 p.m.
Council Hasting	present
Council President Pranzatelli	present

Present:

Randy Bahr, Borough Administrator
Donna Marie Godleski, Borough Clerk
Judy Verrone Esq.-Borough Attorney
Robert Keady, Borough Engineer
Lt. Stephen Spolarich –Police Department

Mayor Pilato announced the items on the agenda. He asked that any questions related to the budget and sewer charges be held to that portion of the meeting.

Approval of Minutes

April 26, 2011 Regular Meeting Minutes

Motion moved by C. Dietrich, second by C. Hasting; all in favor-ayes.

Engineers Report –April 2011 Activity

Mr. Keady Reported on-

****Greenbrook Flood Control Project- 99% complete.**

Currently working on diversion pipe No. 1; No. 2 should be commencing shortly; No. 4 & No. 5 a few more months; Completion of Project Winter of 2012.

The schedule of gate is 72% complete. The completion of the gate was pushed from May over to June 10 and it will be installed overnight. The seals will be installed by mid-July and completion August 2011.

R2 levee pump station- 98% Complete.

Engineers Report (Continued)

- **Vosseller Phase 3- Portion of Route 28-West Franklin Street is now complete.
- **2009 Road Reconstruction/Watchung Road- Working with attorney's office; contract default.
- **Reconstruction High Street- Trees were installed this week; final piping and concrete work.
- **Metape-piping and curbing finish this week; paving next week.
- **Church street- gas pipe replaced; ready to pave next week.
- **2011 CDBG- presentation in Somerville this Wednesday.
- **2011 Reconstruction- Received some of the televising of utilities; the Middlebrook Road Repair is on the agenda for contract award this evening.

Questions from Council-

**C. Pranzatelli asked if there was any progress on the renovation of the waiting room at the Train Station. Mr. Keady noted he was working with the DOT and the Architect of record. He is moving toward the approval process from the DOT prior to work commencing. The DOT is to provide a draft response and Mr. Keady anticipates reviewing their response.

**C. Wagner asked for an update on Metape. He noted that is why he was a little late this evening. He expressed his concerns about emergency vehicles having access to this area during construction. Mr. Keady noted that he will coordinate with residents. He noted that the road is narrow and will work on half the road, so there will be access.

**Mayor Pilato asked about Pump Station R-2 if someone from T&M or Somerset County will be there during the testing. He noted that work will commence in two months at Billian Park Pump Station. He asked if the gate delay will be a change order. He asked what we need to do to move forward with Defino Contracting on the outstanding two road projects. Mr. Keady noted that nothing more is needed from the council. Mayor noted that the summary in the Engineers Report was sufficient for the Resolution which we are to send to Defino Contracting. Mayor asked for an update on High Street. Mr. Keady noted that he would notify the contractor to pick up the pace. Mayor provided comments on the Eastbound Train Station Renovation. He spoke with the Chief of Staff/NJ Transportation and they advised him that this project does not belong there and has been shifted to NJ Transit. So now we are doing things a second and third time just to get this project moving. At this time, the NJ Historical approval is required and the environmental impact assessment needs to be completed. If all goes well, we should complete in two months.

Mayor Pilato gave an update on the Route 28 road conditions. The road was stopped at Highland Place due to insufficient funds. The work will resume in July. He noted that the Southside section is in deplorable condition.

No questions from the public.

Mr. Keady, Borough Engineer was excused from the meeting.

Greetings of the Public and Invitation for Discussion

Resident-

Resident asked for an update on the Valvoline Building-Union Avenue. Mayor noted that the building is 95% complete. The delay was due to a final inspection which required the applicant to install a sprinkler system. Mr. Bahr noted that the final draft is in to the Construction Official.

Resident-138 West High Street-

Resident expressed a need for pre-schools for 3 to 5 year olds. Mayor noted that his concerns/questions are to be addressed at a Board of Education School Board Meeting.

**PUBLIC HEARING - 2011 Municipal Budget –
2011 Budget-\$11,993,845.64**

Mayor Pilato noted for the public that Mr. Bahr, Chief Financial Officer will open up the Hearing with a presentation of the Budget to the Governing Body and the Public which will cover an update and analysis of the municipal budget.

Mr. Bahr opened with a Power Point Presentation.

He noted his presentation will be divided into three sections of the budget.

The first is where we have been; the second where we are now and the third, where we are going.

He noted that the Initial Budget is already up on the website for review.

The hearing will allow members of the council and the public to ask questions.

Mr. Bahr reviewed the power point spreadsheets he prepared.

No. 1- Where we have been-

The spreadsheets covered expenses from Year 2005 to the Current Budget as Introduced. Percentage differences were noted in categories; decreases and increases.

He then covered the Public Employees Pension System; Police and Fire Pension; Unemployment Costs.

He noted a 24-1/2% increase from Year 2005 to Year 2011.

No. 2- Where we are at-

He noted that the Finance Committee is made up of three councilpersons. They have a big job ahead of them. He noted the budget restrictions; make budgeting difficult. We have an Appropriations Cap of 2% along with a 2% Tax Levy Cap.

The committee has explored providing a handful of equal services for less. Also, exploring new services, new revenues and decreasing expenses where the town can.

Residents are now receiving a separate billing for sewer use. Prior to, this was in your Property Tax Bill. This billing is based on usage during the winter months.

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Mr. Bahr noted that the Total Budget this year has a decrease of \$100,000 from last year's budget.

No. 3- Where are we going- what does the future hold-

Mr. Bahr reviewed expenditures based on projections. He noted that we do not know of State Aid for 2012. He based projections on a 2% Cap, historic increases in Health Benefits and Pensions. He also noted an anticipated revenue from the Carriage Park Redevelopment Area behind Shop-Rite.

Mayor Pilato stated at this time we will open questions from the council for Mr. Bahr, Chief Financial Officer.

Following, we will then open to the Public for questions on Sewer and the Budget.

C. Wagner-He asked if deferred payment was included in the budget. Mr. Bahr noted that increases over last year were deferred because we asked for State Aid.

C. Hasting- He noted the expense of \$960,000 for sewers last year and appropriation of 1.4 million this year? He asked Mr. Bahr to go into detail on this and why we have to collect more than the actual expense.

Mr. Bahr noted that the computation of sewer bills includes the cost maintenance and debt; related and administrative costs; salaries and wages; sewer maintenance; all related to roughly \$1.368 million.

Mayor Pilato asked what the borough anticipates to receive. Mr. Bahr noted 1.4 million in collection which shows on Sheet No. 10 in the Budget. Mayor offered comment on C. Hasting's discussion with looking back six months on the refuse collection.

C. Hasting offered a question on the fee for audit services. He thought the borough was trying to keep a flat rate and we were trying to lock in at a specific rate. Mr. Bahr noted that this is an additional billing in the budget. It is at the same rate. We had secondary market disclosure that we did not include in the budget documents.

Mr. Bahr noted that the new audit team for this year calls for the same rate as we paid last year which is \$43,000.00.

Mayor Pilato -

He addressed questions and concerns on the sewer billing.

He noted sewer charges for 2005 represented 5.6% of the budget. For the year 2011, it represents 8.4% of total budget. Two things are to be said. In 2005, when we paid \$620,000 we asked the taxpayer within this tax bill all the way to this year to subsidize Shop-Rite or the Bound Brook Apartments. What is wrong with this? What this says here as we go into 2011, we now have the ability to determine what our sewer charges are going to be. It was melded into the Municipal Budget before. This amount we pay to the Middlesex County Utility Authority.

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We are taking out the sewer charge we pay to the Middlesex County Utility Authority. From .87 to .74, this is a reduction for the average taxpayer.

In the Mayor's opinion, if we pass this Budget as Introduced, we are double dipping. We are charging the sewer charges and we have not taken out the commensurate revenues out of the amounts we raised in taxation. Mr. Bahr stated he is not arguing this. The borough lost \$960,000.000 in revenues which we need to close that gap. We will not have this next year.

Mayor Pilato noted that the Appropriations side was not addressed. We could have addressed the revenue side by commensurate reductions in appropriations.

Mr. Bahr noted that the Finance Committee made decreases in many categories. In some categories we have no control over, so we could not.

Mayor Pilato noted for the 2012 budget; the sewer charge additional revenue tool will not be available. We will be in a similar hole next year unless we are frontloading revenues in order to be prepared for next year's budget.

Our growth rates remain at zero. The only other option is a flat tax, but in essence tax should be much lower. We have a sewer charge and next year another tax increase. We decided this is a gimmick we are going to utilize this year.

He noted he would like to hear what the rest of the council has to say about this.

The amount of taxation should have been lowered by the commensurate amount of funds.

C. Pranzatelli noted that the only way is a drastic reduction in government services. The borough lost a million dollars. We decided as a council to get off State Aid. There is a price to pay. We bit the bullet this year with a sewer fee (a tax) something you can control. This is a price we are paying to get off Trenton's Aid.

C. Wagner- asked if everyone realizes the impact of the mayor's comments.

This year we are creating revenue through a sewer charge to make up the million dollars of state aid we did not receive. We will not get this next year and we will not have a way, only this year.

Mr. Bahr noted that it is not a one time revenue; every year.

Mayor Pilato expressed his concerns that we are taking this off the budget. Next year when we have increases in pensions, contracts and other line items, our costs will continue to increase. We will not have other revenues outside the amount to be raised by taxation.

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Mr. Bahr noted his thoughts on the progress of the municipal budget moving forward. The Finance Committee worked hard on this budget. Some areas we have no control such as gasoline, electric and gas. We will benefit from a solar installation at the Public Works Facility; this will save on facility expenses.

Mr. Bahr noted that the State Office has reviewed our Budget. They advised that the Borough does not have approval to adopt the budget at this meeting. They need to receive the Tax Cap Worksheet and an Amendment to the Municipal Budget regarding the surplus. .

A Resolution to Amend the Budget will be on the agenda for the next council meeting of May 24, 2011. We can adopt the Municipal Budget at that meeting.

C. Wagner noted that we are still early with the budget this year. We should not adopt until we hear from the public. He encouraged the public to go on the borough's website to view the budget spreadsheets. The public needs to be made aware of what is in the budget.

Mr. Bahr noted that residents can receive a copy of the introduced municipal budget up to the time of Public Hearing.

Public Comment

Angelo DiLeo- 305 West Union Avenue

Mr. DiLeo noted he heard interesting comments from the council. He wondered why the wait until the public comes forward. Why these areas are talked about not looked at before. He stated he is a Real Estate businessman. He sees the town has been destroyed by taxes. It is very difficult to sell a home.

He asked a question on the amount set aside for sewer last year and this year. Mr. Bahr responded.

He noted a few issues the town should look at. The potential income from the development behind Shop-Rite will take at least ten years in this real estate market.

The Sewer and Garbage Charges are not allowed to be deducted from our taxes; we lose this.

He asked that the governing body take a look at everything. The Borough of Bound Brook does not have a choice; we need to be fiscally conservative.

He asked why the borough leases three firehouses. The property on Union Avenue has been taken off of the tax roles for firehouse conversion. The Rescue Squads need to join services.

Zegar- 33-35 Talmadge Avenue

As a landlord and property owner of 39 years, he stated he cannot raise the rent to pay these taxes. The budget is no longer sustainable. There has been one town in the whole state that has reduced their taxes. Shared Services was encouraged.

Ray Yannitelli- 307 W. Union –

He noted he is also the owner of property at 312 Washington Street. His tenants are asking for a reduction in rent. He expressed his concerns as to where do we make this up?

Dalal- 51 Talmadge Avenue

He stated as a landlord, he has lost four tenants. He expressed taxes are hurting us and we will end up leaving properties for the town to take care of.

Grace Duebecke - 421 Somerset Street-

She commended Mayor Pilato for his comment on double dipping on sewer charges. She noted she came into Borough Hall twice in the last few days. She was told the 15% municipal tax for sewer was not going to change. She wanted to know if that was still a fact. Mr. Bahr noted it is 15 cents.

Grace stated cuts should be made starting in Borough Hall. A 20% cut. Employees should begin to pay 50% of their medical costs. She noted back in 2002 there was more part-time employees, now it is full-time. She would like to see the adjustment. She was told by the Administrator that this would not happen. She noted that she does not want to be misdirected.

Mayor Pilato responded. The Borough needs to focus on quality services. We need to start making those hard choices. He believes in volunteerism.

He noted that in the next five to ten years Bound Brook may become the Martinsville of Bridgewater.

Whether we like it or not, we need to manage this appropriately. There are quality services that we provide and there are just services we provide. We need to enhance those quality services. The non-quality someone else can do.

We need to ask, will we have quality service with a Somerset County merger. Gloucester County forced a merger. It is happening all over the state.

Mayor noted that the borough already has 25 to 30 shared services agreements. We are considered one of the leaders in the County.

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Patel-336 Talmadge Avenue

We should ask what kind of services can we share and look at a timetable for this. Mayor Pilato gave a sense of what is being discussed and studied in shared services. A regional study is being conducted on police services. Regarding health insurance, the borough has a 20% reduction in staff. The costs have grown, despite the reduction in staff. The borough does provide health benefits for retirees. That may be a change we need to look at as soon as possible.

M. DeFazio- 606 Church Street-

Regarding interest and pensions costs, at some point in Bound Brook history did we do something similar? Was the Borough allowed to defer payments? Mayor responded. He noted that in the early 2000's, the Governor decided to give towns a pension holiday. It was not an option. Later on, we were given the option depending on state aid. Last year, in order to obtain extraordinary aid you must defer pension payment.

Zegar-33-35 Talmadge-

Resident asked what the salary range of a police officer was in the department. She noted that the salaries were a lot. Mayor responded noting the members of the force and the start salaries of average patrolman. Resident noted that the police department salaries were a good place to start.

Angelo DiLeo-305 W. Union Avenue

He noted that several councilmember's did not speak. The public is tired of the bickering at a local and national level. He hoped that the governing body cares about what they are running for. The bodies need to come together and make serious decisions that are tough for all of us. We need to look at everything and not just one department.

C. Pranzatelli noted as Council President he was proud to say that both parties on the council work together well. We do not vote party line.

Dalal-51 Talmadge-

Resident noted that he was the owner of eight apartments. He had a question on solid waste collection. Mr. Bahr noted that in the Refuse Ordinance, over a 4 family the owner must obtain their own refuse collection. The refuse is separate from the sewer.

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Grace Duebecke-421 Somerset Street

She asked if health insurance costs can be placed on the employees more and when can this start.

Mayor Pilato noted that the State mandates what is allowable. Right now, Somerset County is engaged in a study whether small towns like Bound Brook can join their health insurance pool.

Resident-

Your only alternative is to let people go. Start sharing resources now.

Resident-

He noted that he does road work. He stated that the Belgium Block being put in the town's road work projects is expensive.

Mayor Pilato noted that it is not. Cement costs are more than.

Mayor Pilato thanked everyone for their questions. This dialogue will help moving forward. It sounds that the potential budget we will have for the next meeting agenda.

Mr. Bahr noted that he will have all budget spreadsheets on the website for the public to review.

Mr. Bahr, Chief Financial Officer read the Budget Amendment in full into the record of minutes-

R11: 67- Resolution to Amend the 2011 Municipal Budget

Motion moved by C. Wagner, second by C. Hasting-

Discussion:

Mr. Bahr provided a brief summary on the purpose of the amendment. The borough anticipated \$250,000 of cash surplus. The Director of Local Government Services stated that the Borough could only anticipate \$241, 304.80 – \$5,695 as Non-Cash. An amendment is required.

All in favor-Ayes

ORDINANCE- ADOPTION -SECOND READING –
PUBLIC HEARING- ORDINANCE NO. B11-08-

BOND ORDINANCE TO AUTHORIZE THE MAKING OF ACQUISITION OF PROPERTY LOCATED AT 454 WEST UNION AVENUE IN, BY AND FOR THE BOROUGH OF BOUND BROOK, IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY, TO APPROPRIATE THE SUM OF \$450,000 TO PAY THE COST THEREOF TO MAKE A DOWN PAYMENT, TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH APPROPRIATION AND TO PROVIDE FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS.

Motion to open public comment moved by C. Dietrich, second by C. Wagner;
All in favor-Ayes.

Public Comment: None

Mr. Bahr provided a summary of Ordinance. He stated the ordinance is to allow for the borough property across from Quick Check on Union Avenue over to the Bound Brook Rescue Squad. They want to sell their properties and then use those proceeds to purchase this location. At a subsequent meeting, we will have an agreement between the Borough and the Rescue Squad as to how they will reimburse the Borough.

Motion to close public comment moved by C. Dietrich; second by C. Pranzatelli; all in favor-ayes.

Motion to adopt moved by C. Dietrich, second by C. Pranzatelli

Roll Call: Unanimous

Resolutions:

R11: 64- Approve the hire of Crossing Guard

Motion moved by C. Dietrich; second by C. Petti; All in favor-Ayes.

Mayor Pilato asked if crossing guards were to adhere to a dress code upon hire.

Lt. Spolarich advised there was no dress code. The borough does not provide a uniform.

Mayor noted that he was told of a crossing guard wearing pajama clothing. We should be setting a standard for the students.

C. Dietrich stated he would address this at the next Public Safety Committee meeting.

R11:65- Support Click It/Ticket Mobilization Week- May 23-June 5, 2011

Motion moved by C. Dietrich, second by C. Pranzatelli; All in favor: Ayes.

Resolution (Added):

R11: 66- Authorize contract award to Mid-West Construction for Middlebrook Road Repairs

Motion moved by C. Dietrich; second by C. Hasting; All in favor-Ayes.

Agenda items for discussion for the Business Meeting- May 24, 2011

Mayor addressed the items that will be on for the business meeting-

- Adoption of the 2011 Municipal Budget.

Also, on the agenda we have two (2) ordinances for review and discussion:

Amendment to Chapter III-Police Regulations-

The first ordinance is to prohibit trespassing on the levees and the second ordinance is to prohibit ATV vehicles.

Discussion-

Prohibit the entry onto the levees as part of the Greenbrook Flood Control Project. Take out R2 levee in the draft ordinance. Prohibit any form of motorized vehicle. Persons on foot or by other human powered conveyance may use improved walkways and pathways.

Consensus of council agreed to introduce an ordinance at this meeting of May 10, 2011.

Ordinance No. 11- 09-Introduction-First Reading-

An ordinance to prohibit entry onto the levees as part of the Greenbrook Flood Control Project.

Motion moved by C. Dietrich; second by C. Petti

Roll Call: Unanimous

Public Hearing scheduled for the meeting of May 24, 2011.

The second ordinance for discussion is to prohibit ATV vehicles on public lands. This will be carried over to the next meeting. The borough attorney noted she would gather other town's ordinance to review and offer a recommend for Bound Brook Borough at the next meeting.

Chapter XII- Parks and Recreation Areas –

- Amend Section 12-2.1-Drugs or Narcotics; Alcoholic Beverages.
Recommendation submitted by Zoning Officer for review/action-

Consensus of council agreed to introduce an ordinance this meeting of May 10, 2011.

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Ordinance No. 11-10- Introduction- First Reading-

An ordinance to prohibit tobacco use in parks and recreation areas.

Motion moved by C. Dietrich; second by C. Hasting

Roll Call:

C. Dietrich- yes

C. Petti- no

C. Buckley- absent

C. Wagner- yes

C. Hasting- yes

C. Pranzatelli- yes

Public Hearing scheduled for the meeting of May 24, 2011.

Agenda Resolutions for the May 24, 2011 council meeting-

- Authorize sale of Block 22, Lot 22, by public auction –minimum bid \$1,900-
- Approve Liquor License Renewal- Café Imperial Restaurant –
- License No. 1804-32-022-004-For the 2010-2011 license term
- Authorize contract award - Midwest Construction, Inc. -Middlebrook Road Repair. Mayor Pilato noted this resolution is removed. Adoption of this resolution made this meeting of May 10, 2011.
- Resolution of Recognition for a Borough Citizen- (C. Dietrich statement of circumstances read at 4/26/ mtg.)

Old Business reviewed for the May 24, 2011 meeting.

- Municipal Authorization- Install Fiber Optic Cable in Bound Brook
- Tabled Appointment to the Somerset County Solid Waste Advisory Board –
- Mr. Bahr noted that the interested volunteer has declined the appt.
- Follow-up Memo from the Library Director -Change in street parking regulations at the Library –
- Mr. Bahr noted that the borough did change the 2 hour parking for patrons. If you then allow 20 employees to use this space, where are the patrons to park? This will be counter productive to what this council already did. Mr. Bahr did offer to the library parking in the borough hall municipal lot. Mayor Pilato noted that the borough has done quite a bit as far as responsiveness. Our Library is in an urban setting.

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- The consensus of council agreed that the Library needs to utilize parking in the municipal lot or on Somerset Street. Mayor Pilato noted that this also goes against the grain of the ordinance we adopted. Mr. Bahr will notify the library director.
- Defino Contracting Company –(2) Road Projects-Non-Compliance-Two(2) Road Projects- The borough attorney noted that this is moving forward and a resolution will be prepared for the next meeting.
- Presentation- New Jersey American Water Company - Mayor Pilato noted the Water Company is willing to give a presentation at a June Meeting regarding ways to conserve water usage. He gave Mr. Bahr DVD's from the Water Company that we will try to see if they can be transcribed for the website. He noted that on the Water Company's Website, the public can enter their address and read their own meter.
- Al Senna-World War II Hero – Mayor Pilato noted that a member of the Legion offered a request to rename borough hall after Mr. Senna. In some towns, they do that. C. Hasting will review this request at the next committee meeting.
- C. Dietrich noted that you should read this man's history. It is very interesting and any honor we show him is well worth it.

New Business

Approve Special Event Permit Application

Somerset County Cultural Arts Center-Brook Arts Center-

Hamilton Street – Rock Concert Event - June 25, 2011 – 6pm-11pm

Motion moved by C. Wagner, second by C. Hasting- All in favor: Ayes

Approve Firemen's Membership Application

Chad Makowski- Relief Fire Co. No. 4

Motion moved by C. Dietrich, second by C. Petti, All in favor: Ayes

An item for New Business was added by C. Hasting .

He asked that Mr. Bahr, Chief Financial Officer to prepare a trial fund balance on the revenue and appropriation side for the collection of refuse before the next council meeting. Mr. Bahr noted that he would prepare and circulate to the governing body before the next council meeting.

Open to public on agendized matters only

M. Defazio- 606 Church Street

She had a question on a resolution for the sale of property that is was on the next meeting agenda. Mayor Pilato noted that this is a small parcel of land that one of the adjacent property owners wishes to purchase.

C. Petti offered a question from a resident as to whether or not the borough can waive the payment of interest on his taxes.

Mr. Bahr noted that interest is set by the council. The council has a right to waive interest if so chooses. Mr. Bahr recommended a not in favor to the council.

Authorize Executive Session R-11: 66 @ 11 p.m.

Motion moved by C. Dietrich; second by C. Hasting; all in favor-eyes.

Mayor noted that no action will be taken afterwards.

Matters of discussion: Contracts; Negotiations;

- 1) Rescue Squad
- 2) Lease Agreement-Recreation Center-Codrington Park/Middle Earth
- 3) Tentative contract with Meridia-Bolmer Site Redevelopment Area

Motion moved by C. Dietrich; second by C. Pranzatelli; all in favor to adjourn agenda/workshop meeting at 11:15 p.m.

Respectfully submitted by,

Donna Marie Godleski, Borough Clerk