

Work Session
Mayor and Council
January 26, 2012

A Work Session of the Mayor and Council was called to order at 7:34 p.m. by Mayor Barra who announced that the requirements of the Open Public Meetings Act were met by the required posting and notice to publications.

The following individuals answered roll call: Council members Bernstein, LaMonica, McSwiggan, Strauch, White, Wilczynski and Mayor Barra. Mrs. McCarthy and Mr. Bole were also present.

Public Comments

Mr. Barra opened the meeting to the public for comments.

Mr. Bob Paterson of Stone Fence Road said he was present this evening because the agenda contains actions with respect to the Refunding Bond Ordinance which he has never seen done before. It is his understanding that the purpose of this ordinance is to borrow money to pay those who have successfully appealed their taxes in prior years. He is sure the Bond Counsel and Auditors have said this ordinance is permissible but he always thought a capital ordinance was needed to borrow money.

Assuming that the Local Finance Board approves this action, he asked how the debt will be amortized. The ordinance says that the duration of the bond will not exceed forty years but otherwise it is subject to the decision of the Local Finance Board.

Mr. Paterson does not like incurring this debt because it includes all of the expenses listed in the ordinance as well as the interest on the debt which will be incurred over the period of time it is outstanding.

Mr. Paterson commented that in the past the normal appropriation for tax appeals was \$500,000 spread over five years, amortized at \$100,000 a year. That amount included what would be paid to the revaluation company in addition to money set aside for tax appeals. It appears this year only enough money has been set aside to cover the company's fee. He asked what will happen to the tax appeals that result from the revaluation.

Mr. Barra replied that the state allows municipalities to spread payments for a refunding bond ordinance over three years with no appearance required before the Local Finance Board. Allendale does not wish to spread payments over more than three years and it is hoped this amount will be repaid in fewer than three years. The amount could be paid off by using surplus but the surplus would be dramatically reduced. The money could be set aside in surplus for this purpose but not used immediately in order to keep Allendale's bond rating as favorable as it currently is.

Mayor Barra said Allendale went out for a one year note today and we got a rate of .99%. It is estimated that we will be able to get these rates until 2014. We have the ability to know we will be in a one percent category for borrowing if we go the full three years. We are allowed to stretch out this payment for multiple years and the State encourages municipalities to do this.

Mr. Barra said he has met with Mrs. Mattiace and she will be providing a dollar figure for the budget with regard to a reserve for tax appeals. She will also be asked where we are in terms of the Revaluation and how it looks in terms of impact with regard to appeals. The final tax appeals are not due until May 1, 2012.

Mr. Paterson commented that this expenditure is not included in the two percent CAP and he is confused about why the reserve for tax appeals will be included in the operating budget when that is within the CAP.

Mr. Barra said you cannot get the Tax Court's approval for a three year extension of repayment until a judgment is in place.

Mr. Paterson also had a comment about the Professional Services resolution and asked why the County Republican Organization wasn't mentioned as an entity that a professional was not allowed to donate to. He asked whether Super PACs should be on the list also.

Mr. Paterson noted that a similar resolution appointing professionals was passed in 2011 which included the Auditing Firm which is being reappointed in 2012. At about the same time as the 2011 appointment, an article appeared in the Record about one of the partners in the accounting firm contributing to the County Democratic organization. Mr. Paterson asked if it was problematic for Allendale to hire a firm that has made contributions to a County political party.

Mr. Bole added that the Borough doesn't have a more restrictive Pay to Play ordinance and we adhere to the State statutes which call for reportable contributions in excess of \$300 to local political organizations. The Borough doesn't specifically prohibit contributions to the County organizations or to Political Action Committees.

Mr. Barra said Resolution 12-49 would be amended to include the Bergen County Republican Organization. It is his understanding that Republicans for Responsible Government is the same entity as the Bergen County Republican Organization, but to prevent any misunderstanding the additional wording will be added. Mr. Barra doesn't believe any of the Pay to Play ordinances include the Super PACs.

Mayor's Report

Mayor Barra understands the Forest Avenue Bridge will reopen on Tuesday or Wednesday. It is a project that has taken sixteen weeks to complete.

Mr. Barra also noted that, with regard to Crescent Commons, Allendale has received \$3.4 million from HMFA and \$600,000 from the Bergen County Home Program. An application was also made from the Federal Home Loan Bank and Mayor Barra was just notified that Allendale was

approved for \$340,000 of additional funding. Allendale will be in receipt of \$4,300,000 for just the special needs portion of the construction.

Mr. Barra thanked Shari Depalma for her considerable help in making these grants possible.

On a motion by Mrs. White, seconded by Ms. LaMonica, the Council voted to adjourn to Regular Session 8:02 p.m.

Respectfully submitted,

Gwen McCarthy
Municipal Clerk