

Work Session
Mayor and Council
April 14, 2011

A Work Session of the Mayor and Council was called to order at 7:40 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, Schoepflin, White, Wilczynski and Mayor Barra. Mr. Strauch was absent. Mrs. McCarthy and Mr. Bole were also present.

Employee Recognition

Mr. Ray Frazier was acknowledged for working for the Department of Public Works for twenty years.

Mr. Keith Cauwenberghs, the Director of Operations said Public Works employees put in many hours away from their families and Mr. Frazier has always been a dedicated employee. He added that the Borough of Allendale has been fortunate to have an employee such as Mr. Frazier.

Mr. Frazier said he time with Allendale has been very enjoyable and he hopes to work here for another twenty years.

Mrs. White said Mr. Frazier is the kind of employee who is always working. He's a conscientious and fabulous employee. She thanked Mr. Frazier on behalf of the DPW Committee.

Mr. Barra commented that he frequently sees Mr. Frazier working around town. He never complains and has put in twenty years of quality time. Mr. Frazier epitomizes the best of the Borough employees. Mr. Barra presented a plaque on behalf of the Governing Body as well as a \$100 gift certificate.

JIF Immunity Resolutions

Mayor Barra said the Joint Insurance Fund has recommended passage of a number of resolutions. He reviewed the intent of each of the resolutions and noted that they are all insurance and litigation related. Mr. Barra asked for them to be put on the next Council agenda. He noted that the employees in the Borough are very conscious of safety and Allendale has a good safety record because the employees work at it. These resolutions will help to protect us against something unforeseen.

Mrs. McCarthy read the following resolution into the record:

Whereas, the Open Public Meetings Act, P.L. 1975, Chapter 231 permits the exclusion of the public from a meeting in certain circumstances; and

Whereas, this public body is of the opinion that such circumstances presently exist; and

Whereas, the Governing Body wishes to discuss:

Tax Appeals

Minutes will be kept and once the matter involving the confidentiality of the above no longer requires that confidentiality, then the minutes can be made public.

Now, Therefore, Be It Resolved, that the public be excluded from this meeting.

On a motion by Mr. Schoepflin, seconded by Mr. Bernstein, the Council voted unanimously to adjourn to Executive Session at 7:48 p.m. On voice vote, all Council members voted in favor. The Council returned to Work Session at the conclusion of the Regular Session.

Senior Housing/Pilot

Mr. Bole reported that there are two documents to deal with regarding Senior Housing - a ground lease and a PILOT. There has been discussion about how to find a solution to handle the increases that will occur due to the PILOT.

One solution is to offset the amount of rent payable by Senior Housing to the Borough by a sum equal to the increase on the PILOT. Ultimately the Borough would get the same amount. The PILOT cannot be changed, but the ground lease can.

Another option has to do with the assessment on the property which is currently \$1 million on the land and \$2 million on the improvements. It is Mary Beth Lonergan's opinion that this property is over assessed. The Borough cannot interfere in the assessment process but Ms. Lonergan has provided Mr. Bole with information that he can give to the Assessor. If the reassessment comes in lower it will benefit the amount due on the PILOT.

They also looked at the possibility of using the Affordable Housing Trust Fund to pay down the debt on Lakeland Bank. That would allow Senior Housing to refinance their debt at a lower rate. There is concern about allowing all the money to be used on one project when there are several other affordable projects going on in town.

Another idea is for the Borough to borrow money at municipal rates on bonds which they could then loan to Senior Housing to pay off their loan at a much lower rate. Allendale's Bond Counsel is not in favor of this idea because he does not feel that is an appropriate use for this type of funding.

The most likely solution is to offset the lease by the PILOT. If the lease was reduced by the amount of the increase on the PILOT, this solution will take the Borough through eight years and during that period of time Senior Housing can pay off some of the debt on the property. Even if

the PILOT was taken all the way up to 40% the lease payment could be reduced by an equal amount. The bottom line will be the same and the seniors will not have to pay more in rent.

Mr. Bole said changes will not occur until 2012. By then the town will know the result of the revaluation.

Mr. Barra said Ms. Lonergan's points were that the property is deed restricted for affordable housing use, it is leased to the Borough and the amount of the rent is limited.

The Council concurred with Mr. Barra that a formula will be determined to allow for a combination of the two agreements to average two percent.

Respectfully submitted,

Gwen McCarthy
Municipal Clerk