

Work Session  
Mayor and Council  
October 25, 2012

A Work Session of the Mayor and Council was called to order at 7:32 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 McSwiggan, Strauch, White, Wilczynski and Mayor Barra. Ms. LaMonica arrived at 7:55 p.m. Mr. Bernstein was absent. Mrs. McCarthy and Mr. Bole were also present.

*Public Comments*

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

There were none.

*Administration*

Bond Issue Pricing

Mr. Steve Rogut, Allendale Bond Counsel was present to discuss the bond issue pricing. With him was Dennis Santos, the bond underwriter from Roosevelt and Cross.

Mr. Rogut said that earlier today the Borough went into the market for the refinancing of 2003 bonds. They were able to achieve a savings in gross dollars of \$325,000 over the remaining eleven years on the current bond issue.

Mr. Santos said two series of bonds were refinanced for the Borough – general improvement bonds and water utility bonds. The bond issue was for \$3,895,000 and the bonds were sold at premiums because absolute yields are currently so low.

Most of the buyers were institutional investors or banks. Allendale was bank qualified which means that banks that bought these bonds avoided the corporate tax on interest income from issuers who do less than \$10 million in a calendar year.

We raised between par and premium and those dollars will be used as follows:

- \$4,000,016 will go into an escrow deposit account to be held by the Bank of New York and they will pay the scheduled interest. Those monies are invested in State and local government securities which will be subscribed for this evening through the US Treasury.
- \$55,000 for the cost of issuance which pays for miscellaneous expenses.

The numbers have been verified by Mr. Ferraioli, the Municipal Auditor.

Mr. Rogut complimented Roosevelt and Cross for doing a great job. He also stated that Allendale having a AAA rating was very helpful. He noted that this was the perfect bond for this market. The Council will award the bond this evening and the closing will be on November 20, 2012.

Mayor Barra thanked Mr. Rogut and Mr. Santos. He noted that this was not a process that is commonly done in municipal government, but it paid off. He thanked Laura Granger who does this professionally and who offered the advice on how to proceed. Ms. Granger is the head of the Library Board and served on the Financial Advisory Committee.

#### Holiday Decorations at Borough Hall

Mrs. Wilczynski said the Council has done research on having holiday decorations at the municipal building. The League of Municipalities has recommended not putting up any decorations because doing so has led to litigation in a number of towns. However, a group in town wants to represent their religion with a menorah and another group wants to have a nativity scene.

To satisfy the secular component, a snowman or reindeer or similar item will be added. All displays will be of the same size. The displays will all be tasteful and understated and will be paid for out of donations.

Members of the Council were in support of the decision to proceed.

#### Mayor's Report

Mr. Barra reported that on November 19<sup>th</sup> at 11:00 a.m. the ribbon cutting at Crescent Commons will be held. The Department of Community Affairs Commissioner, Richard Constable III will be attending at that time. His organization is in charge of the Housing and Mortgage Finance Agency which provided the money to fund the project.

The residents of Orchard Commons were honored by Anne Klein's organization which recognizes people with disabilities who have improved their lives and are living independently. Danny Calabrese, a resident of Orchard Commons gave a speech to the gathering. It was a very successful night and the residents were pleased to be honored. He added that he is hopeful that Crescent Commons will be an equally positive experience for those residents.

#### Hiring of a New Candidate for the Police Department

Mayor Barra said the Public Safety Committee was unable to meet at their scheduled meeting time. At least one and possibly two individuals will be hired to begin the Police Academy in January. If one candidate is hired for January, then another will begin the academy in June.

The CFO will be looking at numbers for both salary and overtime with regard to this issue. He added that the Police overtime has been very high.

The Police Chief will begin interviewing candidates immediately.

The Mayor is hopeful a recommendation can be made by the meeting of the Mayor and Council on November 8<sup>th</sup>.

Mayor Barra said the most recent updates on Hurricane Sandy indicate it will be a very bad storm.

Chief Scherb said a meeting of the OEM committee will be held on Sunday to discuss Hurricane Sandy, although the time has not yet been set.

Respectfully submitted,

Gwen McCarthy  
Municipal Clerk