

**MINUTES OF THE SPECIAL MEETING  
OF THE MAYOR AND COUNCIL**

**FEBRUARY 26, 2013**

**SPECIAL MEETING**

A Special Meeting of the Mayor and Council was held in the Municipal Building on February 26, 2013.

The meeting was opened at 8:10 A.M. Mr. Hart stated that there would be a presentation by Boswell Engineering relative to capital appropriation for a GIS (Geographic Information System) followed by an additional presentation by The Tax Assessor in support of a request for an appropriation for annual reassessments. Another meeting is scheduled for February 28<sup>th</sup> when the Borough Auditor will present his workbook and recommendations. The Auditor prepares the budget document which must be completed for introduction on March 5<sup>th</sup>. Mr. Hart referred to the Budget Projection Sheet which hasn't been changed much since last week. The amount to be raised by taxation has been reduced from 2% to 1.79%.

Mr. Hart referred to discretionary expenditures and said that there are three budget objectives. These include: maintaining surplus at an appropriate level; maintaining or decreasing debt on a year to year basis; and staying within the nominal 2% cap. The proposed budget accomplishes these objectives and would leave approximately \$1.6 million overall for capital projects. He recalled that they had considered \$1.2 million exclusively for roads.

Regarding the operating budget, Mr. Hart spoke about the personnel needs and said that \$35,000 has been included for additional plumbing inspections. The Construction Official had also requested additional clerical support and the recommendation is to provide dedicated volunteers for the filing project in this department. Mr. Hart recommended the request for a \$3,000 stipend for the Recycling Coordinator which could be paid out of the recycling grant.

Mayor Bivona arrived at the meeting at 8:25 and called the meeting to order.

**ROLL CALL**

The following Council Members and Professional Staff were present: Mayor Bivona, Councilperson Kahwaty, Councilperson Lambrix, Councilperson Ramsey, Borough Administrator Hart and Chief Financial Officer Pike. Councilperson Kelly, Council President Lota and Councilperson Pedone were absent.

**PUBLIC'S OPPORTUNITY TO SPEAK**

Councilperson Kahwaty made a motion to open the meeting to the public. Seconded by Councilperson Ramsey. Discussion – None.

No one from the public came forward and Councilperson Lambrix made a motion to close the public portion of the meeting. Seconded by Councilperson Kahwaty. Discussion – None.

**DISCUSSION**

- **2013 BUDGET**

Mr. Hart said that the budget is accommodating the request for additional hours for plumbing inspections, however, there are no other changes regarding personnel.

Regarding public works, Mr. Hart said that several recommendations have been incorporated to alleviate the workload for DPW employees such as the elimination of major construction projects. Money has been appropriated for paving and larger patching

projects. The Personnel Committee did not feel that the DPW had provided enough reasoning for the additional hire that was requested. Mr. Hart stated that the Police also have not provided sufficient information to justify a new hire. The Borough has been notified regarding one retirement and from a budgetary perspective they could consider promotions or a new hire. He added that the County has indicated that they may provide a dispatch service to municipalities at no charge which could impact the budget. He pointed out that without dispatchers there would be no one inside the Police Department to man the building and additional administrative support may be necessary. Mayor Bivona commented that this would be removed from the municipal budget but will be added onto the County taxes.

After more discussion, Councilperson Lambrix said that the Personnel Committee is suggesting a part time position for a person with some experience who might solve this administrative function in the Police Department. Mayor Bivona suggested allocating funds in the budget for an administrative part-time person whose salary could be covered using the difference in salary from the retiring police officer and a replacement police officer. Mr. Hart indicated that this could be a mid-year move. Councilperson Lambrix remarked that the dispatcher could do some of the work done by someone in an administrative position; however, Councilperson Ramsey said that some of this work is confidential.

Mr. Hart recommended maintaining the status quo in the Recreation Department. The part time person in this department will be leaving shortly and this position will have to be filled. He noted that a 2% increase across the board has been agreed upon for Borough employees.

Mr. Hart reviewed the various other expense items. The following items were approved as presented: Library Payroll, Field Laptop and DPW Management Software. The following items were rejected from this year's budget: Hosted Email Exchange, Police Accreditation, Outage Mapping Software, Firemen's Convention, 4 Wheel Drive Vehicle for Construction Department and a Light Duty Vehicle for Recreation.

- **PRESENTATION BY BOSWELL ENGINEERING IN SUPPORT OF CAPITAL APPROPRIATION FOR GIS (GEOGRAPHICAL INFORMATION SYSTEM) WHICH WOULD INCLUDE TAX MAP OVERHAUL**

Kevin Boswell introduced Jonathan Gerardo who is a GIS Specialist and an Environmental Permitting Specialist. Mr. Boswell described GIS as a location based, electronic filing system that covers longitude, latitude and elevation. This is a 3D mapping system which covers sewer lines, electric lines, water lines, above and below grade and organizes these items by block and lot. There is a requirement that all municipalities adopt a digital tax maps system which will require the overlay of all existing tax maps to Google Maps, Bing Maps, etc.

Jonathan Gerardo stated that the presentation consists of a digital tax map is in an Autocad format using a GIS interface. GIS is a system that manages large amounts of data through mapping and this type of map could be put together in a couple of days. Land features such as topography, wetlands, flood plains and environmental constraints are readily available and free. Mr. Gerardo reviewed the benefits of GIS including cost savings and efficiency and he stated that the more that is added to the data base, the more money is saved.

Mr. Boswell explained that Boswell Engineering would be a guide but most of the information input will be done by the Borough. Mr. Gerardo added that communication with other Borough departments such as the DPW will be quicker and record keeping will be improved through the use of this system. Mr. Gerardo said that the State requires that water systems and sewer systems details have to be done in GIS format. Many towns are using this GIS format for stormwater maintenance in their annual plans and the State of New Jersey Tax Records will soon have standards requiring partial data to be in a digital format. Mr. Boswell stressed that this information must be set up accurately the first time. If not, the information will become obsolete in five years.

Mr. Gerardo said that the transition begins with the basics such as street maps and aerial views, all of which is free. A long term plan of development must be created, perhaps through the use of interns, which will result in a data base after several years. Information on these systems is shared with other agencies which helps to control costs. Data bases must be updated and managed as necessary.

Mr. Boswell stated that the cost of the GIS software is \$5,000. The digital tax maps would be approximately \$200,000 and they are already 25% complete. The total would cost to correctly create the digital tax maps would be approximately \$140,000. This cost could be spread over three years and bonded.

Mr. Hart commented that this is an unfunded mandate from the State. He added that many towns use the GIS system, however, it is not digitized. Mr. Boswell said that if this system is put into place now every project can be added in a simple fashion and the system runs itself.

- **PRESENTATION BY TAX ASSESSOR IN SUPPORT OF REQUEST FOR ANNUAL APPROPRIATION FOR REASSESSMENTS**

Jason Cohen, Tax Assessor, stated that the digitized system described by Mr. Gerardo and Mr. Boswell would be beneficial to the Tax Department because permitting and added assessments would be integrated making him able to do his job more efficiently. He spoke about rolling reassessments and said that the assessments are supposed to be at market value every year. This refers to the true value or 100% of what the home could sell for on October 1<sup>st</sup> of the prior year. Most towns don't update their systems annually and assessments are fixed from year to year while the housing market fluctuates. The State has developed a one year weighted ratio where the fixed assessment is compared to the moving target of value that changes every year. A sale ratio is developed for each individual sale that takes place in the municipality using the formula of assessed value divided by the sale price. Mr. Cohen referred to his power point presentation which demonstrated that the ratio is the aggregate ratio of all of the combined sales which changes significantly. Most towns wait for the County Board to order a revaluation because of the cost involved; however, individual ratios come into play when there are tax appeals. If there has been a revaluation during the year when the appeal was filed the relief or determination of whether or not to grant a reduction is based on the weighted ratio. The State gives the Assessor a cushion of 15% either side which means that no relief will be granted as long as the Tax Assessor can prove value within that level. Mr. Cohen explained that this year, although the ratio in Franklin Lakes is 94 ¼, the Borough has to defend the full 100% value of every assessment. The weighted ratio is also used to determine school aid and the County budget and the County uses a two year blended average when calculating County contributions.

Mr. Cohen stated that on a year to year basis the Assessor is charged with keeping values at 100%, however, the State doesn't allow assessments to be changed haphazardly. There are four ways to change or update assessments which include: yearly changes through the permitting process; compliance plans; reassessment and revaluations. He explained that under the compliance plan he would have to look at every property in the Borough but could only change the assessment of 50% of the properties. Up to 100% can be changed through reassessment and revaluation. Revaluations are done with the help of an outside appraisal firm but a reassessment doesn't have to involve an outside firm. A revaluation involves changing the value of every property. Reassessments involve changing the values and gives the assessor free reign to make these changes.

Mr. Cohen detailed the positive and negative aspects stating that yearly changes addresses specific property concerns, new construction and appeals at no additional cost to the town. On the negative side, it is limited in scope and the assessor is reactive to the market changes. Changes can be made before homeowners make appeal their property taxes. He reiterated that reassessment means that up to 100% of the values in the Borough can be adjusted; however, the County and the State may require inspections depending on the length of time that has passed since the last revaluation. Revaluation is the most expensive of the options and the inspection process can be intrusive for property owners.

Mr. Cohen recommended reassessment as the best choice. If the base is set up correctly and the data is set up in a format accepted by the State as recent and current, it can be maintained on a year to year basis which eliminates the need for revaluation every five to ten years. He referred to this process as a rolling reassessment which would also consist of the best combination of the available information that is provided to assessors. The County is indicating that they will require inspections if it has been more than four years since the last revaluation. Mr. Cohen described how this system would work over the next few years and said that the revaluation firm would assist with the yearly reassessments. This also depends on the Assessor's office and the budget that is available among other things. He stated that an added benefit is that revaluation firms can offer substantial discounts of over 50% over what it would cost for towns to perform a regular revaluation. Mr. Cohen pointed out that this practice would reduce the Borough's exposure to tax appeals thus reducing professional fees for attorneys and appraisers in defense of these appeals. Rolling reassessments establishes a good data base which will be continually maintained.

During the discussion that followed, Mayor Bivona remarked that the cost of defending a tax appeal includes not only the professional fees but the tax refund also. This comes out of the Borough's budget or surplus and he suggested that they look at the total cost of settling tax appeals. This rolling reassessment would eliminate some percentage and save the Borough money.

Mayor Bivona observed that a very small number of residents appeal their taxes; however, the rest of the residents of Franklin Lakes suffer. There is an inequity because the taxpayers that don't appeal end up paying part of the refund to the residents who have appealed. He felt that revaluation would bring equity to the entire community.

After some discussion by the Council, Mr. Cohen stated that he would come back with historical information and cost data. Mr. Hart stated that in this situation the cost of the reassessment or revaluation can be financed over five years and it can be looked at as being outside of the operating budget meaning that this decision doesn't have to be made before the budget is introduced.

After reviewing his files, Mr. Cohen stated that the amount of money refunded in tax appeals last year was \$80,000. In 2011, the figure was \$260,000, and in 2010, \$127,000 was refunded. He estimated \$75,000 in refunds for the current year. Mr. Cohen reminded everyone that when someone wins an appeal the Borough must also refund the School and County portion of the refund.

- **2013 BUDGET DISCUSSION**

Councilman Lambrix questioned the amount being requested for road work in 2013. Mayor Bivona said that Dan Lipinski, of Boswell Engineering, has reviewed all of the roads and is recommending a budget of \$1.2 million to bring the roads up to a baseline standard. The price of asphalt has risen to such an extent that the Borough has been doing less and less road work over the past several years and, as a result there is a large inventory of roads in extremely poor condition. A project has been proposed that would repair and pave every road in the Borough over a fifteen year period. After the catch up phase, it would cost between \$600,000 to \$700,000 annually to maintain the roads in good condition.

Councilman Lambrix stated that this is a policy decision and Mayor Bivona commented that roads are a quality of life concern to most residents. Councilmembers reviewed the memo from Mr. Boswell dated February 1<sup>st</sup> which lists the roads recommended for repair and repaving. Upon questioning by Mayor Bivona, Mr. Hart stated that this is a capital item which does not need to be evaluated with the understanding that the Borough can bond for additional capital items. The budget as proposed, with some small revisions, could be put together with a certain amount appropriated for the operating budget for capital. Mr. Hart stated that the list of roads to be paved has already been submitted to Northwest Bergen Shared Services. He suggested scheduling a separate meeting regarding capital budget items which will not prevent the budget from being introduced

on March 5<sup>th</sup>. Mr. Hart added that some long term decisions need to be made because he sees higher ticket, long term important items on the horizon. Mayor Bivona said he was trying to separate reoccurring larger ticket items and he mentioned the public safety building which is a multi-million dollar project up for consideration.

#### **CLOSED SESSION**

**BE IT RESOLVED**, by the Mayor and Council of the Borough of Franklin Lakes, County of Bergen and State of New Jersey that a Closed Meeting be held on Tuesday, February 26, 2013 which begins at 8:00 AM, in the Conference Room at the Municipal Building to discuss the following:

Closed meeting issues:

- Personnel – Police Chief
- Personnel – Construction/Zoning Official

**BE IT FURTHER RESOLVED**, that the discussion conducted in closed session shall be disclosed to the public 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.

Motion by Councilperson Kahwaty, seconded by Councilperson Lambrix at 11:00 A.M. to enter into Closed Session. On voice vote, all in favor.

#### **ADJOURNMENT**

Motion by Councilperson Ramsey to adjourn the meeting at 11:20 A.M. Councilperson Lambrix seconded the motion.

Roll Call Vote

Ayes: Bivona, Kahwaty, Lambrix and Ramsey

Nays:

Abstain:

Absent: Lota, Kelly and Pedone

Motion Approved

Respectfully submitted,



Sally T. Bleeker, Borough Clerk