January 26, 2012

A regular meeting of the Borough Council was held in the Municipal Building on January 26, 2012. The meeting was called to order at 8:02 p.m. by Mr. Barra who announced that the requirements of the Open Public Meetings Act were met by the required posting and notice of publications.

The Mayor led those present in a salute to the flag.

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

Minutes

Mrs. White moved, seconded by Mr. Bernstein, to approve the Executive Session minutes of December 29, 2011 and the Reorganization Meeting minutes of January 5, 2012. On roll call, Mrs. McSwiggan and Mr. Strauch abstained on the minutes of December 29th, but voted in favor of the minutes of January 5th. Mr. Bernstein, Mrs. White, Ms. LaMonica and Mrs. Wilczynski voted in favor of both sets of minutes.

Public Comment

Mr. Barra opened the meeting to the public for comments on agenda items.

There were none.

Introduction of Ordinances

Resolution 12-42 – Introduced by Ms. LaMonica, seconded by Mrs. White

Be It Resolved that an Ordinance entitled 12-01, “Refunding Bond Ordinance Providing for Payment of Amounts Owing to Others for Taxes Levied In, By and For the Borough of Allendale, in the County of Bergen, New Jersey, to Appropriate the sum of $605,000 to Pay the Cost Thereof, and to Authorize the Issuance of $605,000 of Bonds or Notes to Finance Such Appropriation,” heretofore introduced, does now pass on first reading, and that said ordinance be further considered for final passage at a meeting to be held on the 9th day of February, 2012, at 8:00 p.m. or as soon thereafter as the matter can be reached, at the regular meeting place of the Borough Council, and that at such time and place all persons interested be given an opportunity to be heard concerning said ordinance, and that the Borough Clerk is hereby authorized and directed to publish said ordinance according to law with a notice of its introduction and passage on first reading and of the time and place when and where said ordinance will be further considered for final passage.

On roll call, all Council members voted in favor.
Mr. Strauch moved, seconded by Mrs. White, to remove Resolution 12-49 from the Consent Agenda.

On roll call, all Council members voted in favor.

Mr. Barra said Resolution 12-49 was to be amended by adding the words, “Bergen County Republican Organization” to paragraph six of the resolution appointing Allendale’s Professionals for the year 2012.

Mr. Barra asked for a vote on Resolution 12-49 as amended.

Resolution 12-49 - Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, the Borough of Allendale requires the service of professionals for the year 2012, and

Whereas, it is contemplated that the temporary and permanent budgets will contain the necessary appropriations estimated to be reasonably required for each such professional service; and

Whereas, the professionals named herein will be required to execute a contract for the services to be rendered which shall set forth the compensation for such services therein;

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale that the following appointments be and they are hereby made for the year:

Whereas, a Certification of availability of funds has been received from the Chief Financial Officer or that such funds will be encumbered by Purchase Order on an as-needed basis pursuant to the provisions of NJAC 5:30-5.4 et seq;

Whereas, in any instance where it is anticipated that the expenditure for each such professional service will exceed the sum of $17,500 for said calendar year, the named professionals have completed, submitted and filed a Business Entity Certification Disclosure which certifies that the above named persons and/or entities have not made any reportable contributions to any political or candidate committee including (Republicans for Responsible Government, Allendale Republican Club, Allendale Democratic Club, Candidates for Allendale Municipal Government, Bergen County Democratic Organization, Bergen County Republican Organization) in the previous one (1) year, and that the contract will prohibit the above named professionals/business entities from making any reportable contributions through the term of the contract;

Be It Further Resolved that these contracts are being awarded as a non-fair and open contract, pursuant to the provisions of NJSA 19:44A-20.5;

Be It Further Resolved that the Business Disclosure Entity Certification and the determination of value be placed on file with this Resolution.
Animal Control  Tyco Animal Control Service  
Appraisal Firm (residential)  Appraisal Systems  
Appraisal Firm (commercial)  Izenberg Appraisal Associates  
Affordable Housing Consultant  Clarke Caton Hintz  
Grant Writer  Capital Alternatives  
Municipal Accountant  Ferriolli, Wielkotz, Cerullo & Cuva, P.A.  
Municipal Attorney  David Bole, Winne Dooley and Bole  
Municipal Prosecutor  Richard Rosa  
Alternate Prosecutor  John S. Guerin  
Planner  Burgis Associates  
Public Defender  Dominick Preziosi, Jr.  
Risk Management Consultant  Nelson-Patterson Insurance Agency  
Water and Sewer Engineer  Hatch Mott MacDonald  

The compensation for the aforesaid positions to be established by the salary ordinance or the contract for such services which shall be executed by each of the professionals named herein; and

Be It Further Resolved that the aforesaid appointments were made without competitive bidding under the provisions of NJSA 40A:11-5(1)(a) which excepts from competitive bidding Professional Services rendered by persons authorized by law to practice a recognized profession and whose practice is regulated by law; and

Be It Further Resolved that the appropriate Borough Officials be and they are hereby authorized to execute contracts with each of the professionals named herein for the services to be rendered; and

Be It Further Resolved that the compensation to be paid for the professionals named herein shall not exceed the budget appropriation for such services unless properly ordained in accordance with law, and

Be It Further Resolved that a copy of this resolution be filed with the Borough Clerk and made available for inspection and that a brief notice of the passage thereof be published in The Record within ten days of the passage as required by law.

On roll call, all Council members voted in favor.

Consent Agenda

Resolution 12-43 – Introduced by Ms. LaMonica, seconded by Mr. Strauch

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that it hereby approves the Bill List dated January 26, 2012.
On roll call, all Council members voted in favor.

Resolution 12-44 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, there is a need for Well Child Services in the Borough of Allendale, and

Whereas, the Waldwick Board of Health is able to provide Well Child Services as mandated by the Public Health Council of the State of New Jersey; and

Whereas, the Waldwick Board of Health has agreed to provide Well Child Services for the 2012 Calendar year in the amount of a one time $125 administrative fee and a $35 per child per visit fee and a $15 per child fee for immunizations only.

Whereas, the Chief Financial Officer has certified that there are sufficient funds available for this contract;

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that it hereby approves the contract between the Borough of Allendale and the Waldwick Board of Health, and

Be It Further Resolved, that the Mayor and Municipal Clerk be and they are hereby authorized to sign said contract.

On roll call, all Council members voted in favor.

Resolution 12-45 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, a Redemption has occurred on Block 2203 Lot 3, Certificate # 11-00004,

Now, Therefore, Be It Resolved, by Resolution of the Governing Body of Allendale, the Tax Collector is hereby authorized to refund a check in the amount of $51,297.49 which includes the redemption amount on the certificate of $24,797.49, and the return of premium in the amount of $26,500.00 to the following:

MTAG Services as Custodian for
ATCF II NEW JERSEY LLC
PO Box 54292
New Orleans, LA 70154-4292

On roll call, all Council members voted in favor.

Resolution 12-46 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, Budget Transfers are permitted during the last two months of the current year and the first three months of the following year;
Now, Therefore, Be It Resolved, by the Mayor and Council of the Borough of Allendale that the following transfers be made between the 2011 Budget Appropriations:

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>ACCOUNT NUMBER</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>1-01-31-440-190</td>
<td>$2,300.00</td>
<td></td>
</tr>
<tr>
<td>Administration, OE</td>
<td>1-01-20-100-063</td>
<td>$2,300.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Transfers</strong></td>
<td></td>
<td><strong>$2,300.00</strong></td>
<td><strong>$2,300.00</strong></td>
</tr>
</tbody>
</table>

On roll call, all Council members voted in favor.

Resolution 12-47 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that the following individuals are hereby appointed as Crew Chiefs:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Appointment Date</th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Ziegelhofer</td>
<td>Public Works</td>
<td>January 1, 2012</td>
<td>$4,160/year</td>
</tr>
<tr>
<td>Layne Simon</td>
<td>Water</td>
<td>January 1, 2012</td>
<td>$4,160/year</td>
</tr>
<tr>
<td>Daniel Davis</td>
<td>Public Works</td>
<td>January 1, 2012</td>
<td>$4,160/year</td>
</tr>
</tbody>
</table>

On roll call, all Council members voted in favor.

Resolution 12-48 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Be It Resolved by the Council of the Borough of Allendale that the Tax Collector is hereby authorized to issue a check to the following for 2010 and 2011 overpayments due to a State Tax Board Judgment:

**2011**

<table>
<thead>
<tr>
<th>Block/Lot</th>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>511/19</td>
<td>George W Jr &amp; Frances M Crowley Law Office-Thomas L. Murphy</td>
<td>$710.75</td>
</tr>
<tr>
<td></td>
<td>113 West White Horse Rd Ste 4 Voorhees, NJ 08043</td>
<td></td>
</tr>
</tbody>
</table>

**2010**

| 511/19    | George W Jr & Frances M Crowley Law Office-Thomas L. Murphy           | $702.77 |
|           | 113 West White Horse Rd Ste 4 Voorhees, NJ 08043                     |         |
On roll call, all Council members voted in favor.

Resolution 12-50 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Be It Resolved by the Governing Body that Joseph Citro is hereby appointed as Qualified Purchasing Agent effective until December 31, 2012 at an annual compensation of $2,500.

On roll call, all Council members voted in favor.

Resolution 12-51 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that the following individual be appointed as a temporary employee:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Appointment Date</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sean Cassidy</td>
<td>Public Works</td>
<td>January 3, 2012</td>
<td>$12/hour</td>
</tr>
</tbody>
</table>

On roll call, all Council members voted in favor.

Resolution 12-52 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, according to Borough of Allendale Code 75-4A, the Mayor, with the advice and consent of Council, appoints the Water Superintendent for a one-year term beginning January 1, and

Whereas, the individual filling this position, under Borough of Allendale Code 75-4A, “...shall be responsible for the general operation and maintenance of the Borough water system and shall perform such other duties as the Mayor and Council and/or Administrator may from time to time prescribe”, and

Whereas, the Water Superintendent shall also operate and maintain the Borough sanitary sewer collection system, and

Whereas, the duties also include the responsibilities of Safety Director, and

Whereas, Jeffrey Picinich holds State Licenses C-2, T-2 and W-2, along with many courses in all aspects of on-the-job safety, and

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that effective January 1, 2011, Jeffrey Picinich be appointed Water Superintendent in the Borough of Allendale.

On roll call, all Council members voted in favor.
Resolution 12-53 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, according to the Code of the Borough of Allendale, the Mayor, with the advice and consent of Council, appoints the Water Collector for a one-year term beginning January 1, and

Whereas, the individual filling this position “shall keep the financial records of the water utility (and) issue bills incident to the sale, distribution and use of the water services and collect amounts due to the Borough”;

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that Jennifer Sidoti is hereby appointed Water Collector in the Borough of Allendale.

On roll call, all Council members voted in favor.

Resolution 12-54 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Be It Resolved that the following individuals are hereby appointed to the named Board or Commission for the period specified:

<table>
<thead>
<tr>
<th>NAME</th>
<th>TERM EXPIRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vince Barra</td>
<td>Allendale Senior Housing</td>
</tr>
<tr>
<td>Ari Bernstein</td>
<td>Allendale Senior Housing</td>
</tr>
</tbody>
</table>

On roll call, all Council members voted in favor.

Resolution 12-55 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, the Utility Payer listed below has been found to have their utility bill reduced by the amount shown, and

Whereas, this adjustment is due to an estimated bill, incorrectly reported water usage, incorrect readings or overpayment,

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, that this adjustments be granted, with money refunded, to the following utility bill payers:

<table>
<thead>
<tr>
<th>Name</th>
<th>Account Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ki Kyung</td>
<td>4197-0</td>
<td>$41.54</td>
</tr>
</tbody>
</table>

On roll call, all Council members voted in favor.

Resolution 12-56 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.
Councilmember LaMonica introduced and moved the adoption of the following resolution and Councilmember Strauch seconded the motion:

Resolution of the Borough Council of
The Borough of Allendale, in the County
Of Bergen, New Jersey Making Application
To the Local Finance Board Pursuant to
NJSA 40A:2-55

Whereas, the Borough Council of the Borough of Allendale desires to make application to the Local finance Board for its review and/or approval of a proposed refunding bond ordinance authorizing the Borough’s issuance of obligations for the purpose of paying amounts owing to others for taxes levied, as permitted by NJSA 40A:2-51(a); and

Whereas, the Borough Council of the Borough of Allendale believes:

(a) It is in the public interest to accomplish such purpose;
(b) Said purpose or improvements are for the health, welfare and convenience or betterment of the inhabitants of the local unit or units;
(c) The amounts to be expended for said purpose or improvements are not unreasonable or exorbitant;
(d) The proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the local unit or units and will not create an undue financial burden to be placed upon the local unit or units;

Now, Therefore, Be It Resolved by the Borough Council of the Borough of Allendale, in the County of Bergen, State of New Jersey, as follows:

Section 1. The application to the Local Finance Board is hereby approved, and Ferraioli, Wielkitz, Cerulla & Cuva, Borough Auditor, and Rogut McCarthy LLC, Bond Counsel, along with other representatives of the Borough of Allendale, are hereby authorized to prepare such application and to represent the Borough of Allendale in matters pertaining thereto.

Section 2. The Borough Clerk of the Borough of Allendale is hereby directed to prepare and file a copy of the proposed refunding bond ordinance with the Local Finance Board as part of such application.

Section 3. The Local Finance Board is hereby respectfully requested to consider such application and to record its findings, recommendations and/or approvals as provided by the applicable New Jersey Statute.

On roll call, all Council members voted in favor.

Resolution 12-57 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.
Be It Resolved by the Council of the Borough of Allendale that the Tax Collector is hereby authorized to issue a check on the property listed below and charge same to Overpayment of 2012 Taxes:

2012

<table>
<thead>
<tr>
<th>Block/ Lot</th>
<th>Name</th>
<th>Property Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>301/14</td>
<td>Kontogiannis, Emmanuel &amp; Kanella</td>
<td>101 Woodland Ave</td>
<td>$447.22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>101 Woodland Avenue</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allendale, NJ 07401</td>
<td></td>
</tr>
</tbody>
</table>

On roll call, all Council members voted in favor.

Resolution 12-58 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, there is a need for support for mental health services in the Borough of Allendale, and

Whereas, West Bergen Mental Health Care has available such services as are needed; and

Whereas, West Bergen Mental Health Care has agreed to provide such services in the amount of $6,000.00 and other services in accordance with the fee schedule that is attached; and

Whereas, the Chief Financial Officer has certified that there are sufficient funds available for this contract;

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that it hereby approves the agreement between the Borough of Allendale and West Bergen Mental Healthcare; and

Be It Further Resolved that the Mayor and Municipal Clerk be and they are hereby authorized to sign said agreement.

On roll call, all Council members voted in favor.

Resolution 12-59 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, each Bergen County Community that participates in the Community Development Cooperative must appoint two representatives to its respective Community Development Committee, and
Now, Therefore, Be It Resolved that the Governing Body hereby appoints Mayor Vince Barra, Councilwoman Liz White to participate on the Community Development Committee.

On roll call, all Council members voted in favor.

Resolution 12-60 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Now, Therefore, Be It Resolved that the following appointment of a Planning Board Secretary is retroactive to January 19, 2012.

<table>
<thead>
<tr>
<th>Name</th>
<th>Rate of Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diane Knispel</td>
<td>$250/meeting to include attendance at meeting and preparation of minutes.</td>
</tr>
</tbody>
</table>

Resolution 12-61 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Now, Therefore, Be It Resolved by the Governing Body that it does hereby authorize, effective for the calendar year 2012:

- Free family memberships for Firefighters and Ambulance Corps personnel
- Free family memberships for Mayor and Council members
- No charge for children under 2 years of age as of opening day at Crestwood Lake
- 25% off the non-resident rate for employees of the Allendale Elementary School District and Northern Highlands High School
- Senior rate applies to people 62 years of age and over (not spouse if under age 62)
- Residents of Orchard Commons pay $60 per person

On roll call, all Council members voted in favor.

Resolution 12-62 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Now, Therefore, Be It Resolved by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that it hereby approves Tom Viscardi as the Lake Director for Crestwood Lake for the 2012 swim season.

On roll call, all Council members voted in favor.

Resolution 12-63 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

Whereas, the Engineer has requested that certain changes are needed in the contract for the Grandstand Backstop, and

Whereas, a net increase of $1750 to the contract will result from the following item:
- Additional panel welding.
**Whereas**, a net decrease of $550 will result from the following item:
- Survey work to re-establish home plate which was disturbed by the contractor.

**Whereas**, this change is authorized by a certification of funds by the Chief Financial Officer.

**Now, Therefore, Be It Resolved** by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that Change Order Number One resulting in an increase of approximately $1,200 be approved for the Grandstand Field Backstop and Fencing Replacement. The original contract amount of $79,452 has increased 1.5%, resulting in a new contract amount of $80,652.

On roll call, all Council members voted in favor.

Resolution 12-64 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

**Now, Therefore, Be It Resolved** by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that it hereby approves the donation of a family (parents and children) Crestwood Lake 2012 Season Pass to the Allendale Foundation for Educational Excellence.

On roll call, all Council members voted in favor.

Resolution 12-65 – Introduced by Ms. LaMonica, seconded by Mr. Strauch.

**Whereas**, the Borough of Allendale is a participating member of the Bergen County Municipal Joint Insurance Fund relative to General Liability and other coverage; and

**Whereas**, the “Fund” has adopted certain criteria to distinguish between bona fide municipal activities and other quasi-public entities not sponsored by the municipality and therefore, not subject to coverage by the “Fund”, and

**Whereas**, it has been determined that in order to be covered by the “Fund” an organization or activity meet the test that its function is of the type that historically municipalities have undertaken themselves or have provided with insurance coverage and/or is one which advances a bona fide local public purpose on a non-profit basis typically met by local government, the benefits of which are available to the municipality in general; and

**Whereas**, the Borough has asked the “Fund” to extend General Liability and non-owned Automobile Liability Coverage to the following entities:

Class IV – Allendale Sports Alliance

**Now, Therefore, Be It Resolved** by the Borough Council of the Borough of Allendale as follows:
It is hereby certified that the above listed organizations exist within the Borough of Allendale as a bona fide charitable, educational, or recreational activity of the municipality and is, in fact an organization that supports and/or provides services to the municipality in general and as such is sponsored or subsidized directly or indirectly by the municipality.

The Borough of Allendale does hereby request that this organization described herein be named as an additional insured for General Liability and Non-owned Automobile Liability Coverage in accordance with the applicable limits and restrictions.

On roll call, all Council members voted in favor.

*Committee Reports*

**Facilities, Parks and Recreation**

Mrs. Wilczynski said she and Chief Scherb met with Ridgewood regarding a program they have called Access for All. It serves their special needs community and is mostly used to communicate information on emergency preparedness. Mrs. Wilczynski said she has gotten in touch with the County about establishing a similar group in Allendale. Special needs individuals will be asked to serve on the committee along with OEM representatives.

Mrs. Wilczynski noted that Allendale has more special needs people than even a larger town like Ridgewood. Mr. Barra added that once Crescent Commons is complete, Allendale will have 35 beds for special needs individuals.

Mrs. Wilczynski stated that work on the grandstand is now complete.

**Administration, Finance and Human Resources**

Ms. LaMonica said the next meeting of her Committee will be February 15th.

**Public Works**

Mrs. White thanked the DPW for cleaning up after the first snowfall of 2012.

**Land Use and Construction Code**

Mr. Strauch said the next Land Use meeting will be held on February 3rd at 8:00 a.m. at the Borough Hall.

**Public Safety**
Mr. Bernstein said the Public Safety Committee met this week to do a recap of the Halloween snowstorm. Attending were representatives of the Ambulance Corps, OEM, CERT, Fire Department, the Police Department and the Mayor and Council. Every department reported on their impressions of what went wrong, what went right and what could be improved upon.

The next meeting of the Public Safety Committee will be February 8th at 7:30 a.m.

Water Committee

Mrs. McSwiggan said the Water Committee is scheduled to meet on February 1st.

Municipal Attorney

Mr. Bole thanked the Council for reappointing him to another year as the Borough’s Attorney.

Municipal Clerk

Mrs. McCarthy said Mr. Winters called her a few days ago regarding the Fire Department’s grant application. He has been notified that Allendale’s grant is now being reviewed and most of the previous grants that have been reviewed have been fully funded.

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

Mr. Paterson said earlier today he picked up a copy of the Annual Debt Statement. He noticed that the Borough’s total debt is down by $683,400. He realizes that $600,000 came off the debt owed for the purchase of the property for Orchard Commons Park. Mr. Paterson commented that more than $1.516 million is still owed on that purchase.

Mr. Barra responded that the balance is actually $1.447 million because part of the note that was done today included a principal payment of $60,000 for Orchard Commons.

Mr. Paterson said he has been waiting for the revaluation results to come in to see if the debt will be amortized by using the Open Space Fund which he believes raises about $65,000 a year. He is not sure how much of the Open Space money has been used to pay down the debt, but even if the amount is increased by 20%, the debt that is outstanding is much greater than the ability to pay for it out the Open Space Fund in the time that remains. After 2017 Allendale has to go to bond on this debt. He would like to see the Finance Committee recommend a way to pay off the $1.447 million before we are required to go out to bond. Or if we have to go to bond, Mr. Paterson wonders how that will be accomplished along with providing for the other capital expenses that will be necessary.
Mr. Paterson commented that $760,000 was paid off in old debt when last year’s budget was put together, but new debt of $771,600 was incurred. He knows that the Council prefers to have debt payments exceed expenditures but last year it didn’t work that way.

Another subject Mr. Paterson said he wanted to discuss was water. In the back of the Annual Debt Statement is information about the results of the Water Utility for the year. In round figures Allendale came in about $200,000 short of its intended revenue goal. A month or ago so the Council passed a resolution canceling a lot of the budget expense for the Water Utility. That was the first time Mr. Paterson had seen that done. As a result of that cancelation, the expenses for the Water Utility came in about $40,000 less than the reduced revenues resulting in the Water Utility making a profit again last year. Because the Water Utility is self liquidating, the Borough doesn’t have to take the Water Utility into account in calculating its own debt. The Water Utility should be left with about a $300,000 surplus. Before Mr. Schoepflin left the Council he said he anticipated the need for another water increase in the current year. Mr. Paterson said unless the $300,000 surplus is used up before the Council asks for an increase he will resist it. The Water Utility has significant problems, but to put through a water increase while having a $300,000 surplus isn’t a good idea.

Finally with respect to the Water Utility, it has always been a practice to set the budget for revenues for the current year at whatever the previous year was. We got in trouble last year because 2010 was a particularly good year and basing the 2011 budget on 2010 was a mistake. He recommended using the average revenue for the last three years instead of using only the previous year’s revenue.

Last year the water rate increase became effective for the full year of 2012. In prior years water rate increases were put through at a later date and were only effective for ¾ of the year. As a consequence the auditor insisted when the budget was prepared that only ¾ of the anticipated increase could be counted. Mr. Paterson advised to not let the auditors count only ¾ of the increase when they audit 2012, because the increase will have been in effect for all twelve months of the year.

There were no further comments from the public.

On a motion by Mrs. White, seconded by Mr. Strauch, the Council adjourned at 8:28 p.m.

Respectfully submitted,

Gwen McCarthy
Municipal Clerk