

**MINUTES
REGULAR MEETING
MUNICIPAL COUNCIL – BOROUGH OF RED BANK
MARCH 27, 2013
6:30 P.M.**

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Mayor Menna and Council Members Lewis, Zipprich, Horgan and Lee.

ALSO PRESENT: Administrator Sickels, Municipal Clerk Borghi, Attorney O'Hern, Engineer Ballard and Chief Financial Officer Lapp.

ABSENT: Councilmen DuPont and Murphy.

SUNSHINE STATEMENT

Mayor Menna requested the minutes reflect that, in compliance with Public Law 1975, Chapter 231 (Open Public Meetings Act), notice of this meeting has been provided by notifying the Asbury Park Press, the Two River Times and the Star Ledger and by placing a notice on the bulletin board and filing same with the Borough Clerk on January 1, 2013.

SUSPEND REGULAR ORDER OF BUSINESS

Councilman Zipprich offered a motion to suspend the regular order of business, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Red Bank Borough Board of Education Budget Presentation

Board of Education President Ben Forrest introduced Superintendent Laura Morana. Dr. Morana distributed a report and gave an overview of the 2013-14 proposed budget. She reviewed revenue sources and community partnerships. She also reviewed the required transfer of funds to the Charter School and the financial loss due to damages from Hurricane Sandy that were mainly at the Primary School. She noted that they were still working with the insurance companies and FEMA regarding that loss. She said they had seen a significant increase in enrollment in the last five or six years and would be receiving funding under a special program from the State Department of Education for such districts. She they were emphasizing maintaining appropriate classroom sizes. She outlined grants that they were seeking to supplement budget including the 21st Century grant that they were reapplying for.

Councilwoman Lewis asked about the increase in enrollment and how they were accommodating for that growth.

Dr. Morana explained that entry into the pre-K program had stabilized so they were making arrangements for increased class sizes moving into higher grades. She said one example of how they would accommodate those classes was to change the music program to one that moved from room to room and use that as an additional classroom. She said Middle School teachers still have their own classrooms but they may have to come to the point where they have to share. She said they were currently working on a five year plan. She said they were also appreciative of local partners such as Monmouth Day Care and the YMCA who helped with the Pre-K program.

Councilwoman Lewis also asked about a reduction in the NCLB & IDEA grants. Dr. Morana said that was because there were only allowed to budget 75 percent of the allocation.

Dr. Morana again noted that the district was recognized as having high enrollment and would receive approximately \$330,000 in aid.

Councilwoman Lee noted that they had anticipated and received funding for an expanded population and asked if, as they moved through the school system, if the Board anticipated that there would be lower enrollment in 2015. Dr. Morana said they had seen the trend stabilize at the Primary School where they had grown from approximately 90 children in kindergarten to the present 145. She said the classes continued to grow as the children moved up but had stabilized at the Kindergarten level.

Councilwoman Lee said, while they had received funding for the additional enrollment, they could not make more space and asked how that was being handled.

Dr. Morana said one year from now they would make the music program portable to accommodate an additional third grade class. She again noted that Kindergarten enrollment had nearly doubled growing to 145 in the last four years but stabilized.

Councilwoman Lee asked about the three and four year old program. Dr. Morana said they currently have four classrooms for that group at the Primary School, plus additional classrooms at several offsite locations including Regional High School, the Reformed Church in Middletown, the YMCA in Tinton Falls and Lincroft, St.

Thomas Church and Headstart. She said the other answer would be to not have a program and spoke of the benefits of having the program.

Councilman Zipprich asked how the practice of sending children to locations outside of the district had impacted transportation costs. Dr. Morana said all of the costs associated with the program, including transportation, were included in the Grant from the State Department of Education.

Councilman Zipprich asked if the \$330,000 in grant funds would offset the aid that had been lost under the original cuts. Dr. Morana said they would never recover from that and noted it was a \$700,000 loss.

Councilwoman Lewis said she remembered from her days on the Board of Education that the Pre-K program had been a pilot program and that they had been very fortunate to get it. She asked if they expected to continue to get that funding.

Dr. Morana said they had received nothing but accolades for the program and they did expect it would continue.

Dr. Morana reviewed personnel issues and proposed initiatives for the 2013-14 school year.

Councilwoman Lewis asked about residency issues and how they were being addressed.

Dr. Morana said they had been trying to monitor it on their own but were exploring the option of hiring a residency officer.

Dr. Morana introduced Business Administrator Debra Pappagallo who reviewed insurance costs including health benefits and property issues. She discussed damages to the Primary School due to Hurricane Sandy and their dealings with FEMA.

Councilwoman Lewis asked how much teachers contribute to their health insurance. Ms. Pappagallo explained the formula that was used to calculate their contributions based on salary and type of coverage.

Ms. Pappagallo reviewed State Aid that would be received by the district and asked Dr. Morana to explain Adequacy Aid. Councilman Zipprich asked what the total student population of the Primary and Middle schools was. Dr. Morana said it was 1327.

Dr. Morana said, while they were receiving additional funding, it would not be enough to continue the initiatives they had intended and noted some personnel and program reductions that were planned along with some facilities that would not be in the budget.

Ms. Pappagallo said the tax levy would be going up 4.13 percent and included the two percent cap plus the amount they were allowed to exceed the cap based on enrollment. She said they could have increased up to 8.37 percent based on additional adjustments and banked cap were not doing that because it would have raised taxes even higher. She reviewed what the average homeowner would pay.

Mayor Menna thanked them for their presentation and noted they had had to make difficult decisions. He thanked the Board and said he knew they had worked hard on it. He spoke of the need to change the way education was funded and make it more equitable. He said they realized the budget was a difficult task and said the Council appreciated the Board's efforts. He noted that the questions from the Council were not critique questions but were educational questions because the Council wanted to be a full partner and help in any way they could. He said the current program was a stellar program and that it had come a long way from years ago.

Mayor Menna asked if any members of the Council or the Public had any questions for the Board of Education representatives.

Stephen Hecht—135 Branch Avenue—asked why the enrollment figures for 1st grade were less than fifty percent of the Pre-K enrollment numbers. Dr. Morana said it was because Pre-K was a three and four year old program and only have of the students progressed each year.

Mayor Menna commended Dr. Morana on the initiatives that she had brought to Red Bank. He also said the creativity the Board had used regarding the Pre-Kindergarten program and finding alternate spaces was a blessing to the Red Bank tax payers. Any other district, he continued, would have taken the easy solution to build additional structures that may not be needed in the future which, he said, would burden the tax payers.

RESUME REGULAR ORDER OF BUSINESS

Councilman Zipprich offered a motion to resume the regular order of business, seconded by Councilman Zipprich.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

WORKSHOP

Public Works Laborer Appointments

Administrator Sickels noted there had been vacancies in the Public Works Department and said Director Watson had recommended the hiring of three candidates. He said, due to the fact that it was a busy time of year for the Department, they would like to add the resolution to this agenda.

Mayor Menna asked if the Committee was in favor of the resolution.

Councilman and DPW Liaison Zipprich said the Committee was aware of the request and would like the resolution adopted.

Mayor Menna also noted that it would result in cost savings because the new hires would be coming in at entry level and replacing those that were a much higher salaries.

APPROVAL OF MINUTES – March 13, 2013

Councilman Zipprich offered a motion to approve the minutes, seconded by Councilwoman Lee.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

MAYORAL APPOINTMENTS

None.

REPORTS OF MAYOR AND COUNCIL MEMBERS

Councilwoman Lee reported that there had been a notice posted on the Borough website regarding a shingles vaccine that was available through the Health Department.

Councilwoman Horgan reported on Lunch Break's 30th Anniversary and said it had been well attended. She also noted that Monmouth University had held an awards ceremony for Best Practices for Municipal Websites on March 21. She said Red Bank had received an honorable mention out of 540 municipalities that were being considered. She thanked everyone who had worked on it.

She also reported that RiverCenter had hosted a Wedding Walk the previous Sunday and asked RiverCenter representative James Scavone how many had attended. He estimated almost 500 had attended. Councilwoman Horgan said it was very successful and continued to attract people to town.

She reported that the Boys and Girls Club of Red Bank had members between the ages of 5 and 16 participate in an exhibit at Gallery U. She spoke of how excited the kids had been to see their works presented on the walls of the gallery. She reviewed the mission of Gallery U as part of a larger organization that services individuals with traumatic brain injuries.

She also reported that the Red Bank Rent Leveling Board would be hearing an application from Grandville Towers on May 1 at 7 pm at the Senior Center. She noted that would be having the regular meeting on March 28.

Councilwoman Lewis reported that the Vision Committee had met on the 11th of the month to discuss housekeeping issues and had continued to plan for Count Basie 356. She said they would be moving forward with their sponsorship requests shortly.

She also reported that the Parks and Recreation Committee had met the previous night and said the ribbon cutting for Count Basie Field had been rescheduled for April 13th. She said they had also heard reports from the Engineer and the Directors of Public Works and Parks & Recreation. She also reported that Spring registration was taking place right now.

Councilman Zipprich reported that the Department of Public Utilities would begin installing new combination trash recycling containers around the business district in the coming weeks. He said the containers would help reduce bulk trash by providing separate recycling bins. He commended the Public Works park staff for their efforts to get the parks ready for spring. He said they were looking forward to the ribbon cutting ceremony at Count Basie Field. He also reported that pot hole hot line was 732-530-2691 and was available 24 hours a day. He also noted that the Road Resurfacing Program had begun on Boat Club Court and St. Nicholas Place.

In regard to the Shade Tree Committee, he continued, the Committee had been offered seedlings from a resident that collaborates with the 4-H organization. He said the trees were too immature to use for replacement of trees damaged during Hurricane Sandy so they were looking to donate them to the local schools for earth day or may plant some on Borough properties. He also noted that the Historic Preservation Committee had rescheduled their March meeting to this evening.

COMMUNICATIONS AND PETITIONS

Mayor Menna read a request from the Red Bank PBA to hang a banner on Broad Street from March 28, 2013 to April 14, 2013 to advertise their street fair.

Councilwoman Horgan offered a motion to approve the request, seconded by Councilman Zipprich.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Mayor Menna read a request from the Red Bank Regional Athletic Foundation to hang a banner on Shrewsbury Avenue from April 1, 2013 to April 30, 2013 and on Broad Street from May 15, 2013 to May 24, 2013 to advertise their "Let There Be Lights" event.

Councilwoman Lewis offered a motion to approve the request, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

PUBLIC COMMENT ON RESOLUTIONS ON THE AGENDA AND ORDINANCES ON THE AGENDA ON FIRST READING

Stephen Hecht—135 Branch Avenue—asked about resolutions 13-81 and 13-82 regarding tax appeals. He noted that Councilman DuPont had mentioned at the last meeting that the Borough had had \$525,000 that had been paid out in tax appeals and had lost about \$19 million in rateables. He said he didn't know what could be done about rateables but said he wanted to ask the Council what could be done about tax appeals and what had they done.

Mayor Menna noted that each tax appeal was considered on its own individual merits adding that some have merit and some don't. He said the largest number of tax appeals came from commercial rateables and reviewed some of the factors that were used in their appeals. He noted that many were successful because, in many cases, the valuation had been set at a time when the value was higher.

Mr. Hecht asked how often the properties were reassessed.

Mayor Menna said they were not assessed every year and noted that a law had been passed that provided for a new formula that would make it easier for the local assessor to do a reassessment of properties on a neighborhood basis instead of doing a borough-wide reassessment that would require permission from the County Board.

Mr. Hecht asked if the Tax Assessor was prohibited from re-valuing on a yearly basis.

Mayor Menna said he was.

Attorney O'Hern noted that that was what the new law would do.

Mr. Hecht asked why the Borough needed an assessor.

Attorney O'Hern said it was a position with statutory duties. He noted that properties owners can challenge their assessments each year and agreed that the current values were probably set at a time when the economy was better.

Mr. Hecht suggested that property owners could manipulate their rent to justify having their taxes lowered.

Attorney O'Hern said they are able to address those issues but there was a cost involved.

Mr. Hecht asked if residential properties could be assessed on a yearly basis.

Attorney O'Hern said they could not but added that property owners could appeal every year and reviewed the process.

Mr. Hecht said he was concerned about the amount being paid out in reimbursements and said it brought into question the validity of the original valuations.

Administrator Sickels noted that the valuations had been done years ago at the top of the market.

Mayor Menna said he understood Mr. Hecht's question to be about why, if the Borough knew the amounts were high, the assessor couldn't re-evaluate. He said there was a question about whether or not they had the authority to do that. He said the only way the municipality could change the assessments would be to ask the County Board to order a Borough-wide revaluation which would cost between \$350,000 and \$500,000. He also noted that if it was ordered now, it wouldn't take place for two years and the market would have already changed. He again noted that the new law would grant assessors the right to make assessor's valuations in neighborhoods.

Mr. Hecht asked what options the Borough would have to make the assessments more reasonable adding that the bottom had dropped out the market several years ago. He also asked what the proportion was of residential to commercial appeals.

Attorney O'Hern estimated that the percentage that made it to Tax Court were approximately 75 percent. Mayor Menna agreed with that figure. He added that many people come back year after year for the same property.

Mr. Hecht said they needed to make the assessments more realistic.

Mayor Menna said the assessor would do that and explained the role of the position.

ORDINANCES – First Reading

None.

ORDINANCES – Public Hearing & Final Adoption

2013-1 Mayor Menna read, "Ordinance of the Borough of Red Bank, County of Monmouth, New Jersey Amending and Supplementing Chapter II, "Administration," Adding New Section 2-37.14, "Ex-Chiefs Advisory Council."

Mayor Menna opened the public hearing and asked if anyone would like to speak.

No one appearing, Councilman Zipprich offered a motion to close the public hearing, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Councilwoman Lewis offered a motion to adopt the ordinance on final reading, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

2013-2 Mayor Menna read, "Ordinance of the Borough of Red Bank, County of Monmouth, New Jersey Amending and Supplementing Chapter II, "Administration," Section 2-37 "Fire Department", Section 2-37.1, "Officers."

Mayor Menna opened the public hearing and asked if anyone would like to speak.

No one appearing, Councilman Zipprich offered a motion to close the public hearing, seconded by Councilwoman Lewis.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Councilman Zipprich offered a motion to adopt the ordinance on final reading, seconded by Councilwoman Lewis.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

2013-5 Mayor Menna read, "Calendar Year 2013 Ordinance to Exceed the Municipal Budget Appropriation Limits and to Establish a Cap Bank (N.J.S.A. 40A:4-45.14)."

Mayor Menna opened the public hearing and asked if anyone would like to speak.

No one appearing, Councilwoman Horgan offered a motion to close the public hearing, seconded by Councilwoman Lewis.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Councilwoman Lewis offered a motion to adopt the ordinance on final reading, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

RESOLUTIONS

13-79 Mayor Menna read, "A Resolution Authorizing the Acceptance of a Maintenance Guarantee Regarding Count Basie Theatre, Block 43, Lots 3, 4 and 7."

Councilwoman Lewis offered a motion to approve the resolution, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Horgan, Lee

NAYS: None

ABSTAIN: Zipprich

There being three ayes, no nays and one abstention, the motion was declared approved.

Resolutions by Consent Agenda

- 13-80 A Resolution Granting Discretion to the Tax Collector for Cancellation of Property Tax Refunds or Delinquent Amounts of \$10.00 or Less.
- 13-81 A Resolution Authorizing Refunds Due to Overpayment of Taxes Due to a Judgment of the Tax Court of New Jersey.
- 13-82 A Resolution Authorizing Refunds Due to Overpayment of Taxes Due to a Judgment of the Tax Court of New Jersey.
- 13-83 A Resolution to Approve the Hiring of Michelle DeLuca as Senior Secretary in the Construction Department.
- 13-84 A Resolution Authorizing Transfer of Current Fund Appropriations Reserves.

Councilwoman Lewis offered a motion to approve the resolutions, seconded by Councilman Zipprich.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

- 13-85 Mayor Menna read, "A Resolution Authorizing the Appointment of Public Works Laborer Level One."

Councilman Zipprich offered a motion to approve the resolution, seconded by Councilwoman Horgan.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

PROCLAMATIONS

None.

PAYMENT OF VOUCHERS

- 13-86 Mayor Menna read "A RESOLUTION FOR PAYMENT OF BILLS AMOUNTING TO \$2,998,011.92."

Councilwoman Lee offered a motion to approve the resolution, seconded by Councilwoman Lewis.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

OLD BUSINESS

None.

NEW BUSINESS

None.

AUDIENCE

EXECUTIVE SESSION

- 13-87 The Attorney read a resolution to adjourn to executive session to discuss personnel and contract negotiations; possible action to be taken.

Councilwoman Lee offered a motion to adjourn to executive session to discuss contract obligations and personnel, seconded by Councilwoman Lewis. Minutes to be made public in 180 days.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Councilwoman Lee offered a motion to close executive session, seconded by Councilwoman Lewis.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

ADJOURNMENT

Councilwoman Lee offered a motion, seconded by Councilwoman Horgan to adjourn the meeting.

ROLL CALL:

AYES: Lewis, Zipprich, Horgan, Lee

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Respectfully submitted,

Pamela Borghi