



Florham Park Borough Council
Thursday, September 7, 2017
Work Session Minutes

Mayor Taylor called the Work Session to order at 6:30 p.m. He asked the Borough Clerk for a roll call:

Governing Body	Present	Absent
Mayor Taylor	X	
Council President Zuckerman	X	
Councilman Germershausen	X	
Councilwoman Cefolo-Pane	X	
Councilman Carpenter	X	
Councilman Malone	X	
Councilman Michalowski	X	

Council Portfolio Updates:

Council President Zuckerman provided the following report:

Environmental Commission:

- Patiently waiting for the bridge to be installed at Spring Garden Lake; hopefully before the winter

Board of Education:

- Attended the meeting last week. They spent a lot of time discussing district goals.

Municipal Pool:

- Pool closed Monday September 1st. The Pool Advisory Committee is scheduled to meet at the end of September.

Councilman Germershausen presented the following report:

Historic Preservation Commission:

- The Little Red Schoolhouse is getting ready for the Countywide Pathways to History Celebration on October 7 and 8. In November they will end with a closing ceremony.
- Commission is working on bids for renovation of the exterior of the Little Red Schoolhouse.

Board of Chosen Freeholders:

- The Freeholders held their meeting at the Victory Gardens Town Hall. There was a plaque presented to the Pastor and Elder of the First Presbyterian Church of Dover for doing renovations on the building.
- Dianne O'Leary was promoted to Asst. County Administrator

Councilwoman Cefolo-Pane presented the following report:

Planning Board:

- The Planning Board met on 8/14:
- Reversed the denial of the nail salon at 187 Columbia Turnpike; it was approved
- Next Planning Board meeting is 9/11
- Have not heard from Pulte Homes or Supportive Housing; John Inglesino indicated they would be hearing something by 9/15. The Mayor stated that they did not get their funding. John is away. When he gets back we will get everyone together and try to figure out our next step.

Gazebo:

- Gazebo meetings will be the first Monday of each month and will start in October. If anyone has any bands they would like the Gazebo to review please contact us and let us know.

Seniors:

- Seniors held their Executive Board meeting yesterday.
- The Transportation Committee met before the last council meeting; we have to finalize the ideas and put them in draft form.

Councilman Carpenter presented the following report:

Department of Public Works

- Finished installing the bench on Parker Court for Ralph Loveys
- Busy getting the leaf vacumns up and running
- Did some work at the Little Red Schoolhouse
- Working on lighting on the tennis courts

Department of Engineering

- Memo in your packets regarding Rt. 24 Emergency Access; Madison, Chatham, Florham Park created wish list which was conveyed to the DOT. They said no and suggested the next step would be to go in a political direction. The Borough has an issue on Passaic Avenue and have some ideas about that. If everyone can read that and present ideas on how to proceed it would be appreciated.

Borough Engineer Mike Sgaramella provided the following update:

Roof project is underway; looks good

East Madsion Avenue progressing; have Utility issues and had a delay because of some weather. The curb subcontractor is due to arrive next week. It should be quick after that; should be done by the end of the month.

Florham Park Police Department

- Police Department relief effort for Hurricane Harvey is underway. The trucks will head to Texas on Saturday.
- PD used the new low jack system to recover a car that was stolen out of NYC
- There will be a need to move record management system and CAD operations out of the current system; will move to the County system. After the initial costs the price will go down significantly.
- 9/11 will be moving our medical call dispatch to County run system.

Florham Park First Aid Squad

- Working on a mandate from the state to computerize all records
- Recruitment drive is going well; have several EMT Certified candidates interested in joining the squad.

Councilman Malone presented the following report:

Recreation:

- Fall season is underway
- Contacted by US Flag Football to host the tournament; that wound up being a larger endeavor than was portrayed to us last year. They wanted to come on November 11. That is too early for us and conflicts with our events. The Football Club hosted the snack shack and was able to keep all of the Revenue for that event. I don't recommend hosting this at our field this year.
- The Recreation Committee, John Timmons and I were approached by members of members of FP Little League who will be playing 60/90 baseball. Our policy has been to rent out the fields. We may make an exception if the field is not being used.
- Had an update on Stobaeus Trail; the trail from Stobaeus Park to the ballfield at Briarwood School; the cost estimates on the bids to prepare the trail were higher than the grant application. Mr. Huyler stated they would finish the trail using Recreation Trust monies. Mr. Malone stated it would be great to have it in use for the fall.

Finance:

- Budget process for 2017 is underway. Patrice Visco is currently setting up meetings.

Councilman Michalowski presented the following report:

Board of Health:

- Mental Health training for first responders on October 15 & 25. 8:30 – 1:00. Attendance may be light because it is a Wednesday.
- Regarding e-cigarette sales, several towns are charging a licensing fee to allow sales of e-cigarettes. The state average is \$750.00. It could be used for anti-

smoking education. Do we want to head in that direction? Attorney Joseph Bell said he will look into it.

Water Utility:

- Bids were received today for the Roosevelt Boulevard water main construction project. The low bid which is still under review is within our capital budget amount. 14 sets of bid packages were picked up and out of the 14 packages, 9 contractors submitted bids.
- Division personnel responded to and are currently repairing a water main break on 25 Columbia Turnpike.
- All monthly NJDEP reports were completed and submitted as required.
- Division personnel continue to repair and replace malfunctioning curb shut off boxes.
- Preliminary testing of the Exxon Well has been conducted with encouraging results. Addition testing will be conducted September 25 & 26.

Sewer Utility:

- As reported on Saturday a fire suppression sprinkler head activated for an unknown reason and caused major damage to electrical controls, components, and pumps within the Chemical Building. Personnel along with Howard Matteson of CDM worked diligently Saturday to limit the damage and re-route electronics enabling controls and keeping the plant within NJDEP compliance. On Tuesday the JIF insurance adjuster was on site along with OCC to evaluate the damage and prepare an estimate on repair costs. We are continuing to evaluate the damage and plan for the repairs.
- MBE Mark III is continuing work on the Phosphorous removal project.
- Bids were received today for the Spring Garden Lake Easement CCTV inspection. It will be recommended to reject the bids due to an amendment technicality and rebid October 5th.
- NJDEP reporting and submittals are currently up to date.

PRESENTATION ON 2017 TAX RATE:

Councilman Charles Malone, Jr. made a presentation at the Council's Work Session last night to members of the public, Mayor Mark Taylor, fellow Council Members, and Borough Staff which explained and detailed the low 2017 Local Tax Rate, some of its components and calculations, and the favorable tax impact residential tear-downs have on the Borough's Local Tax Rate calculation. Mr. Malone's presentation was in direct response to a resident's recent inquiry at a Borough Council Work Session and aided the entire Council in their financial understanding ahead of the 2018 budget process which is commencing.

Councilman Malone provided an overview of a complicated topic to walk everyone through highlights such as:

- Florham Park's 2017 Local Tax Rate:
 - Represents only 26% of overall taxes with schools, county, library and open space representing the rest.
 - Has been a low 2.1% annualized rate over the past 5 years.
 - In 2017, over 30% of the Borough's budgetary needs were funded from sources other than taxation to residents.
 - Calculation is "Amount to be Raised by Taxes" divided by "Total Assessed Property Valuations"/100 to come to a rate per \$100 of Assessed Property Valuations per property.
 - Many factors affect the "Amount to be Raised by Taxes" amount of \$12.7 Million (2017 numerator) and the \$3.3 Billion (2017 denominator).
 - Total Assessed Property Valuations of \$3.3 Billion comprised of 61% Residential, 27% Commercial, 5.8% Apartments, 2.9% Vacant Land, 2.7% Industrial and 0.2% Other
 - Over past 5 years, Local Tax Rate has gone from 0.343 to 0.382 per \$100 Assessed Valuation, a low annualized increase of 2.2%.
 - Over past 5 years, Overall Tax Rate has gone from 1.330 to 1.473 per \$100 Assess Valuation, an annualized increase of 2.1%.

- In an illustrative example of the impact residential tear-downs have on the budget process, Mr. Malone walked through calculations based on approximately 24 tear-downs in the Borough within a year for a net +\$24 million increase in Assessed Valuations (Assessed Values going from \$500,000 prior to tear-down to \$1.5 million for new replacement home).
 - For the impact on an Assessed Value Home of \$750,000, it was noted the tear-downs would have a favorable impact of approx. -0.003 points on the Local Tax Rate or -\$22.50 per year, if all other factors were held constant.
 - On the same \$750,000 Assessed Value home in the tear-down example, it was noted that any number of Budgetary Expenses that would increase the Amount to be Raised by Taxes by more than \$115,600 (+0.9% budget increase) would offset the favorable tax impact of the tear-downs. With 2% budget increases, the tear-down impact on the Local Tax Rate is favorable to all, but masked by other expense items. It was noted that budget line items such as Capital Improvements increased last year by +\$185,000 from prior year to \$225,000 and Bond/Note Principal increased by +\$174,000 from prior year to \$2.1 million. Either one of these budget line items alone offset the favorable impact on Local Taxes from tear-downs in this illustrative example.
- A chart depicting Morris County's Components of General Tax Rates by town was shown indicating Florham Park as the second lowest tax rate in Morris County.
- Two charts from Zillow.com were shown side-by-side to compare principal, interest, taxes and features of two \$1.0 million comparable homes for sale – one in Florham Park and one in Madison. The conclusion was that while similar principal, interest and home features, the Florham Park home was:
 - 21% lower in taxes
 - Only 7 years old in Florham Park vs. 1920's built in Madison

- Councilman Malone concluded by hoping the presentation provided a greater understanding to all on a complicated topic. Also, noted that while the physical tear-downs are noticeable to residents in town, the favorable tax impact benefits all, but is not as noticeable with other factors coming into play.
 - Borough Professionals managing process extremely well, but not easy!
 - Florham Park is in great shape on our Local Tax Rate relative to other towns in Morris County.
 - Proof is in tax rate, audit report, Aaa-bond rating, home values, new businesses, services provided, ongoing improvements, happiness of residents, etc., etc.

Following the presentation, Councilman Malone thanked everyone for listening, gave credit to CFO Patrice Visco for her assistance in reviewing this project, and made an open offer to bring the presentation to other interested groups within the Borough as it is complicated and requires explanation. Mr. Malone explained the resident who originally inquired about this topic was contacted and invited to attend the Work Session, but was unable to due to a previous commitment. Mr. Malone noted he would meet with the resident separately in response to her question.

Councilman Malone said, “In my five years on the Borough Council, it has been a pleasure to work diligently on this complicated topic with Mayor Mark Taylor and Councilman Scott Carpenter on the Budget Committee, the entire Council for their respective portfolios, and our Borough Professionals: Patrice Visco – CFO, Jon Reinhardt - Budget Consultant, Bill Huyler – Business Administrator, and Ray Sarinelli – Auditor to achieve this terrific track record within Florham Park for the benefit of all our residents and businesses. Florham Park is not without its challenges financially, but at this point appears better than other towns and well-positioned to address them going forward.”

Mayor Mark Taylor echoed the same sentiments, “Thank you to Patrice, Jon, Bill, Ray, Charlie and Scott for their ongoing work on the Borough’s financial position each year to keep this ship on an even keel. It has been my goal throughout my years on the Council and as Mayor to keep the budget in check and to keep our financial house in order. We have also been able to keep the second lowest tax rate in Morris County and maintain our AAA bond rating which benefits everyone in Florham Park”.

Administrator Bill Huyler

- Karen Casolaro is looking for approval of Fright Night once again. She has submitted all the permits and can move forward with Council approval. Council indicated they would allow the event.
- Al Kellogg had a request for a block party for Calvary Church on September 10. Council indicated that they would allow the event.
- Had a request from Adam Remford; would like to have fireworks at Brooklake Country Club for his wedding. Council indicated they would allow it with the proper clearance from the Fire Department.
- League of Municipalities is November 14-16; if anyone would like to go please advise Sheila Williams.

RESOLUTIONS FOR APPROVAL

17-116 Appointing an Assistant Laboratory Manager

Councilman Michalowski made a motion to appoint Mark Vlazny as Assistant Laboratory Manager.

The motion was seconded by Councilman Germershausen.

Roll Call Vote:

Council Member	Aye	Nay	Abstain	Absent	Comments
Zuckerman	X				
Germershausen	X				
Cefolo-Pane	X				
Carpenter	X				
Malone	X				
Michalowski	X				
Total	6				

PAYMENT OF VOUCHERS

Councilman Malone read a summary of the current bills list and made a motion to approve it in the amount \$6,113,174.23. The motion was seconded by Councilman Germershausen.

Council Member	Aye	Nay	Abstain	Absent	Comments
Zuckerman	X				
Germershausen	X				
Cefolo-Pane	X				
Carpenter	X				
Malone	X				
Michalowski	X				
Total	6				

PRIVILEGE OF THE FLOOR

John Winters, 32 Brooklake Road

Mr. Winters asked how the Borough did with regard to the the Pool bond this year?

Council President Zuckerman stated that they had taken care of it and the Bond payment was taken out quite awhile ago.

Mr. Winters discussed issues with Public Works going on in Trenton.

Councilman Malone stated that is to be discussed at a later date.

Seeing no more members of the Public who wished to be heard, Mayor Taylor closed the meeting to the public.

Council President Zuckerman stated he would like to address some old business from the last meeting. He wanted to revisit the issue of a possible session with Madison.

Councilman Malone asked Council President Zuckerman his opinion on the matter.

Council President Zuckerman stated he thinks they should do it; he sees no down side to the matter. We have many common things to talk about. Our Police, Fire and First Aid Squad work closely together.

Mayor Taylor stated that he received an email from Mayor Bob Conley. He suggested that the Mayors and Council Presidents meet and go from there.

Councilman Malone asked Mr. Bell if there were any legal reasons why we shouldn't meet.

Mr. Bell stated he didn't see any.

Mayor Taylor stated the Council would be entering into Executive Session and asked Council President Zuckerman to read the Resolution.

EXECUTIVE SESSION RESOLUTION

17-117 Authorizing the Governing Body to Enter into Executive Session Zuckerman

Council President Zuckerman read Resolution # 17-117 and made a motion to Enter into Executive Session for matters of Potential Litigation regarding Fairleigh Dickinson University and Broadview. He asked the Clerk to read the Resolution into the Record. The motion was seconded by Councilman Michalowski.

Council Member	Aye	Nay	Abstain	Absent	Comments
Zuckerman	X				
Germershausen	X				
Cefolo-Pane	X				
Carpenter	X				
Malone	X				
Michalowski	X				
Total	6				

Council entered into executive Session at 7:35 p.m.

Council returned to open session at 7:50 p.m. Mayor Taylor asked for a motion to adjourn the Work Session.

ADJOURNMENT:

On a motion made by Councilman Carpenter seconded by Council President Zuckerman the work session was adjourned by a unanimous vote at 7:50 p.m.

Respectfully submitted,

Sheila A. Williams, R.M.C.
Borough Clerk
September 18, 2017