

**MINUTES OF THE MEETING OF THE
MAYOR AND COUNCIL
OF THE BOROUGH OF SUSSEX
HELD AT THE SUSSEX MUNICIPAL BUILDING
2 MAIN STREET, SUSSEX, NJ
MARCH 1, 2011**

Mayor Parrott called the meeting to order and requested the clerk to call the roll. Upon roll call, the following members of the Governing Body were present: Mr. Dykstra, Mr. Fransen, Mr. LaBar, Mr. Meyer, Mr. Rose, Mayor Parrott.

Absent: Mrs. Little (arrived at 7:35)

Mayor Parrott led the assembly in the flag salute and requested a moment of silence and to keep Mr. Dykstra in our prayers. He is going in for surgery on Friday.

Mayor Parrott stated "This meeting is being held in compliance with the provisions of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. It has been properly advertised and certified by the Clerk."

CY 2011 BUDGET INTRODUCTION

Introduction Ordinance #2011-04 - Exceed Municipal Budget Appropriation Limits

Mr. LaBar made a motion to introduce an ordinance entitled "AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK". Seconded by Mr. Meyer.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Meyer, Rose

Nays: None Absent: Little Abstentions: None

FINAL READING: MARCH 15, 2011

Resolution #2011-30R – Authorizing a Levy Cap Referendum

Mr. Meyer made a motion to adopt a resolution authorizing a levy cap referendum. Seconded by Mr. Fransen.

Mr. Tom Ferry, Borough Auditor, explained that the State has changed the way that they are awarding Transitional Aid this year. If the Borough wants to apply for it and you are not within your 2% levy then you have to go out to referendum in case that you don't get awarded the aid. Last year we got \$100,000.00. They made it pretty clear in the application that we can't ask for any more than that or even the same amount. He stated that he and Sam are going to go down to the State Local Finance Board tomorrow and get more information on the application process. The State only provided this information to us on Monday as to how to go about this process. Basically it says that we are over the 2% levy cap by \$82,120.00. If we get our State aid, and it is within that dollar amount then we will just get rid of the resolution and don't send the question to the Election Board to be put on the ballot. Even if we don't get the \$82,000 we can still make some cuts and do a budget amendment. If we get nothing, however, and the Council decides to leave it as it is then it has to go to the voters for approval. This is just the first step that needs to be taken in the application process this year. The election would be April 27th. We started off the year with the amount to be raised by taxation as \$726,794.00. Then we have the \$14,000 on top of that which brought us up to \$741,330.00. We got an adjustment because we increased the Capital Improvement Fund by \$37,000 and we had new construction which brought in another \$1,469 so the total amount to be raised by taxes is \$779,798.00 that was allowable. Right now with this budget that we are introducing the amount needed is \$861,918. Mr. Ferry stated that we will probably ask for between \$85,000 and \$90,000. We need to go down there though and let them know everything that we have done to reduce the spending and get off of the aid.

Mayor Parrott stated that it is going to cost us about \$1,200 to put the advertisement in the paper in case we do have to go out to referendum.

Mrs. Gleason stated that if any other towns were doing it we could share the advertising expense but right now no one else is doing it.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Meyer, Rose

Nays: None Absent: None Abstentions: Little

Resolution #2011-31R – Authorizing Publication of Availability of Mail-In Ballots

Mr. Meyer made a motion to adopt a resolution authorizing publication of availability of mail-in ballots. Seconded by Mr. LaBar.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Introduction CY 2010 Municipal Budget

Mr. Meyer made a motion to adopt a resolution introducing the CY 2010 Municipal Budget for the Borough of Sussex. Seconded by Mr. LaBar.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Mrs. Gleason stated that the public hearing will be on April 5th.

Mr. Ferry stated that we can't do anything until we hear from the State. We can have the public hearing. The State has to review our budget. If we get approval from them, and get the transitional aid then we can fix what we have to fix and adopt the same night. If we don't then we will wait for the information from the State and do an amendment to the budget and go from there.

Mrs. Gleason stated that we should know by March 25th if we get the transitional aid. We have to let the County Clerk know if the referendum is going to be on the ballot by April 7th. The State is not giving us much time.

Mayor Parrott stated that at least this year we will know before August and we won't have to send out estimated tax bills.

Mr. Ferry stated that last year, instead of going out to referendum, the town was allowed to go before the Local Finance Board and ask for a levy waiver. Once we got the cap waiver it prolonged the process.

Mr. Meyer asked Mr. Ferry about refinancing the Borough's bond obligations. We would like to come up with a smaller payment and come up with significant savings.

Mr. Ferry responded that he can look into it but it will have to wait until after the budget season. He stated that he will have to talk to the Bond Council first. There are a lot of variables and it will take time to research.

Mrs. Gleason asked Mr. Ferry to give us a proposal on how much it would cost to have Mr. Ferry look into that for us.

Mr. LaBar stated that we don't want to go through what we went through a few years ago where we missed the rates and it cost us \$10,000.

Mr. Meyer also asked about the water/sewer rates. With the energy costs continuing to rise he asked Mr. Ferry if he thought that we have enough of an increase in the rates. Are we in a good position not to have to raise the rates again substantially.

Mr. Ferry stated that he did not review the rates. He was not involved in the most recent rate study. He stated that right now we have a balanced budget but he doesn't know if when we were preparing it if we gave ourselves enough leeway. That would be more a question to ask Sam.

Mayor Parrott stated that he spoke to Sam yesterday and he thinks that this year we can stay flat and not need an increase. He asked Sam what he thought about projections about the future and he told the Mayor that we should be ok.

Mrs. Gleason stated that it is true barring any unforeseen emergencies.

Mr. Ferry stated that he looked at the financial statements and he thinks that the extra fees that we are collecting might be a good shot in the arm. Normally when you do rate projections you aim high anyway. We don't want to go to the users every year for a rate increase.

Mr. Meyer stated that he hopes that there is enough wiggle room because when he looks at the history of the system there were many years when rates were not increased and then all of a sudden we had a huge increase. He stated that he would prefer modest increases. He is concerned that as utility costs, fuel costs and energy costs increase he is not so sure that we will be ok without another increase. He would like Mr. Ferry to look at it again to make sure that we are on target so that we don't end up in November or December having to raise them another 5 or 10%.

Mr. Ferry stated that he will talk to Sam and see how rents are coming in and the way the expenditures are. Half way through the year then we can consider either having to raise the rents or to slow down on expenditures if we can. Our hands are tied though when it comes to debt service and contractual obligations. He will definitely tell Sam the Council's concern.

Mr. Rose stated that when we have to pay a full year on the new loan we will need an additional \$150,000 and we will need an increase. Maybe we should do two smaller increases rather than one large rate increase.

Mr. Meyer stated that is what he is leaning towards instead on hitting the users all at once. We are looking at some savings once we get the I & I problem under control but until then we can't know what the actual savings will be.

Mr. Ursin stated that there are, especially with you doing the I & I project now, probably some things on the horizon that possibly will help with the rates.

Mr. Meyer stated that we should have quarterly reports so that they can be reviewed to let us know how the utility is faring. That way we can address any problems immediately rather than six months down the road.

Mr. Rose stated that the \$150,000 would be a 7% increase next year.

Mr. Meyer stated that we are going to have to look at it much closer and keep an eye on the budget.

CONSENT AGENDA

Mayor Parrott requested that all persons present review the consent agenda and offer any comments they may have at this time regarding the consent agenda.

Mr. Dykstra made a motion to accept the consent agenda of March 1, 2011. Seconded by Mr. LaBar.

CORRESPONDENCE (ACCEPTANCE FOR FILING ONLY OF THE FOLLOWING):

1. Letter dated February 15, 2011 from New Jersey Legislature to Catherine Gleason regarding her participation at a March 29, 2011 meeting to discuss ongoing issues of concern in the community.
2. Letter dated February 17, 2011 from Jersey Central Power & Light to each Municipal Clerk regarding a scheduled public hearing concerning implementation of a Long Term Capacity Agreement Pilot Program and Notice of Proposed Recovery through Rates of Costs resulting from the Long-term capacity Agreement Pilot Program.
3. Letter dated February 11, 2011 from Wantage Township to Catherine Gleason regarding Wantage Township Ordinance 2011-02 which calls for the creation of a three (3) town court systems effective May 1, 2011.
4. Borough of Hamburg Resolution #2011-09 asking for those who commute on Route 23 request a study to be conducted to determine both long-term and short-term safety improvements along state Highway Route 23.

REPORTS (ACCEPTANCE FOR FILING OF THE FOLLOWING):

1. Construction Department for the range of 1/1/2011 – 1/31/2011

APPLICATIONS (APPROVAL OF THE FOLLOWING):

1. Application made by Sussex-Wantage League to use Borough Facilities
2. Application made by Danielle M. Vanhorn for membership to NJ State Fireman's Association.

RESOLUTIONS: (APPROVAL OF THE FOLLOWING):

1. Payment of bills for March 1, 2011 meeting

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

OPEN PUBLIC SESSION #1

Mr. Fransen made a motion to open the meeting to the public for anyone wishing to address the Governing Body. Seconded by Mrs. Little. All were in favor.

Ms. Donna Brady, 21 Lakeview Terrace stated that she still hasn't paid her water bill because she still hasn't gotten over the shock yet. She stated that she is here representing not only herself but people who live by themselves. To pay \$420 for water and sewer is ridiculous. She stated that she knows some of the history of the water and sewer utility but she doesn't understand exactly how we got in this predicament. She is still hearing the same thing about I & I all these years later. She wanted to know if this is a new problem or if the old problem never got addressed. She also stated that a lot of the people in the town are hurting and will need to go to social services to pay their water bills. Then she has heard the Council talk about all of the increases that could be coming up. She has also asked if part of the utility cost could be put into the taxes so that they could have a tax deduction. We are going to end up with people paying more money for their water and sewer bill than for their taxes. She stated that she is probably going to have to wind up selling her house.

Mayor Parrott explained to Ms. Brady the problems that we have with I & I and SCMUA and the plans to try to fix the problem.

Ms. Brady addressed the problem that she has with the Clove Hill Manor agreement and that there is only one master meter. They counted on hook ups that never happened.

There being no one else present who wished to address the Governing Body, Mr. LaBar made a motion to close the meeting to the public, seconded by Mr. Rose. All were in favor.

COMMITTEE REPORTS

Mr. Fransen stated that he attended the Sussex/Wantage Board of Education meeting and they discussed the solar project that they are intending on starting. They are working on their budget and have not released the figures as of yet. He stated that he also went to the High Point Board of Education meeting last night. It was very crowded and they went after the Board for what they are proposing for the budget for this year. The budget is almost \$24,000,000. The State levy cap for them is also 2%. They didn't have the figures for the Borough because they still have last year's stats. Based on that though, it looks like a .08% increase for the Borough based on an average home. The next reading for their budget is scheduled for March 28th at 7:00 pm. They are also cutting nine full time positions, 2 full time to part time and one part time position. They need to cut \$800,000 out of the budget. They have cut \$500,000 so far. A lot of the students got up to speak about the teachers that they are going to cut. They were upset that they asked the teachers to give up things but that the administrators haven't cut anything on their end and that they got a 3.7% increase and didn't even give back then. It wasn't ugly but it was to the point.

Mayor Parrott stated that when they came before the Council we told them the same thing. That the 3.7% increase was going to come back and bite them.

Mr. Fransen stated that the Planning Board meeting is scheduled for this Thursday.

Mrs. Little stated that the Board of Health meeting scheduled for February 22nd was cancelled because we had the budget meeting that night and there wouldn't have been enough people at the meeting. She stated that she called the Wantage School to see if they needed her to be a celebrity reader and they told her that they had enough people to do it. She also stated that she typed up a memo regarding a complaint she received about garbage.

Mrs. Little asked if anyone came in to apply for the Board of Health and Mrs. Gleason responded that no one came in to ask for an application.

Mr. Rose reported that two weeks ago there was a Property Maintenance meeting and the big topic of discussion was sidewalks and walls next to sidewalks. He stated that he will bring notes with him for the next meeting. They decided to hold six meetings this year instead of four. The only professional that showed up was Steve Danner. No one from Hardyston came so he will reach out to them.

Mrs. Gleason stated that it was not in their contract to attend the Property Maintenance Board meetings.

Mr. Rose stated that possibly we can ask them to come if we need them. It looks like there is a good group on the Board this year.

Mr. Rose also stated that next week is a Recreation Commission meeting and they will be working on the upcoming holiday egg hunt.

Mrs. Gleason stated that she and Bob met with a theater group out of Sparta who is very interested in taking over the theater in town. They are very enthusiastic and have asked for information regarding such things as utility bills and the lease terms. She stated that she is going to get them the information and that after they meet with their board they are going to come in to present a proposal to the Council.

Mr. Ursin reported that the Mayor gave a long explanation tonight about the sewer rates and the Council is well aware that the I & I problem is part of the rate problem. But the I & I issue is only half of the rate problem because what the I & I problem has prevented is the Borough adding any customers. Right now on an average day our daily flow is only about 160,000 gallons and the minimum that we have to pay for is 312,000 gallons. Essentially half of the number of customers is supporting our minimum rate structure then the optimum amount. The optimum amount would be that we flow 312,000 a day and our minimum is 312,000 a day. That would spread the cost out among as many rate payers as possible. Because we are addressing the problem now we had a meeting with two developers this evening. They are developers in Wantage and he stated that he has also spoken to other developers in Hardyston and he thinks that there is a very good amount of interest in getting allocation from the Borough. If we were to give allocation we would have to give it cautiously and we would have to give it in response to the progress that we are making on the I & I problem but the financial benefits of giving allocation could be very substantial to the Borough because there would be upfront money into the water and sewer system. And through an allocation fee or a reservation fee we would be adding money into the system even before they hooked up. They are developments in the area and it would be logical to add them to our sewer system. Some of them could come on line with in a year, some of them have a three to five year time line, and some time horizons are as far as beginning building a year from now and not completing for ten or twelve years. This is not a situation where we would sell the allocation at an auction and not a situation where we would be transferring gallonage to another town. These would generally all be direct customers of Sussex Borough. In the coming meetings, perhaps even next meeting, one thing that we could do is set up a procedure in the ordinances on how to receive applications for allocation and what the formula would be for awarding allocation. He stated that next meeting he will have some ordinances for the Council to consider on that front. When we could actually award allocation would be a judgment and a policy decision after consulting the water/sewer engineer. Being optimistic we can make a dent in this issue with this I & I project seems to be something that the Council would want to consider in the near future. The three developers that we have already spoken to could use all of our allocation and then some. There is some thought that the real estate market is recovering slowly and there is some optimism in the next few years that there will be some building.

Mr. Ursin also reported that on March 15th the DEP is holding a hearing with respect to the sewer service area and the current waste water management plan. He stated that the plan that the DEP will be presenting at that meeting will continue to be highly restrictive, particularly of the Route 23 corridor. He stated that it is his intention to attend that meeting on behalf of Sussex Borough and other affected municipalities emphasizing the point that the Route 23 corridor needs to be included in the plan, in large part is because that is where the sewer pipes are going to the plant. There are already developers in those areas that have potential for more intense development. He stated that this is the most optimistic that he has been about the Borough's sewer situation since he has the municipal attorney. The possibility of adding in increments of tens of thousands of gallons of sewer allocation sometime in the near future as the I & I situation improvement allows is the only the thing that can give substantial rate relief.

The cost cutting and other things that are ongoing certainly help but they are very small as compared to adding in tens of thousands of gallons of rate payers. In the best case scenario, if there is some demand for allocation, he stated that setting up a standard policy for how we consider, evaluate and award allocation, including all of the financial considerations, is good government. It is better than negotiating them on an individual basis because that has not worked out in the past. And they will be direct customers. The demand is out there and it is the only way to get rate stabilization and any possibility of rate reduction and to create a regulated way of dealing with this. The meeting with the DEP is the most important issue for the Borough as well as other towns in the County. Currently the area south of the Borough on Route 23 is not in the sewer service area and that is a major obstacle to being able to efficiently use our sewer allocation. The County has made some efforts in getting that area put back in but they are not making any progress.

Mr. Dykstra stated that it is the future of this area.

Mr. Ursin stated that the reality is that, somewhat incorrectly, all of the developers in the area have been under the impression that the Borough of Sussex is unable to grant allocation over the past few years. That is incorrect. SCMUA has never entered an order limiting the Borough's ability to award allocation, the Borough just has to be careful in doing so in light of the I & I problem. Before the Borough decided to do this project it would have been foolish to grant any significant amount of allocation.

Mayor Parrott stated that the time table that the developers are talking about fit right into our game plan as far as the time it will take us to address the I & I problem. That doesn't mean that we can't enter into an agreement which will give us some up front money.

Mr. Ursin stated that the more we can address the I & I issue over the next few years the more allocation we can create. The timing in the end might be very good because if the real estate market recovers then the demand for allocation will go up.

Mr. Dykstra stated that this is the only way to fix the problem.

OLD BUSINESS

NEW BUSINESS

Adoption Ordinance #2011-01 – Fees

Mr. Fransen made a motion to adopt an ordinance entitled "AN ORDINANCE OF THE BOROUGH OF SUSSEX, STATE OF NEW JERSEY AMENDING CHAPTER XXIV ENTITLED FEES". Seconded by Mr. LaBar.

Before final roll call Mayor Parrott opened the meeting to the public for any questions or concerns that they may have regarding Ordinance #2011-01.

There being no one who wished to address the Governing Body regarding Ordinance #2011-01, Mayor Parrott closed the meeting to the public and returned to the regular order of business.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Adoption Ordinance #2011-02 – Roads and Sidewalks

Mr. Rose made a motion to adopt an ordinance entitled "AN ORDINANCE OF THE BOROUGH OF SUSSEX, COUNTY OF SUSSEX AND STATE OF NEW JERSEY REGARDING ROADS AND SIDEWALKS". Seconded by Mr. Fransen.

Before final roll call Mayor Parrott opened the meeting to the public for any questions or concerns that they may have regarding Ordinance #2011-02.

There being no one from the public who wished to address the Governing Body regarding Ordinance #2011-02, Mayor Parrott closed the meeting to the public and returned to the regular order of business.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Adoption Ordinance #2011-03 – Joint Municipal Court

Mr. Fransen made a motion to adopt an ordinance entitled “AN ORDINANCE TO REPEAL ORDINANCE 2008-21 OF THE BOROUGH OF SUSSEX ABOLISHING THE MUNICIPAL COURT FOR THE TOWNSHIP OF WANTAGE AND THE BOROUGH OF SUSSEX AND ESTABLISHING A MUNICIPAL COURT FOR THE TOWNSHIP OF WANTAGE, BOROUGH OF SUSSEX AND TOWNSHIP OF STILLWATER”. Seconded by Mr. Rose.

Before final roll call Mayor Parrott opened the meeting to the public for any questions or concerns that they may have regarding Ordinance #2011-03.

There being on one from the public who wished to address the Governing Body regarding Ordinance #2011-03, Mayor Parrott closed the meeting to the public and returned to the regular order of business.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Interlocal Agreement – Joint Municipal Court – Wantage/Sussex/Stillwater

Mr. Dykstra made a motion to enter into an Interlocal agreement with Wantage Township to participate in an inter-municipality court with Wantage Township, Sussex Borough and Stillwater Township for a three year term commencing on May 1, 2011 and terminating on April 30, 2014 at a prorated rate for 2011 of \$24,667. (\$37,000 annual rate for 2011) Seconded by Mr. Rose.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Resolution #2011-28R – Opposing Revised Requirements for Med. Service Delivery

Mrs. Little made a motion to adopt a resolution of the Borough of Sussex, County of Sussex opposing Assembly Bill No. A-2095 and Senate Bill No. S-218 which revise requirements for medical service delivery. Seconded by Mr. LaBar.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Engineering Contract for I & I Project – Hatch Mott MacDonald

Mr. Fransen made a motion to enter into a contract with John Ruschke of Hatch Mott MacDonald to provide engineering services in connection with the Clove Brook Watershed Manhole Rehabilitation Project in and amount not to exceed \$75,000.00. Seconded by Mr. Meyer.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Interlocal Agreement – Tax Assessor

Mr. Fransen made a motion to enter into an Interlocal agreement with Wantage Township for Tax Assessor services covering the time period January 1, 2011 through June 30, 2012 at a cost of \$11,000 per year (\$5,500 for 2012). Seconded by Mr. Dykstra.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Social Affair Permit – Sussex Fire Department

Mrs. Little made a motion to approve a Social Affair Permit for the Sussex Fire Department to hold an event on April 2, 2011 from 6:00 pm till 1:00 am at the Sussex Fire Department, 25 Loomis Avenue, Sussex. Seconded by Mr. Rose.

Upon roll call vote:

Ayes: Dykstra, Fransen, LaBar, Little, Meyer, Rose

Nays: None Absent: None Abstentions: None

Discussion – Sussex County Sheriff's Crime Stoppers

At this time a discussion took place as to whether the Borough would like to make a donation to the Sussex County Sheriff's Crime Stoppers program. After discussion the Council chose not to make a donation.

OPEN PUBLIC SESSION #2

Mrs. Little made a motion to open the meeting to the public for anyone wishing to address the Governing Body. Seconded by Mr. Rose. All were in favor.

TerryAnn Zander, Advertiser News, asked if Mr. Ursin is sure that SCMUA will allow the Borough to sell allocation and Mr. Ursin responded that he is positive.

There being no one else present who wished to address the Governing Body, Mrs. Little made a motion to close the meeting to the public, seconded by Mr. LaBar. All were in favor.

MISCELLANEOUS COMMENTS

ADJOURNMENT

There being no further items for discussion by the Mayor and Council, Mrs. Little made a motion to adjourn the meeting, seconded by Mr. Meyer. All were in favor.