

TOWNSHIP OF WASHINGTON
BERGEN COUNTY, NEW JERSEY
BUDGET MEETING
Thursday, April 4, 2019

CALL TO ORDER – 7:00 p.m.

STATEMENT

Welcome to the Special Public Meeting of April 4, 2019 of the Township of Washington Township Council. Adequate Notice of the meeting was given in accordance with the Open Public Meetings Act by the township Clerk to at least two (2) newspapers on April 2, 2019, and this notice has been posted on the Township Bulletin Board and on the Township Web Site.

Please notify the Municipal Clerk for any disability requirements necessary for attendance at Mayor and Council meetings. The fire exits are located through the double doors to your right and through the door on your left. Please silence all cell phones

SALUTE TO FLAG - led by Council President DeSena

ROLL CALL

Councilmen Cumming, Ullman, Council President DeSena
(Also, in attendance Peter Calamari, Mayor; Robert Tovo, Administrator; and Susan Witkowski, Township Clerk) Councilman Cascio arrived late.

GENERAL PUBLIC DISCUSSION

A motion was made by Councilman Ullman, seconded by Councilman Bruno, to open the general public discussion

Ayes: Councilmen Bruno, Cumming, Ullman, Council President DeSena.

Nays: None.

Absent: Councilman Cascio.

Seeing none.

A motion was made by Councilman Ullman, seconded by Councilman Bruno, to close the general public discussion

Ayes: Councilmen Bruno, Cumming, Ullman, Council President DeSena.

Nays: None.

Absent: Councilman Cascio.

DISCUSSION

2019 BUDGET

Ms. Curran handed out the latest Edmunds run of April 4, 2019, 6:29 p.m. of different scenarios for surplus. Also provided was a draft copy of the increasing and decreasing of the Mayor's budget. Councilman Bruno stated he would like to discuss, not the person, but the findings regarding payroll, salary increase, how that came about, and where we stand with that. Township Clerk Witkowski stated the person received a RICE notice and this subject will be discussed in Closed Session.

Councilman Cascio arrived at 7:14 p.m.

Councilman Bruno stated he would like to discuss where we are, how it came about, and who approved it. Mayor Calamari replied part of it has to do with reading some closed session minutes, he would ask that we defer to closed session. Councilman Bruno stated he is not discussing any performance issues or evaluations, we discussed it in public before, he would like to know how a person received an increase, what the procedure was, who approved it, and what the paperwork was, it has nothing to do with the person. Mayor Calamari replied it has to do with revealing things that were said in a closed session. Councilman Bruno stated he is not asking about a closed session, he would like to know how this person received an increase, who approved it, and what forms were filled out, and why we were not informed about it, he is asking the Council President. Council President DeSena replied he has not received the information that was asked for at the last meeting, is the information available. Mayor Calamari replied some of it is written, some of it is verbal. Councilman Bruno stated we would like to see the information Council requested, unless something is being hidden. Mayor Calamari replied he is not hiding a thing.

Councilman Ullman asked, the Recreation Department at the very end of the meeting requested there might be an increase for some services Westwood is providing, was that provided. Mayor Calamari replied they have not come back to us. Council President DeSena asked that Mr. Setticase be asked if that line item needs to be increased.

Salary being discussed is on page 9, line item 9-01-20-130-160 at \$5,000 and page 10, line item 9-01-20-145-110 at \$45,168, totaling \$50,168.

Ms. Curran stated she went through all the stubs, and compared them to the W-2, if you look at the analysis, the beginning of the year salary started at \$44,200. Pay periods are twice a month, divided by 24, and that gives you the salary per pay period, putting the number of pay periods at this salary, total salary that was paid based upon the \$1,841.67. Councilman Bruno asked is the amount

we rolled from 2017 into 2018 prior to adoption of salary ordinance and budget? Ms. Curran replied yes, \$44,863 is the 2018 appropriation. She stated there is the 1.5% yearly increase, and that brought it up to \$44,863, then according to the General Ledger, and what was charged to the budget, that was from 5/31 to 9/28, and it is the same analysis, number of pay periods, 24, the increase came to \$1,869.29 per pay period, for nine pay periods and that was a total salary. She stated she also took the salary from the pay period of 10/15/18 to 12/31/18, took the regular salary, \$44,863, which includes the 1.5% increase, and the other increase that was given at that point in time, which is the \$15,137, and that was prorated for that time. She stated it started on 10/15/18, however if you look down, she has the \$60,000, minus the \$44,863, because it was annualized for that time period, further down she has two retro-pays, the first retro-pay is representing the \$44,863 for that time period going back nine pays, the second retro-pay is representative of this 10/15/18 to 12/31/18, because that was actually retro back to September 1, 2018. She stated the analysis was some Planning and Zoning work that was done, that was at \$2,000, coming to a total of \$51,908.68, looking at the W-2 that is attached (and redacted) you need to look at the bottom area, upper left corner, where it states \$51,908.69 is the gross wage, that \$249.21 is what we get taxed upon if the salary is in excess of \$50,000, that is the contributory insurance, that is what needs to be included in taxes, but the top is what the salary is, and that coincides with the amounts. Councilman Bruno stated there is a 33% increase that was given, was a Personnel Action Form given. Ms. Curran replied she went by budget, and pay stubs. Councilman Bruno asked how does an employee go and get \$15,000 raise, 33% increase without a Personnel Action Form, who approved it? Council President DeSena replied that is for closed session. Councilman Bruno stated no, this is a policy procedural situation, he would like the Mayor to answer since he is the only one who has the authority to give an increase. Mayor Calamari stated it involves something in a closed session that cannot be discussed in public. Councilman Bruno asked was the Mayor aware of the increase. Mayor Calamari replied yes, he was. Councilman Bruno stated for three weeks we have asked the question, and you have flat out denied and answered us as to why this was done, and stated you didn't know it was done, why? Mayor Calamari replied because he had to go through his notes, he didn't commit to memory. Councilman Bruno stated one person received a \$15,000 increase, the question has been asked for three weeks, and you never answered us purposely. Mayor Calamari replied is he allowed to speak about these closed minutes in public. Ms. Witkowski replied they are only drafts, they have not been approved, they have not been seen, and this needs to be done in closed session. Councilman Ullman asked procedurally, which ledger lines did this come out of. Ms. Curran replied they were coded "Deputy Treasurer Benefits Coordinator" when she actually started in December she was looking at year end, the first thing she did was run the budget to see anything overextended, that is not a very good thing to have, and this line item was over expended, and she needed to reclass some of it to go into the "Deputy Treasurer" line item, she also looked at the "Deputy

Tax Collector” line item which had \$5,000, otherwise this would have been overspent. She stated this was overspent and she thought a mistake was made, because it was \$5,000 in the budget for example “Tax Collector” and then \$5,000 left and nothing was charged to that line item. She actually thought that it was the wrong title, but this was so blown out of the water, that you could not sit with that negative balance, otherwise that money would have had to been raised in 2019, Salary & Wage, it is not allowed by law. Councilman Ullman stated the Planning & Zoning work, was that paid out of another line item. Ms. Curran replied that was paid out of Planning & Zoning. Councilman Bruno asked is that part of the Salary Ordinance. Ms. Curran replied she doesn’t believe so, she did ask the payroll person, she said that \$2,000 was given out, it was not vouchered, it was through payroll. Mayor Calamari stated it had to do with escrow and secretarial work. A conversation followed on vouchers, which are prepared for meeting work. Councilman Ullman asked when was the adjustment paid. Ms. Curran stated if you add on the regular retro and adjustment, that is what is on the W-2. Councilman Ullman stated for someone to be paid a one-time adjustment, there would need to be some level of documentation in the payroll department, a back-up, a memo, an explanation, the line it come out of, because he thinks it would have to be processed, his question is do we have that information. He stated an adjustment was paid to an individual for \$2,000 at the end of the year, do we know what it was for, did it cover hours, was it a blanket stipend, blanket adjustment, and why was it paid, who authorized it, where are the general ledger entries, with signatures, does that documentation exist. Mayor Calamari replied he will check with Dina tomorrow. Councilman Ullman stated we can check with Dina tomorrow, but his guess is someone would have to give her instructions to give a \$2,000 adjustment, who instructed it? Mayor Calamari replied he instructed it, yes, it was for secretarial work and escrow work. Councilman Ullman asked wouldn’t that be covered as part of her responsibilities, either in Finance Department or the Tax Department, it seems the payment is for work that is part of the job description, is this over and above, was there a special circumstance that we need to be made aware of. Mayor Calamari replied escrow was being done by a few different people, and he would defer to Ms. Curran as to who would handle it ongoing, but he knows that she was doing escrow work and secretarial work, because there was no one in the office, she was splitting her time. Councilman Cascio stated we operate on a piecemeal basis with jobs, there is a job description, and your job is to fulfill those duties, we don’t have an abundance of escrow work or other work we give to someone and they get more for doing that work, you’re paid on an hourly basis, and whatever that work entails that is what you get paid for. He stated it is not like you are here for extra hours, above your managerial position, doing other work, and get paid on top of that, he thinks that is what is troubling to him. He stated if you are here for 35 hours, and you have x, y, z to do you do it, if there A1, after you done with x, y, z, does that go to another category, and the Township will pay more, from his understanding, that is not the case, being here for nine years he has not seen this, and it is a perplexing to him, even if it escrow

work or secretarial work, he doesn't understand why there is a bump in compensation. Mayor Calamari stated he doesn't know who should handle the escrow part, but the Planning & Zoning secretarial work that was done was clearly over and above her job description, and she jumped into it because of lack of personnel, we had people showing up, and she took it on herself, that came with working additional hours.

Councilman Bruno asked was this asked for by the employee, or did the Mayor volunteer to give the monies, the \$2,000. Mayor Calamari stated it was something he decided to give her because of the time she put in. Councilman Bruno stated you felt she did some extra stuff, and decided to take taxpayer money and give her \$2,000 more, in addition to a \$15,000 increase. Mayor Calamari replied he did. Councilman Ullman stated the existing Salary Ordinance that is in place for 2018 is based on a cap or a max, there are ranges, that translates to a budget line or general ledger line, there should be controls within our processes to ensure that someone doesn't get over paid, more than they should. He understands Ms. Curran made entries because we were overspent, and understands Ms. Curran came on at the end of December. He asked when did this overspending begin? Councilman Bruno stated the increase went through in October, when was the \$2,000 given? Council President DeSena stated it is for December, the \$2,000, but the retro went back to September 1st. Ms. Curran stated she had to go back and reclass all of October, most of November and December, there was \$5,000 left on the "Deputy Tax Collector" line that was not used, that is why it was reclassified. She stated there is an option to override, she is not a fan of that, and she told Dina if you see red, please notify her. Councilman Ullman stated one thing Council has discussed is they do not receive a financial reporting, had this been reported, it may have surfaced. He stated there seems to be a lot of responsibility on single individuals, and there is a lack of checks and balances, and we have been told you cannot spend more than is in the line. He asked how did we get to this point, it is simply that the payroll administrator overrode it, and it went through, or should someone be monitoring this and understanding what it truly means, here the goal is not to spend more than is appropriated. Ms. Curran stated when she first began, she ran the budget, bill lists, and started investigating why this happened. She stated you really can't spend above the salary ordinance, if the State were ever to ask for that budget, and they saw that, that means the salary ordinance was overspent, and a S&W line item would have to be raised in the 2019 current budget. She stated her assumption was that something should have been charged to the other line item, because there was \$5,000 left in that line item, and she was short. She also sat with the account's payable person, and she was taught the way to over-ride, and Ms. Curran stated she is not a fan of that. Every time we do a budget run, they cannot over-ride it. There is a feature in Edmunds that allows the over-riding, it has been turned off. Mayor Calamari stated no one every told him that we were overspending the line. Councilman Bruno stated someone was given an increase of \$15,000, the line is being overspent. Mayor

Calamari stated he probably would have the same thing that Ms. Curran did, after the fact, to tell someone to appropriate it from a different budget line, but no one every told him that we were overspending a certain line item. Councilman Bruno stated there are a lot of controls, and we have worked hard for the last few years to clean this mess up, and now there is a mess this year. He stated to Councilman Ullman's point, as a CFO, Ms. Curran, should sign off on every increase that goes into the system. He stated no one in his job gets a payroll increase unless it comes to him, in turn he gives it to the payroll person. He stated the payroll person needs to be instructed, going forward, nothing gets done unless Ms. Curran, the CFO, signature is on it. Council President DeSena stated since Ms. Curran started, every voucher has her name on it, she physically signs it before anyone else does, that it is accurate, to the best of her knowledge, as CFO, of the Township of Washington, which has never been done before. Councilman Bruno stated we had it, but it was never enforced. Ms. Curran stated in this type of government, when there is a salary increase, it comes from the Administration, that is how it was in the past, she never remembers the CFO making this change, she believes it was through Administration. Administrator Tovo stated once that is done the CFO does certify the funds are there. Council President DeSena stated two things need to be certified, and that is that there is a salary ordinance in place for that increase, that is where the disconnect there, if the Council does not approve the Salary Ordinance, the salary cannot be raised. The Administration can request a salary increase, but if Council does not approve the Salary Ordinance, Administration can't raise it. Council President DeSena stated if Council would have done a Salary Ordinance, we would have to fund the \$15,000 of where we are taking the monies from, as an example, we are giving a \$15,000 increase, where is the monies coming from, the CFO would have had to physically transfer that \$15,000 into salary and wages. Ms. Curran stated it can only happen in November. Councilman Cascio stated we spoke about a range, and understands that other towns do that range, but this is an example of where the range should be eliminated, this is the salary. Council President DeSena replied the only problem with that is when someone leaves, and someone with more experience or tenure replaces them, it allows no flexibility. Administrator Tovo stated your point is well-taken, but you still have to do a salary resolution, if you have a range, to set the exact dollar amount. Councilman Cascio replied this is one way to avoid it. Council President DeSena stated the first major part is no longer over-riding the system, and we need a salary ordinance if anyone's salary is ever changed. Administrator Tovo is well aware that he can't arbitrarily change someone's salary without Council's permission. The Council is the keeper of the finances of this Township, and without their approval, this cannot happen, that is the way the Faulkner government is set up. The recommendation can be made by the Mayor, but he has to come to Council with the change to the salary ordinance, then Administrator Tovo gets it approved, and sends it to the CFO. Councilman Ullman stated another control in this process should be a Personnel

Action Form. He stated he had asked the former administrator to lower his salary, and she wouldn't do it unless he signed a Personnel Action Form. He stated when he was Council President, he reviewed and initialed the Clerk's Personnel Action Form. He asked is there a Personnel Action Form to support this, and would you have to review it just to ensure that the money is available, is there a line, not that you approve that this person is getting it, but similar to the language of some resolutions, does that need to be certified that those monies are available? Ms. Curran replied she did not see a Personnel Action Form, but if she was given a Personnel Action Form, she would certify that there are funds. She stated this occurred to her, in a town, they wanted to give someone a raise, mid-year, we looked for the money, and drew up a resolution, but she doesn't know what happened, she does not have the Personnel Action Form, but she would definitely make sure that those funds are available. Councilman Ullman asked is there a Personnel Action Form? He would expect it might not exist for the 1.5%, but he would expect it to be available for the other salary increase, and he doesn't know if it needs to be captured in the adjustment that was made. He would like to know do we have a Personnel Action Form covering this activity. Administrator Tovo yes, we do. Councilman Ullman asked are they properly executed? Administrator Tovo replied they are. Councilman Bruno asked how come Council does not have that, we asked for that. Administrator Tovo replied it is part of the personnel file. Councilman Bruno stated we asked for a copy of the Personnel Action Form to show that someone received an increase. Administrator Tovo stated he asked Mr. Poller if it should be released, it is in the file, he said generally speaking no, but let him look into it, he has not heard back, but there is one. Councilman Bruno stated we asked the question for three weeks, now there is a form that shows up in the file, for three weeks no one was able to tell us, was not sure there was one, but now there is. Administrator Tovo replied no one never said there wasn't anything available, we did not look, when we did look, it was there. Councilman Bruno stated he has to be honest, the whole thing stinks, he would like to go on record saying that, it is quite obvious what was done here, except it was discovered, you got caught giving out an increase that you shouldn't have, you got caught giving out a \$2,000 bonus that you shouldn't have done, it should not happen, and we as the Council are responsible for this budget. He stated Council spent hours upon hours, upon hours, and that should not have happened, that we have to dig through and find it, we spend hours and hours looking through this stuff, no one tells us, it is hidden, it is wrong and unethical to have that happen, and to sit here for three weeks and ask the same questions, and now all of a sudden we find out the Mayor did it, but he was not sure, we find there is a Personnel Action Form. He stated he understands what is happening here, he has been in business for 45 years, he knows what happened here, period, it stinks. He stated with that, he is going to request, asking, making a motion for \$10,000 for professional fees to be put into the council's budget for a forensic accountant to come in and go through these books once and for all, so he makes a motion hopefully, he will have a second on this vote.

A motion was made by Councilman Bruno for \$10,000 to be put into Council's budget for a forensic accountant to review the books.

Councilman Cascio asked Administrator Tovo do you know whose signatures are on the Personnel Action Form? Administrator Tovo replied he does, yes. Councilman Cascio asked can Administrator Tovo state whose signatures are on that Personnel Action Form? Administrator Tovo stated he will fully answer it in Executive. Council President DeSena asked will we be able to discuss it in closed. Councilman Bruno stated someone signed a form, we are not talking about the form, if it is a Mayor or a Council member, they don't need to receive a RICE notice for Closed Session. He asked who signed the form? Administrator Tovo replied it is part of the Personnel File. Councilman Cascio asked whose names are on that form? Administrator Tovo replied the employee, the interim Administrator, prior to himself, and the Mayor. Councilman Ullman replied Council's budget starts on Page 4. Council President DeSena stated currently there is \$5,000 in there. Councilman Bruno replied he believes it should be \$15,000. Council President DeSena asked what would Councilman Bruno like done? Councilman Bruno stated there are forensic accountants that come into municipalities, and will go through and do forensic accounting. He will provide a list of everything that he has been through for the 3 years he has been here to look at and what needs to be done, any Council member can add to it, we have gone through these things and there are issues. He stated Ms. Curran came in and found there are line items that are overbudgeted in the capital, there is one invoice that splits into three different accounts, which is wrong, and \$5,000 was taken away from that account that Council budgeted to be used for another reason. He stated a forensic accountant will know what to do, they come in, we direct them and get this done. He stated this is an embarrassment, we work hard trying to get things done, clean it up, and it is a disaster.

Councilman Ullman stated one other area he would like a deeper understanding of is the former engineer. He stated we were presented with a bill/invoice, how it was resolved is his question, what was paid as an expense to the residents, through taxes, meaning what was made through current fund, what was cleared up through escrow, what remains, if anything, and has that been successfully resolved. He understands we wanted to draw the line at some point. Council President DeSena stated when the Council decided to make an effort to resolve Mr. Azzolina's invoices, at the time he believes it was \$113,000, there was \$80,000 that the Township of Washington owed to him for services rendered to the Township, not individual homeowners, and those were able to be cleared up, and he was paid an initial check close to \$80,000. Administrator Tovo replied he is not sure of the amount, but the Township's liability, the Township's projects, is up to date, except anything newer. Council President DeSena stated he believes there is \$30,000 in escrow fees that was never paid to Mr. Azzolina through the years. Ms. Curran stated Mr. Azzolina sent the Finance Office an

update, he had a balance of \$43,000, and a large number of that were numbers from 2017, 2018 and 2019. Council President DeSena stated he finds it hard to understand how do we owe him. He stated if he wants to build any project in the Township, he comes in and first thing asking for is a check for all fees, engineering, planning, zoning, building, you name it, he cuts the check, it is deposited, Michael DeSena, LLC, whatever, and all of a sudden Mr. Azzolina, engineer, zoning engineer start billing towards it. He stated he would think if Mr. Azzolina billed something in January of 2018, under prompt payment, and he will give 60 days, that invoice by March, is a crime that we don't pay if the money is there, and if the money is not there, it is our responsibility to call the applicant and say no more work will be done until you post additional escrow, the reason why the funds were expended, and the project will no longer be worked on until more escrow is posted. He stated if Mr. Azzolina is owed stuff from 2017, 2018, who is paying him, and shame on them for not being more diligent and demand payment, but he guesses they are not used to being paid, and it is a shame. He stated it is disgusting for me as a Council member to know how the process really works, and how he has to accept substandard, even 2019, if he has invoices from January and he is still not paid, someone needs to be held accountable, there is a prompt payment law, and if he is not being told, and this is any Department, if that money is not there for him to bill, it is the Township's responsibly to tell him to stop because there is no more money. He stated he used to get receipts that such and such developer put more monies in the account, and work/review/inspections can continue. Ms. Curran stated she cannot speak about the past, but she does not believe he followed-up. Administrator Tovo stated the flow needs to be more coordinated, more quickly, but is not where it should be. He stated he has a bill recently received, and there are PO's against those invoices, and very recently been signed. Council President DeSena stated Councilman Bruno is speaking about a forensic accountant, we must have resident's escrows for years and years, that have not been returned. Ms. Curran stated at times escrow monies were returned, and bills were coming in after the fact. Council President DeSena stated escrow should not be returned until Mr. Azzolina signs off on the project, that he is done with the project. He stated every January 1st his CFO would send a note to indicate all these escrows are open, and you have until January 31st, or they will be closed. He stated part of the agreement with Mr. Azzolina was going through the list, we did have the discussion in September, if there were monies left in escrow, he would accept what was left, and if his number exceeded that he was willing to forgive the rest, because it was shame on him for letting it go so long, but if the money was there we owed him that money. Ms. Curran stated today she backed-out the numbers, a lot of it was 2019, accounts payable did give Mr. Azzolina a few checks, this was much higher, at this time she has \$43,000, and in 2019, it was \$23,000, he is owed about \$20,000, which is still a high number. She stated many of these are soil moving, my understanding is they go through the Clerk's office, and many of these go way back, there was not follow-up to collect the monies. Ms. Witkowski replied that doesn't fall under the us, the Clerk collects the application

and fees. Ms. Curran stated the Clerk's collects, but it should come through finance. She asked once the letter comes from Mr. Azzolina, there's soil moving, that goes to Finance. Ms. Witkowski explained when the Soil Moving Application comes in, two checks are accepted, \$50 for application fee and \$350 engineering/escrow fee. Mr. Azzolina then reviews it, and determines if there are any additional fees that need to be collected, if not or even if there is, he will send a letter out to the homeowner, and our office, that the fees are due, once we collect those fees, we notify the Building Department that all fees have been collected, and she can issue the permit. Councilman Ullman stated back to the discussion of a forensic accountant, in going through this year's budget, there were a few things that he noticed, and Councilman Bruno as well, and he thinks it is worth it. There is an auditor coming in, and some of this may be brought to his attention, and has a view of what has happened, but there may be another level of research and understanding that needs to be done. He stated the books should be open, there is transparency, we have ledger rolls and entries. Council President DeSena stated Council is asking to increase line item 9-01-20-111-260 to \$10,000 for forensic accounting, Councilman Ullman replied he believes that is the request. Council President DeSena asked Councilman Bruno, is that also your request, to make 9-01-20-111-260 \$10,000 for forensic accountants? Councilman Bruno replied yes. Councilman Ullman stated he seconds that. Council President DeSena stated gentleman, Councilmen Bruno and Ullman would like to make 9-01-20-111-260 \$10,000 to start the process of having the books audited by a forensic accountant, roll call please.

Ayes: Councilmen Bruno, Ullman, Council President DeSena.
Nays: None.
Abstain: Councilman Cascio, Cumming,

Council President DeSena requested that Councilman Bruno provide the names of who he would like Council to interview. Councilman Bruno replied yes, he will.

Councilman Bruno stated Administrator Tovo did provide, in an email dated September 30, 2018, an update for Mr. Azzolina. He stated the last sentence states "It should be noted that as of today, there are approximately \$35,561 of outstanding invoices to be charged to the escrow fund, \$7,944 encumbered and ready to be paid, \$27,616 are unencumbered and need to be analyzed to see if the monies exist in these escrows, and if the money doesn't not exist, it would either need to be collected or written off by Azzolina." Council President DeSena stated that was not written by Administrator Tovo, it was written by the interim Administrator. Councilman Bruno replied correct, was any of the \$27,616 paid and was it checked to see if they exist in escrows, or did Mr. Azzolina write any of this off? Ms. Curran stated we did pay \$3,831 just recently, and there was another large payment, some are older.

Council President DeSena stated we did get an extension to introduce the budget, so we will meet at our next regularly scheduled meeting to introduce the budget. Ms. Curran the surplus does not include school or county. She stated using 1.2 million, municipal portion will be \$321, plus \$100 for school and County, using 1.5 million, municipal portion will \$235, plus \$100 for school and County, using 1.8 million, municipal will be \$150, plus \$100 for school and County. Ms. Curran stated for the average home assessed at \$465,000, using the 1.2 million, the taxes would be about \$11,400. Councilman Cumming stated he would agree with the 1.5 million. Councilman Cascio stated he would agree, the 1.5 million, equaling an increase of \$80 per quarter. Councilman Ullman stated any increase that is done now, is basically going to be at hundred-cents, not sixty-cents, due to the CAP, he stated New Jersey is in high tax jurisdiction, he likes the 1.2 number. Council President DeSena stated he would go with the 1.5 number, along with Councilmen Cumming and Cascio. Councilman Bruno stated he prefers the 1.2. He stated we have 4.2 million dollars in surplus, 1 million in school, that is 5.2 million, using 1.2 we have 4 million, keeping 2 million in surplus for a rainy day, giving us 2 million dollars, that is why he likes the 1.2 million, leaving 1.5 million in reserve, taking 2.5 million in cash.

A motion was made by Councilman Cumming, seconded by Councilman Cascio, for the 1.5 surplus usage.

Ayes: Councilman Cascio, Cumming, Council President DeSena.

Nays: Councilman Bruno, Ullman.

Councilman Bruno stated he would like to be clear, there is the 4.2 million, 1 million is 5.2, 1.5 million will be moved, giving us 3.7 million, of the 3.7 million, why don't we agree what we feel we should leave in surplus, and what we have available. Council President DeSena replied stated why don't we wait for Mr. Beinfield and Mr. Mai to get back to us with the different bonding options. Councilman Bruno replied but you will still want to leave surplus, either you leave 10% of what we spend, leaving 1.3, 1.5 or 2 million. Council President DeSena replied he would leave at least 2 million. Councilman Ullman stated he would say at least 2 million. Council President DeSena stated he feels more comfortable with 2.2 million, with 1.5 million going back. Councilman Cascio stated that is preferred surplus, 2 million, nothing else. Councilman Bruno stated looking at the surplus, 5.2 million, less 1.5 million, 3.7 million is the difference, 2 million stays and 1.7 comes out, there is also an uncollected tax reserve of \$800,000, that goes into surplus, you will get a half-a-million to six-hundred-thousand next year. Councilman Ullman stated the only thing he would say is the school money came to us as a result of the sale, and was not spent years ago, now we are the beneficiaries of that. A conversation followed on taking the school money and earmarking it for a capital project, such as the DMF. Councilman Bruno stated 2.2 million stays in surplus, 1.5 million will be used in the budget, making it 3.7 million, from the 5.2 million, that leaves 1.5 million. Council President DeSena stated a million will go to the DMF. Councilman

Bruno stated the question he has how do we get that money and use it, the one million and half-a-million. Ms. Curran stated the million-dollars can be taken out, it is in an account. She stated with the half-a-million, we have a two-year budget, when we have the audit there will be a surplus available, that will go down, that will be your remaining balance, you have the 4.2 million, you could always use that surplus, taking it into the current budget.

A motion was made by Councilman Cascio, seconded by Councilman Cumming, to enter into Closed Session.

Ayes: Councilmen Bruno, Cascio, Cumming, Ullman,
Council President DeSena.

Nays: None.

Resolution No. 19-177

Closed Session, Police Negotiations, Personnel

WHEREAS, the public is invited to attend all Meetings (whether denoted public or conference sessions) of the Township Council in accordance with its general practice and the Open Public Meetings Act; and

WHEREAS, the Legislature of the State of New Jersey declared that the public has a right to attend all meetings of the public bodies at which any business affecting the public is discussed or acted upon in any way except as set forth in the Open Public Meetings Act (N.J.S.A. 10:4-12), which provides for the exclusion of the public from the portion of a meeting at which certain enumerated matters are to be discussed; and

WHEREAS, the Township Council has determined that, because of the nature of the subject matter to be discussed, the public should not be present at that portion of the meeting of the Township Council at which certain specific matters encompassed by N.J.S.A. 10:4-12 are to be discussed;

NOW, THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Washington that, pursuant to the express provisions of the Open Public Meetings Act, the public be excluded from the meeting or portion of the meeting (denoted as an "executive" or "closed" session) in which the following matters are to be discussed:

1. Any matter which, by express provision of federal law or State statute or rule of court shall be rendered confidential or excluded from the provision of subsection of a. of this section.
2. Any matter in which the release of information would impair a right to receive funds from the Government of the United States.
3. Any material the disclosure of which constitutes an unwarranted invasion of individual privacy such as any records, data, reports, recommendation, or other personal material of any educational, training, social

service, medical, health, custodial, child protection, rehabilitation, legal defense, welfare, housing, relocation, insurance, and similar program or institution operated by a public body pertaining to any specific individual admitted to or served by such institution or program, including but not limited to information relative to the individual's personal and family circumstances, and any material pertaining to admission, discharge, treatment, progress or condition of any individual, unless the individual concerned (or, in the case of a minor or incompetent, his guardian) shall request in writing that the same be disclosed publicly.

4. Any collective bargaining agreement, or the terms and conditions which are proposed for inclusion in any collective bargaining agreement, including the negotiation of the terms and conditions thereof with employees or representatives of employees of the public body. **POLICE NEGOTIATIONS**

5. Any matter involving the purchase, lease or acquisition of real property with public funds, the setting of banking rates or investment of public funds, where it could adversely affect the public interest if discussion of such matters were disclosed.

6. Any tactics and techniques utilized in protecting the safety and property of the public provided that their disclosure could impair such protection. Any investigations of violations or possible violations of the law-

7. Any pending or anticipated litigation or contract negotiation other than in subsection b. (4) herein in which the public body is, or may become a party. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer.

8. Any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance of, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body, unless all the individual employees or appointees whose rights could be adversely affected request in writing that such matter or matters be discussed at a public meeting. **PERSONNEL**

9. Any deliberations of a public body occurring after a public hearing that may result in the imposition of a specific civil penalty upon the responding party or the suspension or loss of a license or permit belonging to the responding party as a result of an act or omission for which the responding party bears responsibility.

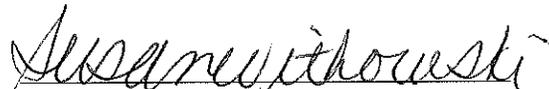
BE IT FURTHER RESOLVED, that it is not possible as yet to fix the time when or the circumstances under which the discussion conducted in Closed Session can be disclosed to the public. It is anticipated that the subject matter under discussion will be made public when finalized.

BE IT FURTHER RESOLVED, that notice is hereby given that the Township Council may find it necessary to take action at the conclusion of the

executive/closed session; that such action if taken, will occur in open session; that you are invited to stay in the Municipal Building during the executive/closed session; that the doors to the Council chambers will be opened and an announcement will be made if the Township Council will be going into open session; and you may be present during such open session.

 The Township Council anticipates that an open session will be necessary.
 X The Township Council anticipates that an open session will not be necessary.

Time noted: 9:26 p.m.



Susan Witkowski
Township Clerk



Michael DeSena
Council President

Approved: June 5, 2019