

BOROUGH OF GLEN ROCK

Special Executive Meeting Minutes

Monday 9/29/14

This meeting is called pursuant to the provisions of the Open Public Meeting Law. This Meeting was included in a list of meeting notices sent to the Bergen Record and advertised in said newspaper, posted on the bulletin board in the Municipal Building, and has remained continuously posted as the required notices under the Statute. In addition, a copy of this notice is and has been available to the public and is on file in the office of the Municipal Clerk.

ROLL CALL:

Mayor van Keuren – present

Council Member O’Hagan - present

Council Member Orseck – present

Council Member Biggs – absent

Council Member Pazan - present

Council Member Surrago - present

Council Member Nogara – present

Financial Turf Field

Mayor – This is the second phase and review the financials and aspects of the artificial turf field, we are going to have a professional to talk about the financial debt.

Will address the comments from some residents that showed up in social media of the advisability and appropriateness of an artificial turf field.

Lenora Benjamin – Introduced Sherry Tracey from Phoenix Advisors.

Council Member Nogara – We’ve been looking at undertaking a \$3,000,000 project and we felt it would be best practice to bring in someone with expertise.

Ms. Tracey – I am partner with Phoenix Advisor in NJ, Registered Municipal Advisory firm. We focus solely on working with government agencies and municipalities, when you finance debt, and help you access the bond market.

We have been asked to take a look at the tax impact of a \$3,000,000 project, rates have stayed the same so I used a 2.65% which is a little conservative, we still need to get to the market place in November, taking into account tax impact over 10 years on a home valued at \$549,055 would be \$75.47. Trying to incorporate the existing debt for the Borough pulled some schedules from the audit, nothing will change in your debt paying off with conforming schedule but trying to keep the tax rate as level as possible.

Lenora Benjamin – Asked Ms. Tracey if she can report on the SEC new regulation?

Ms. Tracey – As of July 1, 2014 the Municipal Securities Board has been working on having a municipal advisory rule in place. They decided financial municipal advisory need to be

regulated. Effective July 1 of this year the municipal advisory regulation went into effect. You need to be registered with the SEC. Your bond attorney will not necessarily give financial advice, municipal advisor will have your sole interest at heart.

Lenora Benjamin – This is the analysis that was provided and it is project specific, it doesn't take into consideration the \$90,000 over ten years to put away.

Council Member Nogara – It also doesn't factor in the sports groups contribution.

Council Member Surrago – Stated that we will also have a reduction of \$50,000 per year from the group which will be even less.

Council Member Nogara – Felt it was necessary to take steps for replacement of approximately \$90,000 per year. Strictly on the debt service, this just reinforces the number that we came up with.

Council Member Surrago – We also looked at a 15 year pay back, even though the impact was less on the residents it didn't make sense to pay the extra interest.

Lenora Benjamin – We talked about the useful life of 12 -15 years. The right thing to do was ten years.

Council Member Nogara – We want to match the benefits with the residents that are currently living in town.

Council Member Orseck – Turf turns out to be cheaper.

Council Member Nogara – In 2015 it works that we would only be paying interest tax impact of \$9.00 per resident. In 2018 we have other debt coming off our books, when the full impact of this kicks in would be in 2019 and the other bonds will be taken off the books that will offset this cost.

Lenora Benjamin – It give us the ability to create a balance. We do capital projects ever year, but we will still try to keep that flat line.

Council Member Orseck – Asked so we look in pretty good shape?

Council Member Nogara – Asked if any comparisons have been done, will issuing the \$3million in debt put up any red flags?

Council Member Surrago – Asked Ms. Tracey how are we financially considered to other towns?

Ms. Tracey – pretty good, 2% is more of the average and you are less than 1%.

Council Member Pazan – It seems like a sound proposal, it's a large chunk of change and we are being prudent of how are doing it.

Council Member O'Hagan – Apologized for being late, but I am for this, monetary facts, and appreciate the data, thank you, and thank the group for all the work that is consistent with your report.

Council Member Nogara – What is the true cost of the project, and with interest?

Ms. Tracey – When you do a capital ordinance you talk about the cost of the ordinance without the interest.

Council Member Surrago – You bond for the useful life.

Ms. Tracey – Matching useful lives and try to match the debt service so hopefully the debt is paid down.

Mayor – We are talking about the \$3,000,000.00. Tonight we will be talking about both natural and turf: \$2,750,000 for natural and \$3,000,000.00 for artificial turf are the ancillary costs.

Lenora Benjamin – We will need to add \$300,000 to either project for soft cost, engineering, bonds.

Public Comment

None

Motion to Close the Work Session Council Member Nogara

Seconded by Council Member Orseck

All in favor

Meeting Adjourned 7:58 pm