

MINUTES
REGULAR MEETING
MUNICIPAL COUNCIL - CITY OF RAHWAY, NEW JERSEY
SEPTEMBER 10, 2012
7 P.M.

1. Council President Steinman called the meeting to order at 7 p.m. and asked for a Roll Call.

PRESENT: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro, Wenson Maier, Steinman

ABSENT: Councilmember Saliga

City Clerk Jeffrey J. Jotz announced the meeting had been advertised and posted in accordance with the Open Public Meetings Act of the State of New Jersey.

This meeting of September 10, 2012 was included in a list of meetings notice sent to the *Star-Ledger*, *Home News Tribune*, *The Progress* and the *Rahway News-Record*, posted on the bulletin board in the Municipal Building on December 30, 2011 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.

2. PLEDGE OF ALLEGIANCE

In the absence of a member of the Clergy, Councilmember Brown offered an invocation.

3. APPROVAL OF MINUTES

August 13, 2012 Pre-Meeting Conference/Regular Meeting

Motion was made by Councilmember Steinman and seconded by Councilmember Brown to accept and approve the above listed minutes.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro, Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

4. PRESENTATIONS

5. COMMUNICATIONS FROM MAYOR, REPORTS OF CITY OFFICERS AND LIST OF PAYMENT OF BILLS FOR AUGUST

Council President Steinman: This Ordinance is declared adopted on first reading and the City Clerk is hereby authorized and directed to advertise said notice of its introduction and passage according to law. This Ordinance will come up for Public Hearing and further action at a Regular Meeting on Monday, October 9, 2012 at 7 p.m.

O-27-12

City Clerk Jotz read AN ORDINANCE AUTHORIZING AN OPEN PUBLIC AUCTION TO THE ADJACENT LAND OWNERS FOR THE SALE OF CITY OWNED PROPERTY LOCATED OFF OF EAST MILTON AVE., NOT CURRENTLY NEEDED FOR PUBLIC USE KNOWN AS LOT 6 IN BLOCK 335 ON THE OFFICIAL TAX MAP OF THE CITY OF RAHWAY

Motion to introduce the above Ordinance on first reading was made by Councilmember Steinman, seconded by Councilmember Brown and adopted by the following vote:

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro, Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman: This Ordinance is declared adopted on first reading and the City Clerk is hereby authorized and directed to advertise said notice of its introduction and passage according to law. This Ordinance will come up for Public Hearing and further action at a Regular Meeting on Monday, October 9, 2012 at 7 p.m.

10. RESOLUTIONS

***AR-216-12** Councilmember Mione presented and moved A RESOLUTION COMBINING THE NOVEMBER CITY COUNCIL MEETINGS TO WEDNESDAY, NOVEMBER 7, 2012.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro, Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-217-12** Councilmember Rachlin presented and moved A RESOLUTION AUTHORIZING THE REFUND OF A COBRA PRESCRIPTION PAYMENT.

The motion was seconded by Councilmember Mione.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-218-12** Councilmember Wenson Maier presented and moved A RESOLUTION AUTHORIZING THE TAX COLLECTOR TO REFUND OVERPAYMENT OF TAXES DUE TO A JUDGMENT OF THE TAX COURT OF NEW JERSEY FOR THE 2010, 2011 AND 2012 TAX YEARS.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-219-12** Councilmember Saliga presented and moved A RESOLUTION AUTHORIZING THE REFUND OF OVERPAYMENT OF TAXES FOR THE 2007 FISCAL YEAR.

The motion was seconded by Councilmember Brown.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

Council President Steinman declared the motion carried.

***AR-220-12** Councilmember Mione presented and moved A RESOLUTION AUTHORIZING THE REFUND OF OVERPAYMENT OF TAXES FOR THE 2009 FISCAL YEAR.

The motion was seconded by Councilmember Wenson Maier.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-221-12** Councilmember Wenson Maier presented and moved A RESOLUTION AUTHORIZING THE REFUND OF OVERPAYMENT OF TAXES FOR THE 2011 TRANSITIONAL YEAR.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-222-12** Councilmember Brown presented and moved A RESOLUTION AUTHORIZING THE REFUND OF OVERPAYMENT OF TAXES FOR THE 2012 CALENDAR YEAR.

The motion was seconded by Councilmember Scaturro.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-223-12** Councilmember Scaturo presented and moved A RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE REDEMPTION OF TAX SALE CERTIFICATES.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturo,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-224-12** Councilmember Scaturo presented and moved A RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE REDEMPTION OF TAX SALE CERTIFICATES.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturo,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-225-12** Councilmember Scaturo presented and moved A RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE REDEMPTION OF TAX SALE CERTIFICATES.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturo,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-226-12** Councilmember Scaturo presented and moved A RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE REDEMPTION OF TAX SALE CERTIFICATES.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturo,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-227-12** Councilmember Scaturo presented and moved A RESOLUTION AUTHORIZING THE REFUND OF MONEY DUE TO THE REDEMPTION OF TAX SALE CERTIFICATES.

The motion was seconded by Councilmember Rachlin.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturo,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

***AR-228-12** Councilmember Wenson Maier presented and moved A RESOLUTION AUTHORIZING REFUND OF PARKS & RECREATION FEES.

The motion was seconded by Councilmember Brown.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturo,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

AR-229-12 Councilmember Steinman presented and moved A RESOLUTION AWARDDING A CONTRACT TO BENECARD SERVICES, INC. FOR THE PROVISION OF PRESCRIPTION BENEFITS MANAGER SERVICES.

The motion was seconded by Councilmember Brown.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro, Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.

11. Ordinances – Second Reading

O-24-12 Council President Steinman: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption:

AN ORDINANCE OF THE CITY OF RAHWAY, COUNTY OF UNION, NEW JERSEY, AUTHORIZING THE MAYOR AND CITY CLERK PURSUANT TO N.J.S.A. 40A:20-1 ET SEQ. TO EXECUTE A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF RAHWAY AND MERIDIA, LAFAYETTE VILLAGE URBAN RENEWAL, RAHWAY, LLC FOR PROPERTY LOCATED ON LOT 1.02 IN BLOCK 320 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF RAHWAY AND LOCATED IN THE CENTRAL BUSINESS DISTRICT AREA

BE IT ORDAINED by the Municipal Council of the City of Rahway that:

Section 1. The Municipal Council of the City of Rahway designated Block 320/ Lot 1.02 (the “Property”) as part of a larger redevelopment area (the “Central Business District Redevelopment Area”) and adopted the Central Business District Redevelopment Plan on May 9, 1998 (the “Plan”), which Plan has been amended.

Section 2. The City of Rahway (the “City”) and the Rahway Redevelopment Agency (the “Agency”) have undertaken various projects (with and without private redevelopers) within the Central Business District Redevelopment Area.

Section 3. The Agency has previously entered into a redevelopment agreement for the redevelopment of the Property with Dornoch Rahway, LLC, which redevelopment agreement was terminated in May 2011 by the Agency.

Section 4. Capodagli Property Company, LLC, an affiliate of Meridia Lafayette Village Urban Renewal, Rahway, LLC, (the “Redeveloper”) has successfully completed a market rate residential rental project in a redevelopment area on East Grand Avenue in Rahway and is currently developing a 108 unit market rate residential rental project pursuant to a redevelopment agreement with the Agency on property behind City Hall.

Section 5. On March 7, 2012, the Agency designated Meridia Lafayette Village Urban Renewal, Rahway, LLC as conditional redeveloper of the Property for the development of a 115 unit residential project.

Section 6. On or about August 15, 2012, the Agency and the Redeveloper are expected to entered into a redevelopment agreement, which will set forth certain terms and conditions with respect to the redevelopment of the Property, the construction of the improvements and the payment of certain costs in connection therewith.

Section 7. Pursuant to and in accordance with the provisions of the Long Term Tax Exemption Law, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State, and the acts amendatory thereof and supplement thereto (the “Long Term Tax Exemption Law”, as codified in N.J.S.A. 40A:20-1 et seq.), the City is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes.

Section 8. The Redeveloper recently acquired the Property from the prior redeveloper with the consent of Wells Fargo Bank, who held a mortgage on the Property.

Section 9. The Redeveloper has submitted an application for the approval of a Project, as such term is used in the Long Term Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the “Exemption Application”, a copy of which is attached hereto as Exhibit A).

Section 10. The Exemption Application requests a 15-year term for the Financial Agreement and an annual service charge based on 10% of annual gross revenues from the Project.

Section 11. The City and the Redeveloper have reached agreement with respect to, among other things, the terms and conditions relating to the Annual Service Charges and desire to execute the Financial Agreement.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of Rahway, County of Union, New Jersey, as follows:

Section 1. The Exemption Application is hereby accepted and approved.

Section 2. The Financial Agreement is hereby authorized to be executed and delivered on behalf of the City by the Mayor in substantially the form attached hereto as Exhibit B, with such changes as the Mayor (the “Authorized Officer”), in his sole discretion, after consultation with such counsel and any advisors to the City (collectively, the “City Consultants”) shall determine, such determination to be conclusively evidenced by the execution of the Financial Agreement by an Authorized Officer as determined hereunder. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officer of the City as determined hereunder and to affix the corporate seal of the City o the Financial Agreement.

Section 3. The Authorized Officer of the City is hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officer or the City Clerk, as applicable, in his respective sole discretion, after consultation with the City Consultants, to be executed in connection with the execution and delivery of the Financial Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officer deems necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 4. This ordinance shall take effect upon final passage and publication as required by law.

Council President Steinman opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

Josh Donovan
Patrick Cassio

615 Seminary Ave.
1971 Barnett St.

With no one else appearing, Council President Steinman closed the Public Hearing.

Roll Call for O-24-12:

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

O-25-12 Council President Steinman: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption:

AN ORDINANCE AMENDING CHAPTER 327, "RECREATIONAL AREAS" OF THE REVISED GENERAL ORDINANCES OF THE CITY OF RAHWAY TO INCLUDE REGULATIONS FOR USE OF THE RAHWAY RECREATION CENTER

BE IT ORDAINED, by the Municipal Council of the City of Rahway that Chapter 327 "Recreational Areas" of the Code of the City of Rahway be and is hereby amended and supplemented to read as follows:

SECTION I. Section 327-4.D. is hereby amended by addition of the following language at the end of the section:

The Municipal Administrator, or his/her designee, may in the exercise of his/her discretion, waive or reduce the fees for any Rahway based non-profit organization or individuals and may adjust the fees based on a reduced use of the Rahway Recreation Center (less than use of the entire Rahway Recreation Center.)

BE IT FURTHER ORDAINED, this ordinance shall take effect upon adoption and approval in accordance with applicable law.

Council President Steinman opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

With no one appearing, Council President Steinman closed the Public Hearing.

Roll Call for O-25-12:

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro,
Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

12. MISCELLANEOUS

13. COMMUNICATIONS - Hearing of Citizens

Patrick Cassio 1971 Barnett St.
Questioned absence of Business Administrator, Assistant Business Administrator and Mayor from meetings. Spoke on property taxes and PILOTS and claimed that the City was awarding sweetheart deals. Commented that the City will not receive funds from the UCUA next year and that Merck is still demolishing buildings.

Josh Donovan 615 Seminary Ave.
Spoke on property assessment and taxes for redevelopment properties; questioned necessity of PILOTS and suggested Council provide more information to the public.

Scott Caffee 756 W. Scott Ave.
Spoke on tax appeals, home values and tax increases. Commented on the size of Council and absence of Business Administrator and Mayor. Claimed that the Council does not see the problem. Criticized fire truck purchase. Claimed CFO is not qualified. Spoke on handicapped curbs near Rahway Park.

With no one else appearing, Council President Steinman closed the Public Hearing.

14. COUNCIL COMMENT

Councilmember Mione: Spoke on tax refund resolutions.

Councilmember Baker: Comments made by speakers erroneous. Spoke on absence of Business Administrator and that Rahway's tax rate is the second lowest in Union County. Said that claims made that the Council is not doing its job are incorrect. Commented that the public has the right to ask questions during the planning and Council stages of the Meridia Lafayette project.

Councilmember Wenson Maier: Said that the Council would be asking questions if the Business Administrator did not have a legitimate excuse not be at the Council meetings. Praised the competence of the CFO. Said that both Meridia redevelopment projects will meet US Green Building Council standards.

Councilmember Brown: Said that the Council works hard to satisfy constituents. Spoke on the mentoring program at Ebenezer AME Church. Said that he has worked with the Recreation Department and Board of Education for “parenting for preschoolers” program.

Councilmember Steinman: Said that Revenue increased significantly due to tax incentives and redevelopment. Asked CFO to ask the Board of Education how many new students live in the new redevelopment buildings. Asked City Attorney to speak on the legality of personnel matters and tax appeals.

City Attorney Louis Rainone: Said that personnel matters are confidential and that the Mayor is not required to attend Council meetings. Said that Merck comprises approximately 20% of the City tax base and that last year’s tax appeal was the first one they have ever filed. Commented that the settlement with Merck was a fraction of what Merck was originally requesting. Said that hundreds of tax appeals have been filed this year and described the appeal process. Commented that most redevelopment projects in Rahway have been achieved without abatements and that Rahway is one of the few towns in the state that is still seeing new construction.

15. ADJOURNMENT

Motion to adjourn the meeting at 7:46 p.m. was made by Councilmember Scaturro and seconded by Councilmember Baker.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Scaturro, Wenson Maier, Steinman

ABSENT: Councilmember Saliga

Council President Steinman declared the motion carried.