

A CONFERENCE MEETING OF THE CITY COUNCIL OF THE CITY OF ORANGE TOWNSHIP HELD IN THE COUNCIL CHAMBERS, CITY HALL, 29 NORTH DAY STREET, ORANGE, NEW JERSEY, ON TUESDAY, MARCH 5, 2013 AT 7:00 PM.

1) ROLL CALL	PRESENT	ABSENT
Hon. Hassan Abdul-Rasheed (West-Ward)	_____	<u>Arrived@7:10pm</u>
Hon. Elroy A. Corbitt (At-Large)	_____X_____	_____
Hon. April Gaunt-Butler (At-Large)	_____	_____X_____
Hon. Linda Jones-Bell (East-Ward)	_____X_____	_____
Hon. Edward B. Marable, Jr. (South-Ward)	_____X_____	_____
Hon. Donna K. Williams (At-Large)	_____X_____	_____
Hon. Tency A. Eason (North –Ward)	_____X_____	_____
Council President		

ALSO PRESENT

Dwight Mitchell, Municipal Clerk	_____X_____	_____
Hon. Dwayne D. Warren, Esq., Mayor	_____	<u>Arrived@7:45pm</u>
Dan S. Smith, City Attorney	_____	<u>Arrived@7:15pm</u>
Kevin D. Harris, Legislative Research Officer	_____X_____	_____
Margarette Homere, Clerk’s Office	_____X_____	_____

PLEASE STAND FOR A MOMENT OF SILENCE

SPECIAL NOTICE: Please be apprised anyone wishing to discuss Agenda or General Items shall sign one (1) book. There will be two (2) columns in the book, one (1) for Agenda Items and one (1) for General Issues. Each person signing the book will check Agenda Items or General Issues. If they check only Agenda Items or General Issues, they will be allowed to speak for five (5) minutes. If they check General Issues and Agenda Items, they will be allowed to speak for ten (10) minutes.

- 2) The Municipal Clerk announces that the requirement of N.J. S.A. 10:4-9 et. Seq., “Sunshine Law” has been met. A notice of this meeting was sent to the *Star Ledger* and published in *the Record-Transcript* on July 5, 2012, posted on the Bulletin Board in City Hall and filed in the Office of the Municipal Clerk.

3) MATTERS FOR DISCUSSION

“Shop Your Town Property Tax Card Program - Presented by – Bruce Jones

Council President recognized Mr. Nick Campanelli

Mr. Campanella, Director, Property Tax Card

This program is designed to assist residents in lowering their property taxes by shopping at stores in Orange, NJ. The more the residents shop locally, the more they accumulate monies to pay down their property taxes. It is a loyalty award program.

- The company started in 2009 and has presented the concept to the Mayor
- Phim Credit is a credit card company, a division of Merrimack
- A loyalty card is distributed, registered, and then residents shop at a participating merchant. Whatever the merchant is offering as discount (5%, 10%); that percentage would be applied to that person's block and lot, to pay down their property taxes.
- At end of year end, about 8 weeks prior to a new tax bill being generated, they work with the local tax software system company, and upload the funds they have accumulated throughout the year, from the program and send the money to the tax department.
- They still pay the full amount to the tax department. The company usually works with a sponsoring bank.
- The Mayor and Town/City Council would usually send a letter to residents to explain how the program works.
- Each business owner would get a web-site if participating
- They create a Facebook account for the town too – to be able to have a social network among the town's businesses. The Facebook account will also notify the businesses/stores of special things happening in town.
- Each merchant gets a window sign.
- Towns that use this program, are experiencing good response.
- The program was launched in Bayonne and introduced to the towns of Irvington, Newark
- They work with the UEZ Program or with the Chamber of Commerce to normally get the program going.

Councilman Corbitt likes this idea or any idea that helps to lower taxes.

- He believes it may be challenging to sell the idea to stores.
- He reviewed the process and asked what is the benefit to Mr. Campanelli's company?
- Is there a charge to the store every time the card is swiped?

Mr. Campanelli stated that the Shop Your Town – Property Tax Credit Program receives 25% of whatever the merchant is offering as a discount.

- A store owner usually advertises \$300.00-\$400.00 a month; this program would be much less.
- There is no charge for the swipe, Shop Your Town absorbs this.
- The business can utilize the on-line system to transact business, or
- They could buy card Swipers with a USB port for about \$50.00 to \$60.00 dollars.
- Some merchants look towards a dedicated terminal that would cost about \$150.00.00

- Normally businesses just use Shop Your Town's web-site.
- Some towns are also beginning to offer this program to local residents who do not own property (they would get a chance to participate by receiving a check at the end of the year.
- Another town is looking to offer the program to city employees for example, fire fighters and police.
- There are many ways to customize the program to fit the needs of the community.

Council Corbitt suggested Mr. Campanelli reached out to the Orange Chamber of Commerce.

Councilman Marable inquired as to who are the other towns the company is working with and how does it work?

- Mr. Campanelli stated it has been launched in Marlboro Township 6 mos ago.
- Other towns are entertaining this idea, such as, West Orange, Caldwell and Highland Park. They have 5 towns that have signed up. They have also met with other municipalities such as Irvington and Newark; and they too are interested.
- An example of how it would work: A person would purchased a \$100.00 item. The merchant is offering a 10% discount. \$10.00. \$2.50 is Shop Your Tax program's money. The remaining \$7.50 would be applied towards the resident's tax bill – their specific block and lot.
- Disputes are handled with the residents and work towards resolving any problems.
- All businesses could participate except for insurance, banking and real-estate companies/stores/businesses.
- The program can be designed to make it convenient for the business owner.
- The business can also change the discount that they are offering.
- Businesses may increase the price, but then residents may not go to that store, if they believe the merchant is increasing the product too much.

Councilwoman Williams inquired about the processing fee.

- Mr. Campanelli stated again there is a processing service fee of \$10.00 per month by Merrimack for each business owner to participate in the program. It is a flat fee.
- A machine would cost \$150.00-\$160.00 a month and the business would own the machine.
- City employees may also be issue a card, including non-residents (similar to a rebate).
- One would begin with an ordinance or resolution. They usually work with the City Council to help start a program.
- It takes about 60-90 businesses to start a program; once the town issues the resolution.
- No start up charge to the city.
- They would need a sponsor, such as a bank to get the program started.
- They would like to start a program in Orange with about 20 businesses.
- A resolution cannot be entertained unless there is a sponsor.
- The program uses both cash and/or credit (it can be both).
- Mr. Campanelli stated the once there sponsor is obtained, it may take about 3 months to get started.

- The benefit to the sponsor is branding, possibility of increase customers and a website,
- A renter would be identified by their address.

Councilman Abdul-Rasheed inquired who monitors the integrity of the program.

- Mr. Campanelli stated that each resident can review the status of the account.
- A monthly report can be determined to give to the town councils and others in administration, if desired. The report can state how many stores are participating, how much spending, etc.
- Shop Your Tax sales team goes to the business owners, Chamber, UEZ to start the program.
- There is a customer service department to answer any questions. They assist the senior citizens a lot.

Council President Eason states she wants the card, what is the start up cost per merchant?

- Mr. Campanelli stated \$10.00 per month, or a machine for \$160.00, and again \$10.00 monthly flat fees.
- Again no start-up charge to the city.
- A local bank, or CFO or another business may sponsor the card.
- The card would be mailed to residents' home containing an ID number and a Pin number. Enter via computer this information, plus one's block and lot.
- Top obtain a sponsor, they would reach out probably a local bank.

Councilwoman Linda Jones-Bell inquired if an institution does not want to sponsor the program.

- They usually find a sponsor. Mr. Campanelli provided examples of stores and merchants sponsoring the program.

Council President Eason recognized Councilman Abdul-Rasheed

Councilman Abdul-Rasheed inquired as to why the council is just receiving the Bill List.

Council President Eason is not voting on anything that she has not reviewed.

Councilman Rasheed continued to inquire about why the bill list is received so late.

Council President Eason noted that no one from the Administration was present, so the council will wait and inquire later.

Council President Eason entertained a motion to add Mary Mayes to the Matters of Discussion Agenda to speak about the City of Orange Future Projects.

Motion: Abdul-Rasheed

Second: Jones-Bell

The roll call by Municipal Clerk was as follows:**Yes:** Abdul-Rasheed, Corbitt, Gaunt-Butler, Jones-Bell, Marable, Williams, Eason**Nays:** None**Abstentions:** None**Absences:** None**Council President Eason ruled the motion was carried by Seven Yeas, No Nays, No Abstentions and No Absences.****Marty Mayes, Director of Planning Development and Public Works****A. With reference to the RPM-Tony Galento project**

- There are two ordinances on the agenda tonight and issues continue to be worked through.
- There has been a meeting of the finance committee and the council. Several issues still need to be worked out; therefore Mr. Mayes has asked for those to be tabled.

B. With respect to two resolutions, *101-2013 and *102-2013:

- Resolution *101-2013 will remain on the agenda tonight. That project had a redevelopment agreement and it is being rescinded. The properties in reference are the former Peppermint Lounge and Gregory's; a club down the street.
- Resolution *102-2013 is also pertaining to two projects which is the Old Peppermint Lounge, as well as Gregory's, a club down the street. This resolution is focusing on approving a new developer for the project/s. This one will be withdrawn from the agenda. It is not ready to move forward.
- These two items have already been discussed with the finance committee and he believes that the committee is in agreement.

C. 400 Oakwood Ave – A PILOT agreement, A Senior apartment

- 400 Oakwood Ave., received a tax abatement 30 years ago from the city which is now expiring. The attorney is present, working with Marty Mayes and the administration months ago...they are working on the agreement. The desire is to renew the agreement and try to obtain an increase more of a payment from them. This will be brought on the floor tonight.

Council President recognized Councilman Abdul-Rasheed.

Councilman Abdul-Rasheed reiterated the concern regarding just hearing about the 30 Years 400 Oakwood tax abatement expiration.

Mr. Mayes, stated that the abatement agreement was reviewed by the Finance Committee, budget person, Mr. Deiter.

Council President Eason stated:

- It is an extension of the PILOT agreement.
- The rental expires 3/16/2013.
- Amount of increase 6.4% increase to 9.8% we are getting an increase in dollars the city will receive.
- It is being done by resolution because the original pilot was done by resolution.
- Also Section 8 has to be extended

Councilman Abdul-Rasheed was still concerned as to why is the council hearing about this just seven minutes ago.

Mr. Mayes deferred to the attorney, Mr. Beckelman.

Council President Eason recognized Robert Beckelman

Robert Beckelman, attorney for Greenbaum, Rose, Smith and Davis representing the owners of 400 Oakwood Ave, Orange, NJ.

- This agreement has not expired, but it will before the next city Council meeting
- This is tied to the housing assistance program
- If certain regulatory agreements with the state, the tax abatement agreement would automatically extend when the regulatory agreement extended, by virtue of the regulatory extensions. The administration disagreed. Administration suggested a new agreement that we amend and ask for an increase payment.
- What changed is there is an increase of 6.28% to 9.4%.

Council President recognized Councilman Abdul Rasheed

He inquired how long the attorney had been working with the issues. He summarized for the attorney.

Council President recognized Councilman Marable

Councilman Marable asked if fully taxed what would the net effect be to the client?

Attorney Beckelman stated that if fully taxed, based upon the rents received, it would be released from restrictions of low income housing. If released or if fully taxed:

- They would not be able to sustain the tax bill and maintain the project.
- The maintenance would suffer and the programs would suffer.
- It would open to market rate rental; it would be consistent with affordable rents, but without the subsidy.
- They would not have the funds to sustain the program.
- There is a limit to the agreement. The original agreement had a 50 year agreement.
- The new term's commencement is not a full ten years.
- The housing is 100% subsidized; project base, Section 8.

Councilman Marable stated that we do not have this agreement, why? Copies were being made.

Council President Eason recognized Councilman Abdul-Rasheed.

- Councilman Abdul-Rasheed asked if the market transitions, if we move into a market rate --- an ideal market in 7-10 years from now; is it fair to say they would not be able to afford it.
- Yet, they did enter the resolution of the program.
- If not a special program, Mr. Beckelman stated, the residents would have to independently go through a voucher program.

Council President Eason recognized Councilwoman Williams**Councilwoman Williams**

- Apologized that she was not able to return Mr. Beckelman's phone call.
- She did meet with the financial committee, but the financials were not available. She inquired as to if they were available, now.
- Although it appears that with the increase, it could be beneficial to the city, but she stressed the importance of seeing the financials.

Mr. Beckelman stated the financials were not available.

- Councilwoman Williams stated the standard tax rate is 10%. Why is that not being done? Currently the agreement is indicating 9.8%. Councilwoman Williams asked if it could be increased to 10%.

Mr. Beckelman stated yes they could handle the 10%.

- Council President Eason stated she had received letters from the tenants, and the seniors are concerned and nervous about the potential changes. They are concerned about eviction.

Councilman Rasheed inquired as to if Mr. Beckelman has the agreement with him.

- Mr. Beckelman apologized for not having the documents.

Council President Eason thanked Mr. Beckelman.

Council President Eason recognized Councilman Abdul-Rasheed

- Council man Abdul-Rasheed inquired as to if there was a problem waiting until March 19th, 2013 to handle the Bill List. Council President Eason stated the Mr. Mapp, Director of Finance and the Mayor Dwayne do not have a problem with keeping this bill lists until the 19th.
- Councilman Abdul-Rasheed stated that the matter concerning 400 Oakwood, the senior building is a do or die issue.

Councilman Marable, in that regard, believes that failure to make a decision tonight about the tax abatement at 400 Oakwood will not immediately impact everyone there. The difference between tonight's meeting and the expiration date is three days.

Mr. Beckelman stated that is correct. No-one's rate would increase, nor one evicted if a decision was not made tonight.

Council President Eason recognized Councilman Abdul-Rasheed

- Councilman Abdul-Rasheed commented regarding the Bill List.
- Councilman Abdul-Rasheed questioned why the Bill List was given to the city council member a few minutes ago.

Council President Eason recognized Mr. Adrian Mapp, Director to Finance

- Mr. Mapp stated that the Bill List was delayed because of the Municipal Clerk's requested to review purchasing bills pertaining to his office. That resulted in the delay.

Municipal Clerk Mitchell, in reference to the Bill List stated that he had not seen it. The Bill List is usually intact with the agenda.

Councilwoman Eason stated there will be no voting on the Bill List this evening. She has not had a chance to review it.

Council President Eason Recognized Marty Mayes

Mr. Mayes, Director of Planning stated Ordinances 38 and 39 are currently tabled.

Council President recognized Councilwoman Williams

Council President entertained a motion to hear a report for the Finance Committee

Motion: Williams

Second: Jones-Bell

Municipal Clerk announced the roll calls as follows:

Yeas: Corbitt, Gaunt-Butler, Jones-Bell, Marable, Williams, Eason

Nays: None

Abstentions: Abdul-Rasheed

Absences: None

Council President Eason ruled the Motion was passed with Six Yeas, No Nays, One Abstentions, No Absences

Council President Eason recognized Councilwoman Jones-Bell

The finance committee met on February 28, 2013^h. Present were: Jones-Bell, Gaunt-Butler, Williams, Lerch, Scott, Martoglio, Mayes, K. Harris, Petelli

Councilwoman Jones-Bell reviewed the financial report as per items:**Tony Galento Project:**

1. Met with RPM and discussed the financial statement and the ability to improve the return for the city of Orange.
 - a. Rental units standard and remain the same – still in negotiations
 - b. Market Rates – pending negotiations
 - c. Condo rates – pending negotiations
 - d. Parking Rate – pending negotiations
2. Ordinance 38- and 39 will remain tabled and presented at the first tax meeting in April.
3. Pilot Agreements:
 - Oakwood Avenue
 - Peppermint Lounge
4. Bond – Anticipation Ordinance – The Reservoir Lease funds will be discussed at the next Finance Meeting
5. 27th pay period – all legal – mute point
6. Proposed transfer of funds – waiting for outstanding documents – until tonight. They now have the documents.
7. 2013 Orange City Budget – delayed until March 19th

The finance committee will meet again March 14 or 15, 2013.

- **Councilman Marable inquired if Ordinance 38 be put back on the table?**
- **Council President Eason stated that action will be taken tonight in that regard.**
- **Councilman Corbitt inquired about the transfer funds and if they are to receive those documents tonight and what is the committee's recommendation.**
- **Councilwoman Williams responded that the committee received Mr. Mapp's transfer resolution and will forward to the budget consultant. Then a recommendation will be made by the Finance Committee.**

- Council President Eason what is the status of our monthly budget statement. She asked for the December's monthly statement.
- Mr. Mapp sated the reason the council had not relieved the statements is because they were closing out the year end. The council will receive those statements directly.
- Councilman Abdul-Rasheed asked if he would be able to obtain the documents that the financial committee has. Councilwoman Williams stated that Councilman Abdul-Rasheed does receive the documents as they receive them. He would be able to have the same documents.
- Council President Eason noted the Municipal Clerk is requesting all committee reports must be filed in the clerk's office.

4) RESOLUTIONS AND ORDINANCES

The resolutions and ordinances to be presented at tonight's meeting are listed on the attached Regular Meeting Agenda. If any Council Member wishes to discuss any resolution or ordinance, it may be discussed at this time.

5) MOTION TO ADJOURN

Council President entertained a motion to adjourn the conference meeting.

MOTION: Corbitt **VOICE VOTE** **SECOND:** Gaunt-Butler

ADJOURNMENT: 8:25 PM

Municipal Clerk
Dwight Mitchell, RMC

Council President
Tency Eason

MINUTES APPROVAL

Passed on May 7, 2013

Conference & Regular Meeting on March 5, 2013

Motion to Adopt: Williams

Second: Corbitt

The roll call by Municipal Clerk was as followed:

Yeas: Corbitt, Gaunt-Bell, Jones-Bell, Marable Jr., Williams and Eason

Nays: None

Abstentions: None

Absences: Abdul-Rasheed

Council President Eason ruled the Motion was Carried by Six Yeas; No Nays; No Abstentions; and One Absent.