REGULAR MEETING MINUTES

Oceanport, New Jersey
August 7, 2008

The Regular Meeting of the Oceanport Mayor and Council was called to order on August 7, 2008 at 8:00 P.M. with Mayor Mahon stating the meeting had been properly advertised in accordance with the law.

MEMBERS PRESENT: Councilpersons Briscione, Gallo, Ibex, Irace, Johnson and Mayor Mahon

MEMBERS ABSENT: Councilperson Kahle

OFFICIALS PRESENT: Borough Clerk, Kimberly A. Jungfer and Borough Attorney, John O. Bennett, III

INVOCATION: Borough Chaplain Robert Mills gave the invocation.

PLEDGE OF ALLEGIANCE: Mayor Mahon led the audience and members of the Council in the flag salute.

CONSENT AGENDA

1. Resolution Authorizing the Payment of Bills. **R-08-107**
2. Resolution authorizing a tax refund. **R-08-108**
3. Resolution authorizing the transfer of certain public records to the Monmouth County Archives. **R-08-109**
4. Resolution appointing a Code Enforcement Officer. **R-08-110**
5. Resolution/Memorandum regarding the Fort Monmouth Redevelopment Final Draft Plan. **R-08-111**
6. Approval of the workshop minutes from July 17, 2008.
7. Resolution directing the Mayor in his capacity as a FMERPA Board Member to vote no on the FMERPA Reuse Plan and to ask that FMERPA request an extension on submission of the Plan to the DOD until concerns regarding the accuracy of the Plan can be addressed and answered. **R-08-112**

The Clerk stated that there was one additional item, #7, added to the Consent Agenda. The Mayor stated that Items 5 and 7 of the Consent Agenda would be taken separately. The Clerk asked for a motion on the remaining items. Councilman Irace moved to approve the remaining items on the Consent Agenda, which was seconded by Councilman Ibex and approved by the Council members present.

The Clerk asked for a motion on Item #5. Councilman Irace moved to approve Item #5, which was seconded by Councilman Ibex and approved by the Council members present with the following comments that were presented regarding the motion:

Councilman Briscione: "Two years ago I warned that a proposed state takeover of the Fort Monmouth Reuse Committee would not be in the best interests of Oceanport. My review of the redevelopment plan leads me to believe my fears have been realized. My main concern with the plan as proposed is the potential for an extremely negative financial effect on existing residents. The issues that have not been answered to my satisfaction include:

- The location and number of the homeless NOI's in Oceanport
- COAH numbers and credits as a result of development
- The costs of the infrastructure improvements and who has the financial responsibility for those costs

- The flawed assumptions for the financial projections that indicate we will have a (-$7,000) tax impact after 10 years; and a $64,000 surplus after 20 years. In fact, FMERPA's first economic consultant told us that taxes would increase as a result of redevelopment.

What is the number of homeless Notice of Interest units that will be in Oceanport and what will our corresponding COAH credits be? How will Oceanport pay for the municipal services associated with these improvements if they are tax exempt? Additionally, what will our COAH growth share numbers be as a result of redevelopment?

Reported infrastructure costs are $50 million without the estimated cost of gas, water and telephone services. The cost for roads, bridges, and drainage improvements are not mentioned in the report. In the Homeless NOI report, the need for a $65 million school is forecast. Where are these numbers accounted for in the municipal costs?

Office development in Oceanport reported at 473,119 square feet with a 90% occupancy rate. I question the reliability of the assumptions associated with this project based on declining rents, increasing capitalization rates, and increased vacancy as a result of the base closure. Also, forecasted assessments are overestimated based on current assessments on similar properties in the market. Errors were made in the calculations for the hotel assessment and the FEMA property was erroneously listed on the tax rolls. Federal property is exempt from local property tax. If I adjust these numbers to reflect current revaluation figures, and remove the amount attributable to the FEMA building, revenue is reduced by $322,000 creating a net fiscal impact in year 10 of (-$329,000). There is no mention of what the impact is in years 1-9. Also, property tax exemptions and financial incentives were not factored into the assessment projections. I have my doubts whether redevelopment can take place to the extent projected without a substantive incentive package. This would in turn substantially reduce the anticipated property tax revenue and increase the negative tax impact on the existing residents.
As a result of the FMERPA legislation Oceanport has little control over the manner in which the Fort is developed. Someone who I respect very much and has far more experience in BRAC issues, Jay Coffey, is of the opinion that decisions on how this property is going to be developed have already been made and will continue to be made based on:

- Financial Considerations(unfortunately not the host communities financial considerations)
- The Lobbying power of special interest groups

I'm going to read from FMERPA's LRA application Draft 3, which can be found on their website, and presents sobering realities.

> "**Of the total 1,500 dwelling units proposed in the Reuse Plan, 375 dwelling units are being designated as affordable. The combined number of proposed affordable and homeless units represents over thirty (30) percent of the total housing dwelling units proposed. That means that thirty (30) percent of the total housing units will be paying taxes on less than market value assessments and in the case of homeless units, no property taxes will be due based on tax exemptions for such units...The proposed reuse plan forecasts a revenue deficit of $7,000 during the initial redevelopment years for the Borough of Oceanport. The Borough of Oceanport will be carrying most of the load for the homeless accommodations proposed due to the fact that the borough of Oceanport will have the most developable acreage, the most proposed dwelling units and the most buildings available for reuse. The proposed homeless accommodations will generate a significant number of school-age children. However, the Borough of Oceanport will start out from day one with a negative capacity to handle additional school-age children due to the proposed reuse of existing historic housing located on Fort Monmouth. Any additional school age children in the Borough of Oceanport beyond the Borough's current**

limited capacity would result in a need to spend over approximately $65 million to construct a new school."

Ladies and Gentleman, this plan as presented, even without probable density changes, has the potential to be an economic disaster for the taxpayers of Oceanport. It may be time to consider if we can financially afford to be a part of this redevelopment."

Councilman Gallo: One concern that he has is the number of students proposed by the EDAW plan as the number of students appears to be low for a development this size and he is concerned with the new school being proposed – would it be in addition to or a replacement school that was first proposed. Another area of concern is the COAH plan with most of these homes finding there way to the Oceanport side of development which would mean a greater tax burden on the Oceanport residents. In the area of technological centers and hotels that would be needed to be built, would there be tax break incentives to get those projects built up thereby creating another tax burden for the residents of Oceanport.

Councilman Ibex: Councilman Ibex stated that his comments have been stated several times at other public hearings and he is in agreement with the comments already made that night. He stated he has questions regarding the key financial economic assumptions that have not been addressed in this matter all of which he has asked before which address the feasibility of the plan as presented to Oceanport. As he has been in the business of reviewing financial reports, projections and reports for 40 years, he is at a loss as to why there have been no answers to his questions. He has asked for an executive summary with the major points, favorable or unfavorable to Oceanport, was not given. Instead he received a 5-minute answer that was so long but was tantamount to 'no, I can't answer your question'. Until those and other serious questions are answered, he cannot, in good conscious answer what everyone is asking – is this right for Oceanport? He stated they have a long way to go before they can address the question is the Plan presented is feasible.

Councilman Irace: "Over the last 7 months I've spoken about the quality of life in Oceanport, the small town feel of our police department, and our Borough employees who go above and beyond on a daily basis. We all know that in Oceanport you can often find 3 generations of residents present on our athletic fields or enjoying our recreation facilities and parks. We also know that Oceanport is home to the many valuable volunteers of all ages who add quality to our lives every day. This town, which was recently voted #1 in Monmouth County and #4 in the state of New Jersey, is the place that we have all chosen to call "home".

The impending closure of Fort Monmouth poses a real threat to life as we know it. The development of Oceanport's portion of Fort property has been a major concern for some time now. Using careful planning techniques, the current Mayor and Council were able to reduce the number of new homes to approximately 700. This is down almost 1,100 from the initial plan. Further, I am very proud the we accomplished a 55% reduction in number of new homes to be added to our town."

We've worked closely with EDAW and FMERPA to obtain the best redevelopment result for our residents and will settle for nothing less. However, FMERPA has recently thrown our Borough some new curve balls. New homeless and COAH obligations and the possible elimination of our police department and court system threaten our quality of life and tax structure. There is also a potential threat to our overall sovereignty. This was certainly not what we bargained for and quite simply, it is the last straw for me. We need to look at other options. "

At this point, I believe our Borough may be better served by looking into the process known as deannexation. It is by this process that Oceanport may be able to walk away from the Fort Monmouth property. Oceanport's portion of Fort Monmouth land would then be deeded over to Eatontown. would urge our Council, Mayor and Borough professionals to take a seriously hard look into deannexation to see if we can make it happen. "

After all, the Oceanport I moved to almost 11 years ago is worth fighting for. I'm willing to fight for our sovereignty and the rights of our small town to remain just that, a small town."

Councilman Johnson: Councilman Johnson stated that all of his concerns have been addressed starting with the homeless shelters. Oceanport is the only town that has proposed to have 2 homeless shelters on its property. Also, the COAH obligations are a major concern. They have heard numbers of 20-30% COAH obligations in addition to what other Councilpersons have brought up which was the economic feasibility and the zoning that supercedes Oceanport's local planning board.

Mayor Mahon: "The legislation that created the Fort Monmouth Economic Revitalization and Planning Authority includes a Municipal Review provision clause that requires the submission of the final draft reuse plan to each of the three host communities for review and comment. This review period is 45 days and officially begun on June 30, 2008 and ends on August 14th. "

Tonight, we are not voting on the Fort Reuse Plan. Oceanport does not have the legal authority to do so. FMERPA does. Oceanport is voting on a set of comments and recommendations of our choosing. This is our only power. FMERPA has previously accepted review of the plan and responded favorably to those comments. I hope the time remaining prior to moving the plan to final adoption by FMERPA, will be spent incorporating these most recent recommendations."

The law specifically requires the local Planning Board's to review conformance with local master plans. Beyond that, the municipal review provides an opportunity for Oceanport to comment critically on those elements of the Reuse Plan that concern the borough for any reason. Accordingly, the Final Draft Reuse Plan was distributed to a variety of committees and appointed professionals for an in depth look at the plan. The Planning Board has fulfilled their obligation by discussing the plan on July 9th and introducing a resolution containing their critical review, followed by attending the FMERPA public hearing on the plan at Maple Place School on July 23rd. Immediately following, a special meeting of the Planning Board was held to receive additional public comment and formally adopt their plan review comments."

In addition to the Planning Board, the plan was distributed to the local school district administration for review and comment. In particular, an incorrect value in per pupil cost was discovered and this led to a correction in the Plan's Fiscal Analysis Section. Additionally, the Economic Development Committee submitted comments and as recently as Monday, the Council Parks & Recreation Committee met with County Park officials and Local recreation committee persons to review elements of the plan. Finally, our municipal planner reviewed the plan and submitted a critical list of comparisons between the Oceanport Vision Plan and the EDAW Fort Reuse Plan under review. "

We now have an obligation to formally adopt a resolution that incorporates the comments and recommendations of this collective review and submit to FMERPA as soon as possible so that changes or corrections to the plan can be made wherever possible. "

The Clerk called roll:

AYES:	Briscione, Gallo, Ibex, Irace, Johnson
NAYES:	None
ABSTAIN:	None
ABSENT:	Kahle

The Clerk asked for a motion on Item #7. Councilman Johnson moved to approve Item #7, which was seconded by Councilman Irace. Mayor Mahon offered the following comment on the motion:

"I have often said and firmly believe that I sit on the FMERPA board as Oceanport's representative. I believe it is my duty to represent the interests of the Borough as each and every element of the Reuse Plan evolves. This includes Homeless accommodations, affordable housing, transportation, preservation, environmental issues, infrastructure, jobs, and impacts on quality of life, taxation and the impact on the school system. I have involved the council, administration, public safety, the schools and appointed committees completely as issues required it. They have been informed and they have contributed greatly to the advocacy on their behalf. "

Through no fault of FMERPA, the regulations governing affordable housing have undergone a radical change. And although the obligation remains that of the municipalities, FMERPA is playing a central role in determining how these regulations will be applied in the Fort Monmouth Reuse Plan. Many things remain unclear. What is clear is that the costs associated with complying with the new regulations may have a catastrophic effect on the Borough of Oceanport."

While there have been multiple meetings, dollars and hours spent crafting an affordable housing plan that complies with the latest Council on Affordable Housing regulations and new legislation; questions remain. Answers remain elusive. "

On July 16th, Mayor Maclearie of Tinton Falls articulated this frustration by informing FMERPA that Tinton Falls could not support the plan without the COAH obligations being fully known and satisfied prior to the FMERPA vote approving the reuse plan. This frustration was echoed by each mayor in turn. On July 17th, I was asked if I supported the Mayor's position on the importance of COAH to the overall plan. I indicated yes. Most important, is this the wish of the governing body as I cast your vote on the plan? Adopting this resolution, sends a clear message that the COAH obligation is so critically important, that we risk the failure of FMERPA to adopt a plan and miss the deadline to submit the plan to the Department of Defense and HUD. Risking, instead that the plan for reuse may be determined by DOD without local involvement."

Instead, do we continue to work through our legal and planning professionals, our state elected officials, officials at COAH and FMERPA to craft an agreement that recognizes our major concerns? The loss of jobs as they contribute to growth share upon replacement, numbering more than 5,000; the impact of federally required set asides for homeless as a credit against our affordable housing obligation; and lastly the impact of a minimum set aside of 20% towards affordable housing as it relates to school age children, services and density."

I want to understand clearly, the council wishes on this issue, and trust that they have evaluated the potential negative or positive ramifications associated with this decision."

The Clerk called roll:

AYES:	Briscione, Gallo, Ibex, Irace, Johnson
NAYES:	None
ABSTAIN:	None
ABSENT:	Kahle

COMMITTEES:

COUNCILMAN BRISCIONE: Councilman Briscione extended his thanks to the Clerk who brought the Borough into the 21st century with the new audio equipment.

Councilman Briscione reported on Monmouth Park and that he attended a meeting there with the Mayor, the Borough Clerk, the Planning Board Chairman and representatives from the NJ Sports and Exposition Authority to discuss issues affecting Monmouth Park and the community. They discussed various items including the thoroughbred training center, racing dates, economic situation, ways to promote Monmouth Park and environmental issues. He stated that communications between the NJSEA and the Borough has been excellent over the past few years and looks forward to working with them as Monmouth Park remains important to the community and to the County from an economic, historic and open space perspective. He advised everyone that they are looking into scheduling a Council/Town Hall meeting in the Garden Room at the track later in the month to allow residents to see and learn more about the facility and other items that are affecting the community.

COUNCILMAN GALLO: Councilman Gallo reported on the Parks and Recreation Committee and a meeting to review the draft of the park improvement plan which was presented by Jeff Bottger of T&M Associates. He also gave details on a meeting with Faith Hahn from Monmouth County Parks regarding

the Fort Monmouth Reuse Plan and that the Council has their recommendations which are currently being reviewed. Councilman Gallo also reported that a yellow line had been placed down the center of the boat ramp and why that had been done and thanked the Superintendent of Public Works for getting that done.

COUNCILMAN IBEX: No report

COUNCILMAN IRACE: Councilman Irace made comments on the vote for the Fort Monmouth Reuse Plan and that it was nice to see everyone (on Council) is united and standing together on the Plan and its issues. He also extended thank you's to the Mayor and Police for a great day at Monmouth Park the day of the Oceanport Stakes for the great job that was done.

COUNCILMAN JOHNSON:

Councilman Johnson called for the introduction of an amendment to the **Vehicle and Traffic Ordinance** regarding overnight parking and asked the Clerk to read it by title only, after which Councilman Johnson moved to approve the Ordinance upon first reading, which was seconded by Councilman Irace.

The Clerk called roll:

AYES: Briscione, Gallo, Ibex, Irace, Johnson
NAYES: None
ABSTAIN: None
ABSENT: None

Councilman Johnson made a motion to hold the public hearing on the proposed ordinance at the Council meeting of August 21, 2008 and to advertise same in accordance with the law and was seconded by Councilman Irace.

The Clerk called roll:

AYES: Briscione, Gallo, Ibex, Irace, Johnson
NAYES: None
ABSTAIN: None
ABSENT: None

Councilman Johnson called for the 2nd reading and public hearing on an Ordinance amending **Chapter 44A entitled Parks and Playgrounds** and then asked the Clerk to read the affidavit of publication by title only.

Mayor Mahon then opened the meeting to the public for anyone who wished to be heard. As no one from the public wished to be heard, a motion was made by Councilman Irace to close the public hearing, which was seconded by Councilman Ibex and approved by Council.

Councilman Johnson then made a motion to adopt the Ordinance on second and final reading and advertise same in accordance with the law, which was seconded by Councilman Irace.

The Clerk called roll:

AYES: Briscione, Gallo, Ibex, Irace, Johnson
NAYES: None
ABSTAIN: None
ABSENT: None

Mayor Mahon stated for the record that Councilwoman Kahle was not present as she was not feeling well.

MAYOR MAHON: Mayor Mahon stated he had a few items to report on and begin with his remarks on the FMERPA Shared Services Study:

"Pending a review by the Council Public Safety Committee and the Full Council, I've suspended participation in the shared services study group. First, to allow the members of Council, and the representatives of the various public safety groups in the study, to read and evaluate the content of the study. Second, I've asked FMERPA, and they have agreed, to allow the Consultant to discuss the study with the Public Safety Committee and answer any questions they may have. Various dates are available that FMERPA has provided that the consultant is available for this purpose. Following these activities, at a minimum, and any further steps the Public Safety Committee or the Council may require, I will ask the council to lift the suspension and renew its participation in the ESAC committee. "

Remarks on Shared Services discussions with Shore Regional towns:

"I'm pleased to report that the 4 mayors have held 5 meetings since April with the last as recently as Monday of this week. Each element of our municipal operations has been discussed to some degree and information sharing has been a central focus. From Building Departments, to computerization of permitting records and access, to joint purchasing of Road Salt, Salt Storage facilities, Fuel Dispensing facilities, Public Safety, Communications, contracts, benefits, Tax collections, Court systems, Business Administrators, Patrol Cars, Fuel economy and affordable housing regulations, we have begun the process of discovering where we can form alliances, partnerships, joint efforts and mergers. We are sharing ordinances, concepts and inviting dialogue that may lead to cost savings for our tax payers. I will be providing reports on specific issues to the Council Committees having jurisdiction and getting their input and concerns. "

Mayor Mahon then stated he would like to echo Councilman Irace's comments regarding Oceanport Day at Monmouth Park and the Haskell. They were pleased to have as guests in the Winners circle, Colonel Christian and his wife and Freeholder Director Burry and her husband joined us. It was a great day for Monmouth Park and he was pleased that so many residents were present and able to enjoy the day.

Mayor Mahon then stated he had a few remarks regarding the upcoming Special Meeting planned for Monmouth Park on August 23rd. He stated that the Mayor and Council would still hold their Regular Meeting and Workshop the Thursday preceding. Mayor Mahon discussed the following items for the Special Meeting including format – panels-town meeting or Hearing format, potential panel topics: Parks Feasibility Study, Environmental (MP), Horsemen's Facility, taping for later rebroadcast on local access channel, community support for Monmouth Park and possibly a panel to discuss recent concerns regarding the pollution problem with the waterways.

PUBLIC:

The Mayor then opened the meeting for anyone from the public who wished to be heard.

Gary LaBruno, Wyandotte Ave, asked a question regarding the bill list and an invoice for Clarke Caton Hintz for $5500.00 for services beyond the initial scope. Mayor Mahon described what the initial scope was and what the additional services entailed including consulting on COAH matters and litigation the Borough is involved with and that the Council has since amended the scope so it is included.

Ed Miller, 94 Hiawatha Avenue, made comments regarding the rate structure and the ordinance for use of the fields and asked who was using it which the Clerk answered. Mr. Miller also asked when the next FMERPA meeting was and for details on the Special Meeting which the Mayor answered. Mr. Miller also made comments regarding the recent change in accessibility to the recycling center and

asked why the hours were set which Councilman Briscione answered as to the reasons why and some additional times being considered.

Mr. Miller asked about Steve Cioffi and if he had resigned from his police duties which he was told no.

As no one else from the public wished to be heard Mayor Mahon closed the public portion of the meeting.

Bill List: Capital Trust $111,430.01 Dog Registry $772.50. Escrow Trust $943.00. Fireworks Trust $4,550.00. Open Space $1,315.00. Recreation Trust $491.94. 2007 Vouchers Paid $161,234.00. 2007 Vouchers Paid this Meeting $.00. Total 2007 Vouchers Paid $161,234.00. 2008 Vouchers Paid $11,146,161.03. 2008 Vouchers Paid this Meeting $1,921,100.83. Total 2008 Vouchers Paid $13,067,261.86.

At 8:43 p.m. the Clerk read a Resolution authorizing the meeting to enter Executive Session on a motion made by Councilman Ibex and seconded by Councilman Johnson and approved by Council.

At 9:00 p.m. the Regular Meeting was re-opened on a motion by Councilman Johnson which was seconded by Councilman Irace and approved by Council.

As there was no further business, the meeting was adjourned at 9:02 p.m. on a motion from Councilman Ibex, seconded by Councilman Briscione and approved by Council.

Respectfully submitted,

KIMBERLY A JUNGFER
BOROUGH CLERK