

**BOROUGH OF RARITAN  
SPECIAL MEETING**

The Special Meeting of the Borough of Raritan Council was held on September 18, 2012 in the Municipal Building, 22 First Street, Raritan, New Jersey 08869 at 6:00 PM.

Mayor Jo-Ann Liptak presided and stated: This Special Meeting was called pursuant to the provisions of the Open Public Meetings Law. Notices of this meeting were sent to The Courier News and the Star Ledger on September 14, 2012. In addition, copies of notices were posted on the bulletin board in the Municipal Building, on the Raritan Borough website and filed in the office of the Borough Clerk on aforementioned date. Notices on the bulletin board have remained continuously posted. Proper notice having been given, the Borough Clerk is directed to include this statement in the minutes of this meeting.

**ROLL CALL**

Present: Denise Carra, Stefanie Gara, Paul Giraldi, Greg Lobell, Anthony Soriano, Donald Tozzi

Absent: None

Also Present: Mayor Jo-Ann Liptak; Daniel Jaxel, Borough Administrator; Mark Anderson, Borough Attorney; Karin E. Kneafsey, Chief Financial Officer; Warren Korecky, Borough Auditor and Rayna E. Harris, Borough Clerk

Mayor Liptak led the flag salute.

**DISCUSSION**

The following are items to be discussed in this Special Meeting:

1. Library Surplus Transfers per Chapter 83 of P.L. 2010
2. The annual audits and other financial documents of the Raritan Public Library
3. Raritan Public Library's 3 Year Strategic Plan
4. Raritan Public Library's Capital Improvement Plan
5. Completion of an inquiry into the return of tax funds from the Raritan Public Library to the Borough of Raritan

Daniel Jaxel commented our audit for the Raritan Public Library which ended on December 31, 2010 with a fund balance of \$747,727.60. He said on the proposed transfer forms to the State Librarian, line 6 which is the amount of carry over for funds restricted on capital programs and grants was \$221,102.00. He added this amount is less than the fund balance which was recorded in the audit. He said if the correct figure for fund balance placed on line 8 is \$1,193,622.60 minus the amount needed to fund the year the Borough should receive \$628,321.60 and not the 100,000.00 that they are proposing to return to the Borough. He added the audit for 2011 which ended December 31, 2011 shows on page 4 designated for capital improvements which was \$40,000.00 the previous year was now \$491,115.00 which is an increase of \$451,115.00. He asked please explain what this large increase of \$451,115.00 designated for future capital improvements is justified.

Mr. Warren Korecky replied in 2010 it was mandatory to complete a surplus transfer form. He added before then it was an optional 25% but it wasn't mandatory. He said if you had money in excess of your expenditures they gave 20% premium on top of anything above and beyond that plus. He added if you had anything in capital you had to return that amount to the municipality. He said in the audit of 2010 there should have been \$774,000.00 and not the \$221,102.00 and they would owe the Borough \$628,000.00. He added the question is where did the amount of \$221,102.00 come from that was on the form to the State. He said they would not be able to transfer the large amount of money into capital funds because it would not have been there, it would have gone to the Borough.

Council Member Tozzi asked if you were doing the percentages of profits for capital expenditures there should not be this amount of money left over.

Warren Korecky replied they still have the money, but it is now reclassified into capital. He added it has been shifted to another account.

Council Member Giraldi asked if there is future project that ties into that amount of money.

Mr. Korecky replied there is a three year plan for capital projects which are to be updated each year.

Council President Gara asked shouldn't this be with the structure.

Mr. Korecky answered yes the Library should define what the project is and the status of each project. He added this is defined by statute from the State Library but the law is vague.

Mayor Liptak commented the Borough has always paid for repairs to the Library.

Council Member Tozzi added so that \$451,000.00 is in a safe haven.

Council Member Giraldi replied there are no capital projects and the money has been moved as a paper transfer. He added the bottom line for two years has come out as they wanted.

Mr. Korecky said the Library also has reserve grants for repairs and improvements. He stated that the question is can this form be amended.

Council Member Gara asked do we have grounds to contact the State Library and make them aware of the errors we found in the forms that were filled out by the Borough Library.

Mark Anderson replied there is no official process but the answer is yes.

Council Member Tozzi asked shouldn't the Council be able to see these forms before they are submitted to the State.

Mr. Korecky replied they can just say they are allocating to capital.

Council Member Giraldi commented that in reality the local people know there are no capital projects being done. He added the money is sitting in accounts and CD's getting practically no interest and this is tax payer's money.

Council Member Lobell asked who paid for the last addition for the Library offices.

Council Member Giraldi commented it doesn't matter the surplus is still the surplus and it is still there.

Daniel Jaxel replied they may have used a grant.

Mayor Liptak read the Library's three year plan.

Council Member Lobell said the Library is looking to put an addition for youth and teens. He asked if that addition would come out of capital budget or would that come out of their funds. He said this is in their three year plan.

Mr. Jaxel commented if they wanted to use their money we still would want to approve this and look into it further maybe use a grant or try to get one. He added they haven't come to me with any of this so we really don't know.

Council President Gara commented there are impervious coverage restrictions.

Daniel Jaxel said it would help if the Library were here to explain. He added the answer from the Library when contacted is to stone wall.

Council Member Lobell replied going through their three year plan there is nothing that is considered Capital. He added they can't use and fund with their municipal contributions minus their wages, salaries and benefits which leaves them \$112,000.00.

Council Member Carra asked what recourse the Borough has in this situation.

Mr. Korecky replied the form has to be adjusted because it clearly is incorrect. He added the intent of the law is to give the Borough back the excess surplus.

Mark Anderson commented for years there has been a compromise approach to changes in the funding formula.

Council Member Gara replied we received a check for the year 2011 from the Library for \$101,696.00 and we were shorted \$526,625.60 is this correct.

Mr. Korecky replied according to the calculation from the auditor's follow up that is true. He added the money is still there but a large amount of it is called capital.

Council Member Giraldi added then when we ask for a clarification from the library we get none.

Council Member Gara replied with all the changes at the state level the check for the \$101,696.00 was held up.

Mayor Liptak replied this is the opportunity to put together an investigation committee which we are all in agreement may start a dialogue. She added with this investigation committee we may then have the power to have a strongly worded request for information and records.

Mark Anderson replied certainly one of the principles is to provide the teeth to a request for information.

Council Member Giraldi added in doing this the entire council may be construed as bullying.

Mayor Liptak commented that after going through the NJ Public Trustees Manual that the Mayor is a voting member. She read from NJSA40A:9-12.1.

Mr. Anderson added the Mayor can designate someone as an alternate but that person would be the voting member.

Council Member Lobell added he would not want to make any changes to the number of members or designating an alternate till after the reorganization meeting.

Council Member Giraldi said the Mayor can designate a liaison to vote as her alternate.

Council President Gara added she would like to sit down with the entire Library Board and would like to have legitimate comments from the members. She asked Daniel Jaxel if there was anything he wanted to add.

Mayor Liptak asked if the Library follows The Open Public Meeting Act, and if there is an opportunity for the public to comment. She also asked if there are minutes available.

Council Member Giraldi responded yes, they do have minutes but there is no public that attends Library meetings.

Mayor Liptak spoke about resident statistics using the county library. She added she was interest in finding out how many residents used the county library system.

Mr. Jaxel replied the form is wrong and they never made any attempt to define capital. He added there has been a total lack of cooperation.

Mayor Liptak added we have a responsibility to every tax payer to bring back to them as much of their money as possible so we do not have to cut services.

Council Member Tozzi commented all we want to know is what are you doing with the \$526,625.60 and why is it there.

Mayor Liptak asked if there were any major problems with the audit by Suplee, Clooney and Company.

Council Member Giraldi noted there were mostly insignificant mostly changes.

Karin Kneafsey asked can we approach the state with all of this and have the form changed.

Mr. Korecky replied the audit was straight forward and started with my beginning balance. He replied the state librarian can be notified and it brought to their attention the form is wrong.

### **PUBLIC COMMENTS**

At this point the Borough Council welcomes comments from any member of the public. To help facilitate an orderly meeting and to permit the opportunity for anyone who wishes to be heard, speakers are asked to limit their comments to 5 minutes. If reading from a prepared statement, please provide a copy and email a copy to the Clerk's Office after making your comments.

Richard Yadlousky, 267 Weiss Terrace, and Raritan, New Jersey 08869: Commended a number of years ago an autonomous Library was formed because the Towns didn't want politicians to dictate what was read. He asked how has it gotten to the point where the Library has gained this much autonomy. He asked where is the bite that has been spoken about and where is the remedy. He said it makes you scratch you head and say what's going on, this is just that frustrating.

Ronald Rispoli, 22 Woodmere Street, Raritan, New Jersey 08869: commented the seats at the Borough meeting are not filled and no one in town knows what is going on here. He asked where is the newspaper and why don't the people know what is happening. He added this is my tax money and your money too.

### **EXECUTIVE SESSION**

In public, Mayor Liptak read the Resolution to enter Executive Session.

### **RESOLUTION 2012-09-134**

Council Member Gara motioned to adopt Resolution 2012-09-134 seconded by Council Member Lobell. Motion was carried by the following roll call vote at 7:00 PM.

### **EXECUTIVE SESSION**

**WHEREAS**, the Open Public Meetings Act, N.J.S.A. 10:4-7, et seq., commonly known as the "Sunshine Law", requires that Borough Council meetings be open to the public except for the discussion of certain subjects; and

**WHEREAS**, the "Sunshine Law" requires that a closed session be authorized by resolution;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the Borough of Raritan that the following portion of this meeting shall be closed to the public; and

**BE IT FURTHER RESOLVED** that the meeting shall be resumed at the end of closed session; and

**BE IT FURTHER RESOLVED** that the subjects to be discussed and the time of public release of the minutes of the closed session are indicated below:

SUBJECT MATTER

Attorney-Client Privilege

TIME WHEN AND THE CIRCUMSTANCES UNDER WHICH THE SUBJECT MATTER CAN BE DISCLOSED:

Upon authorization by the Borough Attorney

MOTION	SECOND	NAME	YEAS	NAYS	ABSTAIN	ABSENT
		Carra	X			
X		Gara	X			
		Giraldi	X			
	X	Lobell	X			
		Soriano	X			
		Tozzi	X			

A motion was made by Council President Gara seconded by Council Member Tozzi to adjourn the Executive Session and to return to the normal order of business. Motion carried at 7:13 PM.

**RESOLUTION 2012-09-135**

Mayor Liptak read Resolution 2012-09-135

Council Member Tozzi motioned to adopt Resolution 2012-09-135 seconded by Council Member Lobell. Motion carried by the following roll call vote.

**RESOLUTION 2012-09-135**

**AUTHORIZING AND APPOINTING A MUNICIPAL INVESTIGATION COMMITTEE TO CONDUCT AN INQUIRY INTO LIBRARY SURPLUS FUND**

**WHEREAS**, a free public library was established in the Borough of Raritan (“Borough”) subject and pursuant to N.J.S.A. 40:54-1 *et seq.*; and

**WHEREAS**, a Library Board of Trustees (“Board”) was established and Board members appointed with the consent of the Borough Council, in accordance with N.J.S.A. 40:54-9; and

**WHEREAS**, the Board is vested with certain powers and is required to fulfill certain duties in accordance with N.J.S.A. 40:54-1 *et seq.*; and

**WHEREAS**, pursuant to N.J.S.A. 40:54-15, the Board is required to make an annual financial report to the Chief Financial Officer of the Borough identifying excess funds that the Board is required to approve and transfer to the Borough as miscellaneous revenue; and

**WHEREAS**, the Borough Council understands that the Board has not filed its statutorily mandated annual report and further understands that the Board has not identified, approved and transferred surplus funds to the Borough; and

**WHEREAS**, the Borough Council is responsible for the maintenance and expenditure of the Borough’s funds and therefore desires to inquire into the amount of surplus library funds due to be returned to the Borough; and

**WHEREAS**, the Borough Council is permitted to appoint an investigation committee of its members upon any subject or matter within its jurisdiction pursuant to N.J.S.A. 40:48-25.

**NOW, THEREFORE, BE IT RESOLVED** by the Borough Council of the Borough of Raritan that the Borough Council establishes all of its members as an investigation committee to conduct an inquiry into the amount of library surplus funds due to the Borough.

MOTION	SECOND	NAME	YEAS	NAYS	ABSTAIN	ABSENT
		Carra	X			
		Gara	X			
		Giraldi	X			
	X	Lobell	X			
		Soriano	X			
X		Tozzi	X			

**ADJOURNMENT**

Council Member Lobell moved to adjourn the meeting seconded by Council Member Gara. Motion carried. Meeting adjourned at 7:22 pm.

Respectfully submitted,

Rayna E. Harris, Borough Clerk

REH/cmd