

**BOROUGH OF INTERLAKEN
WORKSHOP MINUTES
DECEMBER 17, 2014
7:00 P.M. AT BOROUGH HALL**

The meeting of the Borough of Interlaken was called to order at 7:00 p.m., by Councilman Napoli. The following statement was read by Borough Administrator Reibrich. "The notice of the requirements of the Open Public Meetings Act has been satisfied by forwarding annual notice to the Coaster and Asbury Park Press. A copy of annual notice is posted on the Borough bulletin board and is on file in the Borough Clerk's office."

Present: Mayor Nohilly, Council President White, Council members: Cohen, Franks, Handerman, Miller, Napoli

Also Present: Borough Attorney Richard Shaklee, Borough Administrator/Clerk Lori Reibrich

Late Arrival: Mayor Nohilly/7:10pm, Council President White/7:30pm

1. TAX ASSESEMENT PRESENTATION –

Alex Worth, Borough Tax Assessor made a presentation outlining the details of the Real Property Demonstration Program.

Tax Assessor Worth stated that he is currently a government Certified Tax Assessor and has recently been honored by the State Association for Outstanding Service, an award that has only been given out four times in the last 28 years. Tax Assessor Worth currently works for Interlaken as the Tax Assessor. Tax Assessor Worth is the Tax Assessor for Manalapan Township and is currently the Deputy Tax Assessor for Ocean Township. Tax Assessor Worth has also worked with Neptune Township and Monroe Township. Tax Assessor Worth has also worked as an inspector for the Borough of Fair Haven and Upper Freehold.

Tax Assessor Worth explained that the Real Property Demonstration Program was created by bipartisan legislation passed in 2013. The previous system lacked uniformity in assessments, underutilized technology, had budgetary consistency issues and lacked transparency.

The new system included five major modifications in the areas of: annual assessment, new inspection cycle, calendar changes, enhanced education and standardization of legislation.

Tax Assessor Worth explained that the assessments will be reviewed and revised each year. Assessments will follow market value. With these revisions being made yearly, the assessment will be at 100 percent.

Tax Assessor Worth explained that every year a part of the Borough will be inspected. Every five years residents will be asked to let the inspector in for a physical inspection.

Tax Assessor Worth also explained that there are calendar changes to the process. Property Assessment cards, which show the property assessment for the next year, are now issued on November 15th. The appeal deadline is now January 15th.

Tax Assessor Worth stated that there is a State website to submit appeals and walked through the steps to get to the link from the Interlakenboro.com website. Tax Assessor Worth stated that paper appeal applications are available. Paper appeals must be submitted to the County, the Borough Clerk and Tax Assessor by the January 15th deadline.

Tax Assessor Worth noted there are several tax relief programs available including: Personal assistance relief, Veteran's deductions, a Property tax freeze and Senior Citizen deductions. Each program has specific income limits and requirements. Permanently disabled veterans can receive a tax exemption. Tax Assessor Worth can advise further details to those interested.

Tax Assessor Worth answered questions regarding personal deductions from two unidentified attendees.

Tax Assessor Worth thanked the Council.

At this time, Mayor Nohilly joined that table and thanked Tax Assessor Worth for the presentation.

2. LOCH ARBOUR –

Mayor Nohilly stated that this is the first meeting since hearing the Loch Arbour proposal. Everything regarding the matter will be discussed at a meeting. Nothing should have taken place on the subject. If it is not said here at the meeting tonight and you hear it on the street, it is probably not true.

Mayor Nohilly stated that he has asked the Borough Professionals, Borough Attorney Richard Shaklee and Borough CFO Stephen Gallagher to give their comments. Mayor Nohilly stated that these comments would be brief. They are not part of a feasibility study. Mayor Nohilly wanted to hear what our professionals have to say and then open it up for Council comment.

Borough Attorney Shaklee stated that there are many questions that need to be covered. One that has come up and is central is the Special Taxing District and what you can do with a Special Taxing District. A Special Taxing District is fundamental and an underlying basis for the Loch Arbour Consolidation proposal. The question has arisen regarding whether you can use a Special Taxing District to do something other than have that Special Taxing District pay for the preexisting debt of the municipality that no longer exists. There is legislation pending that has gone through the Senate, but has not gone through the Assembly that would broaden the use of the Special Taxing District. The only definitive answer on this use of the Special Taxing District would come from a reviewing court, if there was a challenge. At this time there is disagreement. There even appears to be disagreement within Local Government Services, as to whether you can use a Special Taxing District to pay for preexisting debt. Borough Attorney Shaklee stated that it is all a big question mark. We don't know the answer and we wouldn't know the answer until a court says one way or another.

Borough Attorney Shaklee stated that the other legal question that seems to come up from time to time is the school district. There are a lot of ways you could ask the question. What would happen to the children of Loch Arbour who now get public education from the Ocean Township School District? The question is whether there could be a challenge to that. Borough Attorney Shaklee stated that the short answer is yes. There can be a challenge. It depends on what the challenge is based on, as to who answers it.

Borough Chief Financial Officer and Tax Collector, Stephen Gallagher, stated that the issue of bias had come up in an editorial. For full disclosure CFO Gallagher stated that he is the Director of Finance and the Tax Collector for Ocean Township. Borough CFO Gallagher stated that he is the Chief Financial Officer and Tax Collector for the Borough of South Toms River and also the Chief Financial Officer for the Monmouth County Regional Health Commission. Borough CFO Gallagher stated that he used to be the Treasurer for the school monies for the Ocean Township Board of Education up until February of this year. Borough CFO Gallagher resigned that position and someone else is doing that job now.

Borough CFO Gallagher looked at the financial information by taking the 2014 budgets from both towns. Borough CFO Gallagher then took out reoccurring expenses that would not go away, such as the Police contract and the Garbage contract and things on that line. Borough CFO Gallagher then looked at the assessed valuations and worked out the numbers.

Borough CFO Gallagher stated that the bottom line is, with a consolidated Interlaken/Loch Arbour municipality under the Interlaken sending district to West Long Branch, the town residents would save about 10 or 11 percent in a tax savings. CFO Gallagher stated that the \$500,000 payment from the Special Tax District was not included, because the law does not currently provide for that. Borough CFO Gallagher referred to Shaklee's statement that said there is pending legislation out there, however the payment was not used because the outcome is not known.

Borough CFO Gallagher stated that if the worst case scenario comes about and Ocean Township Board of Education decides that they are going to pursue Interlaken and Loch Arbour as one consolidated municipality, then the whole thing turns around. Borough CFO Gallagher stated that the current Interlaken residents are looking at a 56% increase in taxation.

Mayor Nohilly opened the floor for Council comments.

Councilman Napoli asked Borough Attorney Shakelee questions pertaining to the Special Tax District. Who does Borough Attorney Shaklee think that plaintiff would be in a legal challenge?

Borough Attorney Shaklee stated that the intent of the statute is questionable. Answering the question regarding who the plaintiff would be, Borough Attorney Shaklee stated that anyone who has standing could be the plaintiff. Anyone who is a tax payer of either municipality would have standing for that challenge or suit.

Councilman Napoli questioned whether the citizen of the municipalities that would receive a tax benefit would sue themselves against the tax benefit and asked who would be the potential target of a suit. Councilman Napoli stated that Mr. Neff, the Director of Local Government Services is on record saying that not only do the tax payers get the plan but the State of New Jersey gets the Attorney General involved in the plan review. Councilman Napoli asked Borough Attorney Shaklee how the oversight of Local Government Services and the review by the Attorney General would weigh against litigation and potential probability of success in a suit like that.

Borough Attorney Shaklee stated that a challenge would go to court. In terms of a court reviewing a legal question or a statutory interpretation, Borough Attorney Shaklee stated that the case law indicates that a reviewing court does not necessarily have to give deference in terms of a statutory interpretation, because the court is in itself an expert on statutory interpretation. Borough Attorney Shaklee stated that on other kinds of questions that come before administrative agencies there is deference. If it is a fact based determination, something in the agency's expertise, where they have to apply facts and it is clearly a statutory interpretation, they don't necessarily have to give deference.

Borough Attorney Shaklee stated that the reviewing court may look at it and say, "Someone in the Attorney General's office said it's okay.", but that would not insulate the plan. Courts have struck down things the Attorney General and the State said were okay.

Councilman Napoli asked if the Special Taxing District legislature finalizes, would that diminish the risk on any potential to either Borough against a law suit.

Borough Attorney Shaklee stated that the bill currently passed by the Senate would make things much clearer and it would broaden the use of a Special Tax District.

Councilman Franks stated that at the meeting, the mayor of Loch Arbour was asked how many students were going to Ocean Township school district. Councilman Franks stated that the answer given was 14 students and two special education children.

Councilman Franks stated that he spoke with Mr. Jannarone and Mr. Jannarone stated that currently 20 children from Loch Arbour were enrolled in the Ocean Township School District and that additional children are currently enrolled in the K-8 grades at the Deal School. Mr. Jannarone advised Councilman Franks that Loch Arbour was not responsible for the children that attend Deal School's tuition, but they are responsible for the transportation costs.

Councilman Franks stated that he checked with Mr. Passiment and there are three students that go to the Deal School and their tuition is absorbed by the Ocean Township school district.

Councilman Franks stated that there are six special education students at multiple levels. There are nine at the high school level, two at the intermediate level and two at the elementary level.

Councilman Franks stated that he asked how many students are in special education. There are six special education students. Four of them are in district and cost anywhere from \$28,000 to \$59,000 per student. There are two special education students that are out of district. One student's tuition is \$70,583 and the other is \$25,000. Councilman Franks asked if special transportation is provided and the costs. The cost is \$5,000 to \$20,000 per student. Councilman Franks also asked if the student is currently in Ocean Township High School and Loch Arbour merges with Interlaken, would the student be able to graduate with his or her class? Councilman Franks was told that the Board of Education would have to determine that. Councilman Franks stated that Loch Arbour currently pays Ocean Township over \$2,000,000 annually and asked if Ocean Township is not going to pursue that commitment that included Loch Arbour's debt. Councilman Franks stated that Mr. Jannarone's response was that Ocean Township Board of Education would have to determine this. Councilman Franks stated that Mr. Jannarone contacted him at a later date and stated that it is difficult to answer hypothetical questions, not knowing all the facts, but the Board did say that all legal aspects of the merger would be explored, as part of their normal duties, as part of the Ocean Township Board of Education. Councilman Franks feels that it sounds like Ocean Township Board of Education is not going to walk away from this.

Councilman Napoli asked Councilman Franks if it was his interpretation.

Councilman Franks stated that it was his interpretation.

Councilman Napoli asked what date Councilman Franks obtained his information.

Councilman Franks stated his information was obtained on November 13, 2014.

Councilman Cohen stated that he also spoke with Mr. Jannarone and expressed to Council that he had concerns regarding Loch Arbour education costs and potential litigation threats. Councilman Cohen

also expressed concern about what he sees as a very real possibility of become a sending district to Ocean Township and a 56% tax increase. Councilman Cohen stated that there are already shared services and there would be no savings in that area. Councilman Cohen stated that there is currently no authority for a Special Taxing District and even if there was in ten years there will be added costs that the Borough would be stuck with. Councilman Cohen encouraged residents to think about all of this, stating we have a good thing going here in Interlaken. Councilman Cohen loves the town and doesn't know why we would want to merge with another town and change the character of the town. Councilman Cohen likes the character of the town and also the stability that we have. Councilman doesn't believe this merger is something that we should be entertaining.

Councilman Handerhan stated that personal opinions do not factor in here. No one should be trying to convince anyone whether they should like the proposal or not. The proposal should get a fair shake. Councilman Handerhan stated that it should go to the voting booth and all of the facts should be presented in proper manner.

Councilman Handerhan stated that he found it somewhat inflammatory for Borough CFO Gallagher to just be throwing out a number of a 56% tax increase. Councilman Handerhan stated that it's going to be all around town that there is going to be a 56% tax increase with no basis for any number of what a lawsuit would cost. Councilman Handerhan stated that there should be a process and does not think that throwing out those numbers was the right thing to do.

Borough CFO Gallagher stated that the numbers given were actual numbers and if Interlaken became a sending district to Ocean Township that is what the increase will be.

Councilman Handerhan and Borough CFO Gallagher had a discussion regarding the figures presented by Borough CFO Gallagher. Councilman Handerhan stated that Borough CFO Gallagher's presentation was inflammatory. The numbers are very preliminary. Councilman Handerhan asked Borough CFO Gallagher what the amount of the lawsuit was.

Borough CFO Gallagher stated that lawsuit costs were not figured into the numbers presented. The numbers presented were plain and simple taxation. Borough CFO Gallagher stated that there are a lot of questions that we do not have answers to that need to be explored. The numbers used are straight off the books.

Councilman Handerhan stated that he is neither for nor against the proposal, but wants the proposal to get a fair evaluation. It should go to the voting booth. Councilman Handerhan feels Council should not be making the decision for the people.

Borough CFO Gallagher stated that the best and the worst case scenarios need to be explored. Inflammatory numbers are not being presented. All the issues need to be explored.

Councilman Handerhan stated that it seems like everyone wants to dismiss the proposal before it even gets off the ground.

Mayor Nohilly stated that was not the case. Council cannot simply take the amount of tremendous research that Loch Arbour did, put our name on it and present it to Interlaken voters. Even if the worst case scenario is unlikely that it could happen, it still has to be reviewed. Mayor Nohilly stated it is the Council's job to look at it.

Councilman Handerhan stated that it is the Council's job to be objective not to be bias. Mayor Nohilly stated that he does not believe our own CFO and certainly not our own Attorney are bias. Their job is to protect the Borough.

Councilman Handerhan and Mayor Nohilly had a discussion regarding the status of the vetting process regarding the proposal.

Councilman Handerhan stated that it is early in the process for there to be worst case scenarios being thrown around.

Mayor Nohilly stated that there is not going to be a decision on the proposal at this meeting.

Council President White and Councilman Handerhan had a discussion regarding the timing of the legislative decision pertaining to the Special Taxing District. Council President White stated that the vote should wait until the legislation has passed.

Councilman Napoli stated that there is often a potential of liability, but the Attorney General would be involved before there would even be a vote. Councilman Napoli feels the process will be well vetted, so the liability is diminished. Councilman Napoli stated that there should be a feasibility

study done. Councilman Napoli stated that a majority of the people he is speaking to say they would like to learn a lot more about the proposal.

Councilman Handerhan stated he is neither for nor against the proposal. Councilman Handerhan stated that he is not pressing an April 8th vote.

Council President White stated that he is not against any proposal. After hearing from the Borough Attorney and the Borough CFO agrees that there is a lot of uncertainty out there. It seems to be there are two hot topics. One is the Special Taxing District and the other is the Board of Education. Council President White stated that what he is hearing is that there is still a risk of a lawsuit even after the DCA approves the plan and asked who would pay the costs of the suit.

Councilman Handerhan questioned if Loch Arbour no longer exists, who would pay the costs?

Councilman Handerhan also questioned if the decision is approved by the State of New Jersey and the Attorney General, who the lawsuit would be brought against? Councilman Handerhan questioned whether there would be protection, if the Special Taxing District was approved.

Mayor Nohilly reminded everyone that the decision is not being made now.

Council and Borough Attorney Shaklee had a brief discussion regarding exposure to risks due to a merger, as they pertain to the decision by the State regarding a Special Taxing District.

Borough Attorney Shaklee stated that, if the challenge is brought against a municipal action, it is brought against a municipality in NJ Superior Court. If it is a challenge of a final determination of a State agency, it is brought against the State agency. If someone wants to challenge the consolidation itself, most likely, they are challenging the municipal action that would be against the municipality in Superior Court.

Councilman Napoli questioned Borough CFO Gallagher as to where the figure of the 56% percent increase came from.

Borough CFO Gallagher stated that Loch Arbour is currently part of Ocean Township school district, so if there is a consolidated municipality, Loch Arbour would no longer be sending their students there. The 56% is straight numbers. The equalized valuation of the tax base is used. If Loch Arbour is no longer sending there and Ocean Township sues us, it would be trying to bring in the whole municipality.

Councilman Napoli stated that the figure in Loch Arbour's merger plan called for \$425,000, however within the formulas there is an estimated \$10,000 per student. This leaves plenty of money to cover special education. Councilman Napoli stated that there are various levels of special education and special education costs include those who need additional help with reading for example. Councilman Napoli stated that the focus needs to be on the facts of Loch Arbour's presentation and he sees a potential tax savings. Councilman Napoli feels a feasibility study is needed.

Councilman Franks pointed out that the \$10,000 per student that Interlaken is paying was an introductory offer. There is no contract with West Long Branch at this time. The contract was a one year contract, not a ten year contract.

Councilman Cohen stated that he had concerns about becoming a sending district to Ocean Township. It is the worst case scenario but it is a reality. If a municipality is receiving 2.2 million dollars in taxes, they are never going to sit down and say no problem.

Councilman Napoli stated that he shares the same concern as Councilman Cohen, if that scenario happened.

Councilman Cohen stated that Allenhurst did not choose to merge.

Council President White stated that the children need the education. If children have special needs, they have special needs. We don't know yet what the costs are going to be to educate current Interlaken children. Council President White stated that education costs are always going to escalating.

Councilman Miller asked everyone to remember that the Interlaken Board of Education is just as aware of all of these concerns and it is a subject of constant talk with their attorneys. Their primary goal is to protect the students of Interlaken and the arrangement they have fought so hard to get with Shore Regional and West Long Branch. Councilman Miller stated that at some point they may be a resource for information.

Mayor Nohilly reminded everyone that Council was making only one decision tonight.

Councilman Handerhan stated that changes that are happening in Loch Arbour are happening in Interlaken also. People are still going to have children or people are going to be moving in. Special needs or not, they have educational needs. Councilman Handerhan stated that we have to look down the road and ask how you increase revenue to cover increase costs. We have no way to bring in any money, except to tax our residents.

Councilman Cohen thinks that Council should focus on the residents and making the town the best it could be. Councilman Cohen asked why the idea of a merger is even being entertained.

Mayor Nohilly stated that the only thing that is going to be decided tonight is whether the Borough is ready to go ahead and pass the resolution to do a study. It will be a yes or no vote.

3. PUBLIC COMMENT: Mayor Nohilly opened the floor for public comment.

Mrs. Blanche Franks, 310 Bendermere Avenue, stated that she feels that some of our Council members should move to Loch Arbour. Ms. Franks feels that some Council members are more concerned about Loch Arbour than the residents of Interlaken. Ms. Franks stated that she thinks Councilman Cohen's comments make a lot of sense. If it doesn't look good why are we spending money to see if it still doesn't look good? Mrs. Franks does not feel that we should take money out of Interlaken to help another town that is in trouble. Ms. Franks feels sorry for them but it's not our problem. Ms. Franks wishes everybody would concentrate on our little town and what we have here. Ms. Franks asked, if the attorney and CFO feel this really doesn't look good why do we want to spend money? Ms. Franks asked why there is a big rush and thinks what Mr. Cohen said about meeting with Allenhurst makes a lot of sense. Get information from them. Allenhurst spent 18 months investigating. Do we even need to spend 18 months? Allenhurst probably has a lot of information. Mrs. Franks said that comments Mayor Fernicola made regarding the Police Department tainted his whole sales pitch.

Mr. Pappayliou, 619 Bridlemere Avenue, stated that this whole issue comes down to the carrot that Loch Arbour threw out. All this money we're going to save. We would not even be here if it was not for that. Mr. Pappayliou stated that it is all about the savings and quite frankly there are a lot of assumptions that would have to take place on the positive side for us to gain anything. Mr. Pappayliou questioned Loch Arbour's negotiations for a police department. They went two miles away when their border is a block and a half from the police department in Allenhurst. Mr. Pappayliou stated that it took Allenhurst 18 months to knock it down and questioned if that tells us something or are we stupid? Mr. Pappayliou stated that what we are going to do is change the character of our town. Mr. Pappayliou does not think that is what the majority of the residents want. Mr. Pappayliou also stated that a new Council takes place in January and asked that it be left up to them how far the Borough should pursue this. Mr. Pappayliou stated that there is going to be a lot of cost involved. Feasibility study costs are \$10,000 to \$20,000 and Mr. Pappayliou feels that is a hell of a lot of money. Mr. Pappayliou stated that whether the State approves one thing or they approve something else, politicians are not truthful with you. They all lie and the promises made are not the promises kept. Mr. Pappayliou feels it is that simple. Mr. Pappayliou feels we are going about this whole process backwards. It all comes down to money. If it wasn't for the \$2,000 that they put in their letter, this thing would have never happened. Mr. Pappayliou stated that he served on Council and knows what they are going through. Mr. Pappayliou thinks it is up to the new Council, as of January to decide what it looks like.

Lou Wetstein, 517 Bridlemere Avenue, stated that you never lose by the best case scenario. You always lose by the worst case scenario. Mr. Wetstein was surprised that Councilman Handerhan does not want to hear the worst case scenario and is concerned about scaring the public. Mr. Wetstein feels the public needs to know worst case. That is obvious. Mr. Wetstein asked about the dates of the education contract and also asked what happens if the Special Taxation District legislation is not passed.

Mayor Nohilly stated that Council could not answer the question regarding the Board of Education.

Borough Attorney Shakelee stated that the money involved with the Special Taxation District depends on what is put in the plan.

Ms. Marica Hanke, 312 Buttermere Avenue, stated that the Keily Bill had been signed and then that was eliminated. So even if you get something that was signed and sealed it's not permanent. That was a law that was signed and sealed by the State and that was changed. Ms. Hanke asked if it was a possibility that they could rescind the Special Taxing District.

Borough Attorney Shaklee stated that assuming that it is settled then the question becomes, "Can they change the law to take away the benefit of the Special Taxing District that they put in place?"

Borough Attorney Shaklee said that he thought that the legislation could do that. The Kiely Bill was a law enacted in the late 1990s and, by force of a change to a different legislation, was repealed.

Ms. Hanke stated that is what happened to Loch Arbour.

Borough Attorney Shaklee stated that laws can change.

Ms. Hanke asked to what age special education students are required to receive education and has that been taken into account.

Mr. Nick McDonough, 205 Windermere Avenue, stated that they agreed with most of the negative points people have made and with Councilman Cohen's speech. Mr. McDonough is trying to figure out why Interlaken is even considering this. Mr. McDonough feels we have a good thing going on here. The Borough has gone through a lot in the last 10 years. The police thing eventually went into the school thing. Mr. McDonough said he has children in school and it is the best thing that happened to this town in 50 years. Sorry if you don't like it but it is. It's given these kids a sense of community. Mr. McDonough said he does not want anything to do with Loch Arbour. Mr. McDonough stated that he voted for most of the Council and they will lose his vote next time. He will go out on the street and be against every one. Mr. McDonough does not want anything to do with the beach and the assessments we can get from the beach. Mr. McDonough says that it does not make nearly enough revenue to make sense for any of us. Mr. McDonough thinks Interlaken is a great place to live. Property values did not go down since we have schools. If anything, they've gone up and you know we like it how it is here. Mr. McDonough does not know why we are addressing this issue. It is their problem. Mr. McDonough feels bad for them. Loch Arbour can send all their kids in limos to private schools for what they pay Ocean Township, but the fact that they got jabbed by Ocean Township is not our problem. Our Board of Education did a great deal for us. Taxes went up a little bit. Mr. McDonough stated that the idea that we are going to save a lot of money is never going to happen. Something is going to come up and something else is going to come up. It is just like the police. We are not going to have police and save a ton of money. My taxes went up the last three years. I don't know where the money went. I think there is always going to be hidden costs. Mr. McDonough stated that Allenhurst took 18 months. Obviously they did not see the benefit of it. Mr. McDonough said that he can't think we are smarter. We are not going to find something that Allenhurst didn't see. If it was such a great deal, Allenhurst would have jumped. Mr. McDonough does not want to become the other side of the tracks. At some point the beach will become the primary area and this will become the other side. Mr. McDonough said he is against it. Everybody he has talked to has not been for it. He does not know who Council has been speaking to. Mr. McDonough said that he speaks to a lot of people while out jogging and they want nothing to do with it.

Jodi Heinz, 512 Bridlemere Avenue, stated that she agreed with everyone else. When she walks her dog, every single person that her dog interacts with is against it. Ms. Heinz stated that she went and asked because she was told that they bonded out when there is a disaster. They still have not recouped some of the money from the State. There is going to be another storm her and her husband have seen presentations where one boardwalk after another have been destroyed during storms. There are going to be more problems that come up and there will have to be a bond to take care of what happens. Ms. Heinz stated that she has lived here two years and the lake has overflowed twice. Ms. Heinz stated that she feels sorry for Loch Arbour, but it is not her problem. Ms. Heinz is concerned that if there was a bond, the Borough would not get the money back. Ms. Heinz stated that she is concerned that our municipal building is very small. Are we are going to take somebody else and then find out that we have no room? We will have to reconfigure the building or add on. That's another expense. Ms. Heinz thinks we should just put this to bed right now and just say forget it.

Robert Cancellari, 714 Bridlemere Avenue, stated that he keeps hearing about the savings there will be. He stated that he has been in business for 20 years and if he listened to everyone who said he was going to save money, he would be rich. Mr. Cancellari stated that the police issue, for example, was supposed to save money with the disbandment. He never saw any money after the disbandment. He stated that there were certain Council members talking about how they are going to spend money rather than give it back to us. Mr. Cancellari stated that he knows there is no guarantee that we are going to get 21% back. He is being told that he is going to save money, but he does not see it. Is there going to be another tennis court appearing? He does not believe that if you do the numbers and add the rate from the school board he is going to be saving 21%. Mr. Cancellari feels it is not honest, because the savings would be for municipal tax savings. He asked the figures to be done with school board taxes included, because that is a big chunk of our taxes. Mr. Cancellari said he is tired of people sending him emails saying he is going to save 21 percent. Never mind that school board taxes are going to go through the roof, like the \$1,800 increase last time to pay for the kids that we currently send for education. Mr. Cancellari stated that he was not the only one who heard Mr. Fernicola say 14 students. He stated that Mr. Fernicola doesn't even know how many students he has in his town. Mr. Fernicola had to do a study; Mr. Cancellari found that a little ridiculous. Mr. Cancellari stated that he wrote an editorial. He saw another editorial by another Councilman saying we should help our neighbor. Mr. Cancellari feels charity should begin at home.

Mr. Mark McDonough, 208 Bendermere Avenue, Mr. McDonough stated that he grew up in Allenhurst thinks that he has a perspective of what is going on. His father was on the Planning Board there for 15 years. His grandfather was the treasurer for 15 years, so he spent his life and has heard politics in this area. Mr. McDonough has lived here in Interlaken for the last 10 years and would like to keep focus on the question tonight of whether or not it is worth having a feasibility study. It is a proposal that sounds very good. Mr. McDonough stated that it was incumbent on us, as a town, to figure out whether the proposal makes sense for us. Having lived in Allenhurst, Mr. McDonough feels he understands a little bit of why they said no. Mr. McDonough stated that when this whole problem happened, he wondered at first why Loch Arbour did not look west first. Mr. McDonough stated that there are benefits taxes wise. Mr. McDonough stated that this would also be doing something that was geographically impossible for this town, which is to become a beach front community. Everybody in every town that lives a mile inland benefits from whether that town extends further inland. It is not going to change whether we are on one side of the tracks or the other side of the tracks. Interlaken will be the same town at the end of the day. Mr. McDonough stated that the question here is whether these numbers are reliable. This is not something that comes along every time geographically. Interlaken will never have another chance where we could become a beach front community. Mr. McDonough thinks that possibility has value and maybe there will be some who think the other. Mr. McDonough wanted to be the voice of maybe someone you haven't met. Mr. McDonough stated that he also talks to people and it is a completely reasonable thing for the Board to do. Mr. McDonough thinks it would be completely wrong not to do a feasibility study and just throw it out.

Ms Liz Brown, 718 Bendermere Avenue, stated that she would like to thank our Borough professionals and the Council for their comments. Ms. Brown agrees on waiting until the new board sits in January. The issue that Ms. Brown is concerned with is education. Ms. Brown believes that the Borough still has not exhausted our professionals. Ms. Brown asked Borough Attorney Shaklee, if the issue could be discussed with the Board of Education Attorney and why that person has not been contacted. Ms. Brown believes the Council would get a clearer understanding of the law.

Borough Attorney Shaklee stated that the Board of Education Attorney works for the Board of Education and his first loyalty would be to the Board. Mr. Shaklee stated that the Board of Education would have to authorize their attorney to work with the municipality, if the Council would like the Board of Education's attorney to work with the municipality. It may be possible, but the Council cannot tell the Board of Education attorney to do something.

Ms. Brown stated that education is a key point. Ms. Brown feels the Board of Education attorney would be a good resource for local information when deciding whether or not to do a feasibility study. Ms. Brown feels more of our local expertise could be explored and then the Council could make a decision.

Ms. Melanie Nolan, 309 Edgemont Drive, Loch Arbour, asked Mr. Franks and Mr. Cohen how many students there were in Interlaken.

Councilman Franks stated that there are approximately 32.

Mayor Nohilly stated that Council has an unwritten policy to refer Board of Education questions to the Board.

Councilman Miller stated that there were approximately 30 children.

Councilman Cohen stated that it was a Board of Education question and we cannot answer questions regarding the Board of Education.

Ms. Nolan stated that a gentlemen in the back asked why Loch Arbour did not go with Allenhurst Police. Ms. Nolan asked why Interlaken did not go with Allenhurst Police. Ms. Nolan asked if Interlaken has some sort of special dispensation that it would not get damaged during a storm. Ms. Nolan stated that she is only speaking for herself and not the people of Loch Arbour. Ms. Nolan stated that it seems like an awful lot of negative comments that she has heard have been from people who live on Bridlemere. Ms. Nolan stated that it was sad to say this holiday season, but she has never been in such a hate filled room.

Loch Arbour Mayor, Paul Fericola, clarified the number of 14 students presented at a previous meeting. Loch Arbour Mayor Fericola stated that student number of 20 students given by Mr. Jannarone included seniors in high school. Loch Arbour did not include the Ocean Township seniors that were graduating in June. Loch Arbour Mayor Fericola stated that the number 14 was used in the fiscal analysis, because Loch Arbour did a survey. The survey showed three seniors in high school. In addition, the parents of three children indicated that they would not use Shore Regional, because their children would be seniors in high school next year. They would rent an apartment in

Ocean Township. Loch Arbour Mayor Fernicola stated that the \$435,000 cost total is based on the current Interlaken average cost of \$20,400 per student which included tuition, administrative cost, transportation and Special Education costs. The figure is based on 21 students from Loch Arbour enrolling in West Long Branch schools. Loch Arbour Mayor Fernicola stated that student numbers presented by Mr. Janaronne included children who use Special Education resources. This number would include a kindergartener who receives speech therapy once a week or a third grader who gets help in the research room after school. Loch Arbour Mayor Fernicola stated that the real costs in any town are tied into the children with out of district placements, meaning that the school district has acknowledged that they can't meet their requirement of providing appropriate education for that child. The child has to be sent to a school outside that district. Loch Arbour identifies 2 of those students. The other four students are getting basic help in district. Loch Arbour Mayor Fernicola stated that Interlaken has seven special education students. There are five students who are receiving those in district services. The total cost of those students last year was less than \$20,000 and Interlaken has two out of district placements.

Loch Arbour Mayor Fernicola asked Borough Attorney Shaklee if he could identify any legal authority that Ocean Township could void Interlaken's current send and receive relationship with West Long Branch and compel Interlaken to become a part of Ocean Township, if the consolidation was approved.

Borough Attorney Shaklee stated that he had not researched this question, but there was none that he knew of, at this time.

Loch Arbour Mayor Fernicola stated that the plan presented after the meeting shows that Loch Arbour would bond for the \$5 million prior to the merger going through. The \$5 million would be given to Interlaken prior to the merger taking place. Loch Arbour Mayor Fernicola stated that Allenhurst voted on January 9, 2014 to submit the plan to the State, but subsequently Councilmember Chris McLoughin changed his vote when threatened with a recall. Loch Arbour Mayor Fernicola stated that the first vote would be to submit the plan to the State. The State then gives feedback. The second vote would be to accept any changes that the State makes. Loch Arbour Mayor Fernicola stated that when you get to the actual referendum to the residents in both towns, you have a plan that's been vetted and approved by the State of New Jersey. You have a legally binding doctrine. Loch Arbour Mayor Fernicola stated that is why their presentation suggested the local option so that you do have those legally binding document, as opposed to the sparsely populated.

Mr. Paul McEvily, 610 Woodmere Avenue, stated that he works with young people and they do not always see opportunity in front of them. Mr. McEvily stated that we all have opportunities. We have to decide if we want to take advantage of that opportunity or we want to investigate that opportunity. Mr. McEvily has lived in town for 25 years and has thought back over those 25 years. There are at least five major things that have come before this Council over the course of those years. At one point it was the park. It was the municipal building. It was the police. It was "what do we do about our schools?" Now it is what we do about this opportunity presented to us from Loch Arbour. In each of those instances there is a lot of emotion on display. Mr. McEvily stated that he does not envy this Council's decision. If the issue really is the character of the town, then that is an emotional thing. If your inclination is to look at the facts, there are nowhere near enough facts. He thinks we need to see whether or not the enabling legislation moves forward. Mr. McEvily stated that, if the legislation moves forward, than we very much need to find ourselves a highly competent consultant to vet the facts and to bring them forward for Council consideration.

Mindy Horowitz, 502 Buttermere Avenue, asked if there is a possibility for Loch Arbour to pay for or contribute to a feasibility study. Ms. Horowitz also stated that she is not really sure what a feasibility study is. Would the feasibility study done by Interlaken mimic the same thing presented by Loch Arbour or would it go into more depth? Ms. Horowitz asked if the study would be less about the factual financials and more about the issues of the unknown. She feels that people are losing track of what we are talking about. If Loch Arbour's feasibility study is correct, if the special tax works, if Ocean Township does not come after Interlaken and there feasibility study is correct in terms of the dollar amount the maximum savings is 21%. Ms. Horowitz thinks the issue is the things that are not known. Are there any hidden litigations or things that are pending right now? What is their infrastructure? There are many issues that have not been talked about. Ms. Horowitz stated there are things that we don't know about and she is not sure if the feasibility study is going to even address these issues. Ms. Horowitz stated that she thinks it comes down to a risk vs. reward study, because she feels there will never be 100 percent assurance on the unknown issues. Ms. Horowitz thinks that what the whole decision comes down to is whether the supposed \$2,000 tax savings and 21% savings for 10 years statements are worth more than the possibility of the risks that are inherent in taking on Loch Arbour. Is \$2,000, unless it comes out to be less or more, going to be worth some of the unknowns that we are never going to be able to answer? Ms. Horowitz thinks that if we are going to do something we have to go down to the lowest level possible. As a CFO, Ms. Horowitz has experience with company mergers and the devil is in the details. We have not even touched the surface yet. Ms. Horowitz stated that in a couple of weeks she will be sitting on Council and she will

be responsible for making the decisions. Ms. Horowitz is not sure her concerns could be answered with a feasibility study.

Mayor Nohilly stated that a feasibility study would be the same thing. It would just be Interlaken’s study vs. Loch Arbour’s study.

Ms. Horowitz stated that Loch Arbour’s feasibility study, unless she did not see a full study, did not address any issues that Mr. Shaklee or resident, Barbara Shore has brought up. These issues are more significant than \$ 2,000. Ms. Horowitz stated that if those issues are not going to be addressed she does not know how we are going to be able to put this to a vote and explain in any way what the risk vs. reward is for the residents. Ms. Horowitz stated that she is not going to flash \$ 2,000 at anybody, when she knows that there are these potentially hidden, much more dangerous, bombs sitting out there. If a feasibility study is not going to address these issues then Ms. Horowitz thinks that other professionals have to be brought in that could address each one of the concerns that no one has brought up but seem to be lingering out there.

Mr. Steve Pappaliou stated that he thinks any resolution is out of order now. Mr. Pappaliou stated that until the new council gets sworn in January, there is no hurry on this. Mr. Pappaliou thinks that is a proper way to go about this.

Mr. Richard Knight, 214 Buttermere Avenue, stated that there are so many questions to which we have no answers. Mr. Knight feels it is like Nancy Pelosi, “Put it in and we will figure it out.” It will be okay. Obviously, that is not the case. Mr. Knight questioned what about other things like parking? Are we subject to put parking on the street in Interlaken now? Is Loch Arbour going to be abandoned to have parking on street? Mr. Knight does not know if these are ordinances or laws or a constitutional thing. Mr. Knight feels that we have not scratched the surface on this entire thing. Mr. Knight questions the liability aspect of having commercial properties. Mr. Knight stated that we do not have nearly enough information to go to a vote.

Mr. Lynn Parry, 413 Grassmere Avenue, stated that he does not know where he stands on any of this, except that, without a feasibility study you don’t get the facts. Mr. Parry wants the facts and wants professionals that know what they are doing to get the facts. He wants the facts put on the table to know we are talking about real numbers and not fears.

Mayor Nohilly stated that the question for this meeting is whether we are ready to decide on a feasibility study tonight.

Mr. McDonough asked if we know what the count of the year round resident versus the summer residents in Loch Arbour. That is a major issue we are taking on.

Loch Arbour Mayor Fernicola stated that Loch Arbour is predominantly summer owned and that is why the number of school children has steadily declined.

Mr. McDonouogh stated that the magnitude of what we are taking on in the summer is much greater that what we deal with on our borders right now. Interlaken is much more of a year round community. We are talking about taking on a portion of town that is going to be very transient with maybe winter rentals and open houses. The police will have to watch a lot more.

Mayor Nohilly closed public comment.

4. NEW BUSINESS – No new business.

5. ADJOURNMENT – With no further discussion, Councilman Napoli made a motion to adjourn, seconded by Council President White and unanimously carried.

	Mayor Nohilly	Council President White	Councilman Miller	Councilman Napoli	Councilman Cohen	Councilman Handerhan	Councilman Franks
Motion to Approve				X			
Motion to Second		X					
Approved		X	X	X	X	X	X
Opposed							
Abstain/Recuse							
Absent/Excused							

Lori Reibrich
Borough Administrator/Municipal Clerk
Date Approved: _____