

**BOROUGH OF INTERLAKEN  
MINUTES  
SPECIAL JOINT MEETING  
NOVEMBER 12, 2014 - 7:30 P.M.  
ALLENHURST FIRE DEPARTMENT, 318 HUME ST, ALLENHURST**

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The special joint meeting between the Borough of Interlaken and the Village of Loch Arbour was called to order at 7:30 p.m., by Mayor Nohilly. 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 the annual notice is posted on the Borough bulletin board and is on file in the Borough Clerk's office." Borough Administrator/Clerk Reibrich took roll call for Interlaken Council. Loch Arbour Clerk Mason read Open Public Meetings Act statement and took roll call for the Village of Loch Arbour. It was followed by a salute to the flag and a moment of silence.

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

Also Present: Borough Attorney Richard Shaklee, Borough Administrator/Clerk Lori Reibrich, Loch Arbour Mayor Paul Fernicola, Loch Arbour Commissioner Alfred Cheswick, Loch Arbour Commissioner Denis D'Angelo, Loch Arbour Clerk Dan Mason, ssss Executive Director Gina Genovese, Director of the New Jersey Division of Local Government Services Tom Neff, State of New Jersey Department of Education Representative Joseph Passiment, Jr., Summit Collaborative Financial Expert Regan Burkholder, Former Princeton Township Mayor Chad Goerner

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Mayor Nohilly welcomed everyone and stated that this meeting was only the first meeting for the discussion of the topic of consolidation with Loch Arbour. Interlaken Council is committed to have all discussion regarding the topic of consolidation done in public. Earlier this year Loch Arbour requested a meeting to discuss the potential consolidation of Loch Arbour into Interlaken. Interlaken Council discussed the request and unanimously decided that in order to have the discussion, additional information would be required, specifically the fiscal impact of the proposed consolidation. On October 14, Loch Arbour presented Interlaken a report titled "Report to the Borough of Interlaken from the Village of Loch Arbour on the Projected Budget and Tax Impact of Consolidation of the Two Municipalities." It was commissioned by Loch Arbour and done by Summit Collaborative Advisors, LLC. After the budget and tax impact information was received by Loch Arbour, Council, at their regularly scheduled October 15, 2014 meeting, agreed to schedule a meeting with Loch Arbour to give them an opportunity to make a presentation. Mayor Nohilly stated that there will be an opportunity for public comment at this meeting. Mayor Nohilly stated that Interlaken Council has not yet authorized any expenditures to investigate legal, financial or any other aspects of consolidation. The purpose of the meeting is to have an open joint meeting to hear the proposal from Loch Arbour and after that hear the questions and comments from all residents.

Mayor Nohilly introduced Loch Arbour Mayor Paul Fernicola.

Loch Arbour Mayor Fernicola thanked Mayor Nohilly and the Interlaken Council for the opportunity to give Loch Arbour the opportunity to present Loch Arbour's proposal for consolidation.

Loch Arbour Mayor Fernicola explained that the reason Loch Arbour would like Interlaken to consider the consolidation is due to a significant increase in education costs. Loch Arbour Mayor Fernicola stated that Loch Arbour's education costs were increased from \$300,000 to \$2.2 million dollars due to a change in law at the end of Governor Corzine's term. Loch Arbour is now spending \$2.1 million dollars to send 15 students to Ocean Township schools. Loch Arbour Mayor Fernicola stated that the only way to unteather Loch Arbour from Ocean Township is to consolidate with another municipality.

Loch Arbour Mayor Fernicola gave details regarding the proposal. Loch Arbour has 135 residences, 4 commercial buildings and two vacant lots. The proposal was for Loch Arbour to be absorbed into Interlaken. Elected positions would go away including Planning Board. All positions in Loch Arbour would be eliminated. Loch Arbour properties including the beach would be under the jurisdiction of Interlaken.

Loch Arbour Mayor Fernicola stated that Loch Arbour's fiscal impact analysis forecasts a 15% tax savings to the residents of Interlaken, based on the average assessment in Interlaken. This savings would be achieved through the elimination of redundant positions in Loch Arbour, revenues from the acquisition of the Loch Arbour properties and the benefit of yearly beach revenue.

Loch Arbour Mayor Fernicola stated that Loch Arbour's infrastructure is in excellent condition. Loch Arbour has newly paved roads and upgraded sewer and water. The retaining wall was replaced by the State of New Jersey in the last five to ten years.

Loch Arbour Mayor Fernicola stated that, upon approval by the State, a proposed special tax district would be established. The residences that were in Loch Arbour prior to the consolidation would pay an assessment of an additional cumulative \$500,000 each year for the next 10 years to pay Interlaken \$5 million dollars solely assessed to the former Loch Arbour properties. The special tax district requires State approval by the Department of Community Affairs. There is currently legislation that would allow the use of a special tax district to make this payment. If that approval is received by the end of the year, the special taxing district would no longer need approval by the Department of Community Affairs.

The establishment of the special tax district would result in an additional proposed 9% tax savings to the Borough of Interlaken. The special tax district funds of \$500,000 per year could initially be used to pay off the Borough of Interlaken's current debt then to be added to surplus.

Loch Arbour Mayor Fernicola displayed a letter from the Commissioner of the New Jersey Department of Education, David C. Hespe, which states that that, it is his opinion that if the consolidation is approved the Department of Education has determined that the students residing in what was formerly Loch Arbour would be enrolled, post-consolidation, in the same manner as the public school students who currently reside in Interlaken. Therefore, they would participate in the send-receive arrangement between Interlaken and the West Long Branch and Shore Regional school districts. In addition, Mr. Hespe's letter also stated, his opinion that the consolidation would not impact Interlaken's existing send-receive relationship with either West Long Branch or Shore Regional.

Loch Arbour Mayor Fernicola stated that education costs analysis projections were conservative and based on an average of 21 students attending West Long Branch and Shore regional schools, which have confirmed sufficient capacity to enroll Loch Arbour students upon approval of consolidation by both municipalities.

Loch Arbour Mayor Fernicola spoke about the statutes and how they relate to the process of consolidation. Loch Arbour proposed the consolidation process follow the rules of the Municipal Consolidation Act. The Municipal Consolidation Act would allow the governing bodies of both municipalities to act as a commission to develop a consolidation plan. Loch Arbour Mayor Fernicola stated that this plan would be recommended because the voters of both municipalities would have a State approved, binding, consolidation plan when voting. Loch Arbour Mayor Fernicola stated that there are two votes required under this statute. The first vote would be to submit a consolidation plan to the Department of Community Affairs for a review. After the Department of Community Affairs provides feedback on the consolidation plan, a second vote is required to accept those changes. If both municipalities are not satisfied with the changes, the process ends. If both municipalities approve the plan, there would then have to be a minimum of three public meetings. One meeting would be held in Interlaken. One meeting would be held in Loch Arbour and then a joint public meeting would be required.

Loch Arbour Mayor Fernicola stated that there was a provision in the Municipal Consolidation Act that includes a provision for a special tax district to be established to allow any consolidation costs to be allocated to the former Loch Arbour properties including any legal expenses that may arise from a lawsuit from Ocean Township.

Loch Arbour Mayor Fernicola stated that, ultimately, a majority of both towns must vote to approve the consolidation. If both towns do not approve, than it is defeated.

Loch Arbour Mayor Fernicola introduced Gina Genovese, Executive Director of Courage to Connect NJ.

Gina Genovese, Executive Director of Courage to Connect NJ explained that Courage to Connect NJ was a non-profit group that works with anyone who wants to talk about consolidation in New Jersey. Ms. Genovese performed the role of moderator at the meeting.

Ms. Genovese introduced Tom Neff, Director of Local Government Services.

Mr. Tom Neff, Director of Local Government Services, stated that the role of the Division of Local Government Services is to help the ball move forward, not to tell local governments what to do. Director Neff stated that both municipalities must vote to approve the merger. The Local Finance Board will review the plan and make sure it is done correctly. It is legal and make sure the plan would stand up in court. Director Neff stated that the Attorney General's office must also approve the plan. Director Neff stated that you could never stop anyone who would want to try to sue, but at the end of the day the reviews from these agencies would be given credence by a judge.

An audience member asked if the plan is reviewed in regard to taxes.

Director Neff reiterated that the process does not move forward unless everyone votes for it.

Ms. Genovese introduced Mr. Joseph F. Passiment, Jr.

Joseph F. Passiment, Jr., Representative from State of New Jersey Department of Education stated that the Commissioner has weighed in and referred to the letter dated November 7, 2014 from David C. Hespe, Acting Commissioner. Mr. Passiment stated that should the two towns consolidate, Loch Arbour would cease to exist. If Loch Arbour becomes part of Interlaken it is the opinion of Mr. Hespe, that the children would now become part of West Long Branch and Shore schools.

Mr. Richard Knight, 214 Buttermere Avenue, Interlaken, asked if the merger did happen, would Interlaken be required to merge with another town in the future.

Mr. Neff stated that another merger would not happen unless voters approved it.

Ms. Genovese introduced Mr. Reagan Berkholder.

Mr. Reagan Berkholder, of Summit Collaborative, presented a slide presentation regarding the financial impact of the consolidation. Mr. Berkholder stated that the projections in the analysis are based on a side-by-side analysis of the 2013 budget of both municipalities. Mr. Burkholder's analysis states that Loch Arbour would retire all debt. Interlaken would inherit Loch Arbour's assets, including the beach. A special tax district of the former Loch Arbour properties would pay \$500,000 a year for 10 years, which would enable Interlaken to retire all current borough debt with excess going to tax relief. Mr. Burkholder estimates that in the first 10 years, based on 2013 figures, Interlaken residents would save 24% and Loch Arbour residents would save 35%. After the initial 10 years, Interlaken's savings would be 21% and Loch Arbour's savings would increase to 49%. Mr. Burkholder's conclusion, based on an analysis of assets, revenues, expenditures and the use of a special tax district to pay all debt and build surplus, is that there would be significant savings for both municipalities.

Ms. Genovese introduced Mr. Chad Goerner.

Mr. Chad Goerner, Former Princeton Township Mayor, shared his experiences of a successful consolidation. Mr. Goerner stated that the consolidation took several attempts, over decades, to be successful. Mr. Goerner feels the process should be transparent. Mr. Goerner feels the consolidation benefited both municipalities with a tax savings of about \$500 per year. Mr. Goerner feels the consolidation made services more efficient and used the response to Superstorm Sandy, as an example.

Ms. Genovese invited the public to the microphone for comment.

A Loch Arbour resident, stated that the Borough of Allenhurst passed an ordinance raising the tax costs in regards to Education costs. The Loch Arbour resident asked, if the Borough of Allenhurst reconsiders its decision not to merge with Loch Arbour, what would the Council for the Village of Loch Arbour's response be?

Mayor of Loch Arbour Fernicola stated that that ship has sailed. The Village of Loch Arbour is one hundred percent committed to go through with the process to merge with Interlaken.

A member of the audience asked how much debt Interlaken held.

Mayor Nohilly responded that Interlaken had about a million dollars of debt.

Mr. Don Fields, 408 Buttermere Avenue, Interlaken, asked questions regarding FEMA reimbursements for Sandy storm damage to Loch Arbour and if those figures were factored into the numbers of the budget analysis.

Mr. Reagan stated that in the 2013 comparison the figures were used. The figures were not used in the projection.

Mr. Fields asked additional questions regarding costs for Sandy remediation.

Mayor of Loch Arbour Fernicola stated that the costs for Sandy remediation were \$1.7 million dollars and Loch Arbour has received \$1.4 million in reimbursements.

Mr. Levinsky, 510 Bridlemere Avenue, Interlaken, asked questions regarding the value of the Loch Arbour Municipal building, as it factors into the financial analysis.

Loch Arbour Mayor Fernicola stated that the building is valued at \$600,000. Loch Arbour Mayor Fernicola stated that the special tax district was set up to prevent debt to Interlaken, regardless of the outcome of the sale of the building.

Mr. Levinsky stated that Loch Arbour's presentation was well prepared and he supports his neighbors in Loch Arbour, but he does not want to absorb someone else's debt. Mr. Levinsky questions Loch Arbour's agenda. If the merger is so good, why did Allenhurst reject it? Mr. Levinsky wondered about what would happen, if the sending district rules change and had doubts about a special tax district. Mr. Levinsky stated that without the \$500,000 per year you have nothing. Mr. Levinsky asked that no money should be spent regarding the analysis of the merger unless a special district is approved. Mr. Levinsky stated that he is open to hearing more but the Borough should move cautiously and do a lot of questioning.

Loch Arbour Mayor Fernicola stated that he feels the primary reason that Allenhurst rejected it is because Loch Arbour did not award them the police contract back several years ago in 2008. Loch Arbour and Interlaken have the same Deal Police force. There was a sizeable contingent in Allenhurst that resented the fact that the contract was not given to them. That same contingent in order to have negotiations with Loch Arbour wanted Loch Arbour to terminate the contract with Deal and award the contract to Allenhurst as a condition to have any negotiations. That was the primary reason Allenhurst rejected it.

Loch Arbour Mayor Fernicola stated that the legislature creates a special tax district governing a municipality and the Planning Board. Loch Arbour Mayor Fernicola reiterated that Mr. Neff and Mr. Passiment feel that the merger will strengthen Interlaken's position. The special tax district is reviewed by the DCA and the Attorney General.

Mr. Paul Gannon, 302 Grassmere Avenue, Interlaken, asked what Loch Arbour's current debt is.

Loch Arbour Mayor Fernicola stated that Loch Arbour's debt was \$1.2 million dollars.

John Sullivan, Interlaken, asked whether Loch Arbour's agreement with Ocean Township had languages about damages should Loch Arbour default.

Loch Arbour Mayor Fernicola stated that Loch Arbour does not have an agreement with Ocean Township. Loch Arbour is bound by a 1894 consolidated school district law. Loch Arbour pays \$2.2 million dollars for 15 students to attend Ocean Township schools. If Loch Arbour ceases to exist as a town that is the legal ability to get out as being part of the Ocean Township school district.

Councilman Cohen stated that the issue starts and ends with the schools and asked for a guarantee that Interlaken would not end up with the same issues that Loch Arbour has. Councilman Cohen stated that there is no authority for one municipality to pay another municipality. There is no case law to allow it.

Mr. Neff stated that legislation is pending regarding rules for towns to create special taxing districts. Senator Beck is sponsoring the legislation. Mr. Neff stated that a consolidation plan that was submitted to the DCA would be vetted carefully. Before the vote came before the voters they would have the DCA's thumbs up or thumbs down.

Loch Arbour Mayor Fernicola stated that Loch Arbour went to the Department of Education to get the letter from Mr. Hespe. Loch Arbour Mayor Fernicola stated that the State Department of Education has given their opinion. Loch Arbour Mayor Fernicola stated that there would be no credible argument from Ocean Township to appeal the arrangement. There is no mechanism under the existing law that gives Ocean Township any credible argument that says we want to undo the consolidation of two other towns because we don't like the effect of it. Loch Arbour Mayor Fernicola stated that Ocean Township would have to bring a lawsuit against the State which would be defended by the Attorney General, which defends State agencies.

Councilman Cohen asked again for a guarantee that Interlaken's sending district arrangement will stay as it is?

Loch Arbour Mayor Fernicola stated that the letter written by Mr. Hespe expresses Mr. Hespe's opinion that the send-receive relationship with West Long Branch and Shore Regional will not change. Mr. Hespe is the Acting Commissioner of the New Jersey Department of Education.

William Peete, Interlaken, asked who will bear the expense of the litigation and if there any security against Interlaken having to rebate money to Ocean Township should a challenge prevail.

Loch Arbour Mayor Fernicola stated that Loch Arbour would bear any costs regarding any lawsuit.

Loch Arbour Mayor Fernicola stated that Ocean Township has no physical schools in Loch Arbour. There is no property to transfer. All of Ocean Township school facilities are located inside Ocean Township. Loch Arbour Special Tax indemnifies any and all costs of the consolidation.

Ms. Genovese stated that a 2007 law which gives residents the same power as elected officials to work together to decrease taxes. The process has to be collaborative and it is beneficial for everyone to come together.

Ms. Grace Vargas, 1 Ocean Avenue, Loch Arbour, stated that she owns a home in West Long Branch and lives there. She stated that Shore Regional is happy to accept Interlaken's children into their schools and they will be very happy to accept Loch Arbour's children. Ms. Vargas also stated that she is a realtor and beach front property is very valuable. There is a lot to gain for Interlaken.

Mr. Jon Jacobus, Interlaken, asked whether Interlaken would be acquiring or assuming the beach asset and what the cost would be.

Loch Arbour Mayor Fernicola stated that Interlaken would be acquiring the beach and the other Loch Arbour property to Interlaken at no cost.

Mr. Jacobus asked if other areas were considered including: taxes, insurance, maintenance, upkeep and other expenses. Mr. Jacobus asked if there is there a tally of what that would involve.

Mr. Jacobus asked about beach revenues.

Loch Arbour Mayor Fernicola stated that the net income, including parking revenues, was \$170,000.00.

Mr. Jacobus asked that those in attendance think about the liability involved in owning a beach including insurance and exposure issues.

Loch Arbour Mayor Fernicola stated that since Loch Arbour has owned the beach since 1957 it has never incurred any liabilities with regard to the beach. Part of the expenses are the insurance and liabilities are covered by the insurance. Loch Arbour Mayor Fernicola stated that it is a municipal property and municipalities are granted immunity from lawsuits. It must be an exceptional circumstance. Typically a slip and fall case there is no liability that is why you don't see municipalities selling off their beaches because it is an income property.

Mr. Jacobus asked why would Loch Arbour residents do not want to continue owning the beach.

Loch Arbour Mayor Fernicola stated that the Village of Loch Arbour pays 2.2 million dollars to send 15 students to Ocean Township High School. Loch Arbour is giving up their authority and autonomy to get out of the school tax. There were number of elderly residents that have had to leave, because they could no longer afford the taxes due to education costs.

Mr. Jacobus asked who manages the beach.

Loch Arbour Mayor Fernicola stated that there is a beach manager and staff hired to run the beach under the supervision of the Town Clerk and the Board of Commissioners.

Mr. Jacobus asked who had the title of ownership to the beach. Does Loch Arbour have title to property?

Loch Arbour Mayor Fernicola stated that Loch Arbour has title to the property. The State of NJ owns below the mean high tide line to the Atlantic Ocean. Loch Arbour owns 2½ acres including pavilion building and the parking lot.

A Bendormere Avenue, Interlaken resident asked if there was a fall back plan should the Special Tax district not receive approval.

Loch Arbour Mayor Fernicola stated that the fall back plan is hopefully the Interlaken governing body agrees and formally submits the plan to Director Neff for his approval. Then it would go to DCA. DCA would have to express their opinion whether they approve that facet of the plan. There is no risk to Interlaken because it requires a second vote after the governing bodies give their opinion from the State. If the response is not satisfactory, Interlaken would not vote affirmatively when the second vote is required to accept the changes proposed by the Department of Community Affairs. Until you submit it to the State you can't get the approval or any proposed amendment.

Joel Fleming, Allenhurst resident, stated that he was a friendly neighbor from Allenhurst and asked if there was anything that came up in executive sessions that caused doubt that the Interlaken council would like to express.

Mayor Nohilly stated that this is the first meeting. The Interlaken Council has not officially had any discussion regarding the subject until tonight.

Don Fields, Interlaken, stated that he keeps hearing about "it is the opinion of this education official" that this should go through but ultimately the decision and the interpretation of the law rests with the judge. If challenged, what would be the worst case scenario?

Loch Arbour Mayor Fernicola stated that when state officials make a decision the judge does not have the authority to replace his judgment. The judge would have to find that the decision was arbitrary or violated some other statute.

Mr. Fields stated that the word that keeps being used is "opinion".

Loch Arbour Mayor Fernicola stated that the letter from Commissioner Hesse is binding and would be included in the consolidation plan. The residents of both towns need a legal and binding plan to go through the vote. The residents will have concrete answers before the residents go to the voting booth.

Gina Genovese asked Mr. Goerner to address the subject.

Mr. Goerner relayed some of his experiences with consolidation. Mr. Goerner feels that the scenario in Loch Arbour and Interlaken would be more structural changes. There is a more concrete plan. In Princeton it was a three year implementation process, so it was more of a leap of faith.

Mr. Goerner encouraged both municipalities to get all of their questions answered so that people could understand change.

Ms. Kay Jannarone, 309 Bendermere Avenue, Interlaken, stated that in the Princeton merger the school districts were already consolidated and that is a cause for concern. Ms. Jannarone asked for the breakdown of students. How many were high school students and how many were elementary.

Loch Arbour Mayor Fernicola stated that he does not have that breakdown, but knows there are two special education students.

Jodi Heinz, Interlaken, asked questions regarding FEMA reimbursements for Super Storm Sandy and contingency plans regarding Deal Lake flooding.

Loch Arbour Mayor Fernicola stated that the municipality is not responsible for flooding on private property. Deal Lake is under the jurisdiction of the Deal Lake Commission and the State of NJ. Loch Arbour has no liability. Loch Arbour has strongly advocated to the state through Congressman Pallone that the flume and culvert should be improved and he is seeking to get federal funding to turn it into a full storm control device.

Loch Arbour Mayor Fernicola stated that emergency appropriations were bonded to cover expenses incurred by Superstorm Sandy. Reimbursements were made by the State and by FEMA. The DEP and the State Department of Transportation paid for repairs on Ocean Avenue. Private insurance paid the costs for the pavilion. The balance of \$300,000 was spread between the homeowners to finance.

Ms. Jennifer Wentz, Interlaken, asked who was responsible for the bulkhead in Loch Arbour.

Loch Arbour Mayor Fernicola stated that Loch Arbour did not pay for repairs to the bulk head. Congressmen Pallone and the State paid for the replacement of the bulkhead, that at the time of Superstorm Sandy was 70-80 years old.

Ms. Wentz asked if going forward the State would still be responsible for maintenance.

Loch Arbour Mayor Fernicola stated that Loch Arbour does not own the property. The lake is not Loch Arbour property. And the State assumed jurisdiction of the flume in 2002 when the jetty was disassembled. That was paid for by the Federal Government and the State and they are currently proposing to do that again under the Beach Replenishment project and that is being paid for by the State. Loch Arbour has not paid any expenses in the past to maintain any portion of the lake. The State assumed jurisdiction in 2002.

Mr. Peter Hughes, Interlaken, asked if there was a reserve to cover expenses if Ocean Township brings litigation down the road. What would the plan be for Loch Arbour residents? If there is no reserve, would there be an assessment?

Loch Arbour Mayor Fernicola stated that it would be covered by an assessment to former Loch Arbour properties.

Mr. Hughes asked if there was any idea of the magnitude of the expense of that.

Loch Arbour Mayor Fernicola stated that the State of New Jersey would pay the lion's share of these expenses, because the complaint would be against a State agency and would be filed in the Trenton Appellate Division. The State would pay the defense.

Mr. Levinsky asked questions regarding how the beach club would be handled. How would the memberships work?

Loch Arbour Mayor Fernicola stated that Loch Arbour is a public beach club. There are a limited number of memberships. In February applications are sent out to residents. Many current members are not residents of Loch Arbour. The membership is open then to the public at large after that. Loch Arbour Mayor Fernicola stated that Interlaken would decide what would happen with the seasonal badges. There were 1,300 seasonal badges and 50 were unsold.

Robert Fernicola, Loch Arbour, stated that he heard a lot of questions from Interlaken residents. There are many legitimate questions that need to be answered. It is a difficult decision to make. Mr. Fernicola stated that he is also hearing a lot of questions that have to do with fear. The process is to get the plan approved by the State and then that plan itself becomes binding law. When the municipalities go to vote they know what they are voting upon. The statute is created and there are no surprises. The plan goes to the State and the State approves the plan.

Mr. Fernicola asked Councilman Cohen what basis is there for a lawsuit by Ocean Township.

Councilman Cohen stated that he asked only if anyone could guarantee that the send-recv would remain the same.

Mr. Fernicola stated that Allenhurst had a failing school district. If Loch Arbour merged with Allenhurst, Loch Arbour children would be going to a failing school district. Statistically Long Branch is a better school district than the Ocean Township. People are afraid of change. Mr. Fernicola stated that fear of Ocean Township suing and being successful is not a legitimate fear. Even if it is, it is built into the plan that Loch Arbour would pay for it.

Ms. Wentz, Interlaken, stated that she bought property in Interlaken because she wanted to live in Interlaken. The presentation was well put together but heavy handed. Ms. Wentz stated that she did not like the way the audience was being addressed, saying that the questions were based in fear. It is manipulative. Ms. Wentz stated that as a lifeguard she was taught not to touch a drowning person. Ms. Wentz stated that Interlaken feels compassion for Loch Arbour's extreme education expense situation, but it is not Interlaken's problem. Ms. Wentz resents the fear factor being brought up again and again. It is not fair. There are real concerns. Ms. Wentz does not think it is the right way to approach Interlaken.

Mr. Levinsky stated that he feels that the presentation was made with such pressure. Such a strong push for the agenda makes Mr. Levinsky more suspicious.

An Interlaken resident asked if Loch Arbour would have still wanted to merge with Interlaken, if the sending district was still Asbury Park and Bradley Beach.

Loch Arbour Mayor Paul Fernicola answered yes.

Mike Sylvester, Interlaken, asked if increased school budget costs were factored into the proposal and how will increases affect then numbers going forward?

Loch Arbour Mayor Fernicola stated that the plan went forward for a 10 year period of time and then for an additional 10 years. So what you saw is approx 15% savings after year eleven.

Mr. Reagan stated that the projection going forward made no allowance for inflation or deflation . How Local decisions and the State effect cost would be speculative. The projection looks at 2013. The savings remain. If something costs more and may taxes go up, but the savings remain. Mr. Reagan stated that he did not project what West Long Branch would be charging per student five years down the road.

Mr. Sylvester asked if increases in attendance were built into the projections.

Loch Arbour Mayor Fernicola stated that for Interlaken expenses now and going forward, what you are now paying as a town 100 % . Forty percent of the expenses are allocated to Loch Arbour properties and that is what is producing in part the tax savings to Interlaken by adding \$151 million dollars of assessed value.

An Interlaken resident stated that he thought the presentation was transparent and upfront.

Ms. Genovese stated that that this is the first meeting and it is about being transparent.

Mr. Weiner, former Loch Arbour Commissioner, stated that the difference between now and their dealings with Allenhurst was that they were using the Sparsely Populated Act and there was no plan in place before a vote. This approach gives the opportunity to review the plan beforehand and ask questions. Mr. Weiner stated that Allenhurst said that they did not want to see a plan because of what he feels was Allenhurst being upset over the police department choice. Mr. Weiner stated that Loch Arbour has been working with Commissioner Neff and asks that the process proceed. There are three sets of votes. Interlaken can always bail. If questions are not answered to your satisfaction, it can always be voted down.

A Loch Arbour resident stated that if there is a merger Loch Arbour could avoid the high school tax and there would also be a benefit to Interlaken with decreased taxes. He believes the West Long Branch schools are much higher rated than Ocean Township. He stated he feels that Allenhurst was upset about not getting the police contract. The resident stated that he heard an Allenhurst Commissioner state at a meeting was that the very reason taxes are low because only one child from Allenhurst attends Asbury Park schools, because it is a failing school system. He felt that the State would not want anyone to go to lower rated schools. Loch Arbour is trying to save taxes due to our school situation and would not put Interlaken in jeopardy.

Ms. Genovese stated that this was a collaborative process. She thanked everyone for attending and said thank you for being allowed to be the moderator.

With no additional public comment, Mayor Nohilly closed the floor for Public Comment.

**ADJOURNMENT**

Council President White MOTIONED to adjourn the meeting, seconded by Councilman Cohen and unanimously carried. No Council comment.

	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: \_\_\_\_\_