

BOROUGH OF FAR HILLS
Borough Council Regular Meeting
MINUTES
March 25, 2019

CALL TO ORDER

Mayor Vallone called the meeting to order at 7:02 p.m. at the Far Hills Municipal Building and read the open public meetings statement in accordance with the law.

PLEDGE OF ALLEGIANCE

Mayor Vallone led the Pledge of Allegiance.

ROLL CALL

Present: Carty, Chimenti, Hand, Karner, Surks, Tweedie, Vallone

Absent, as Excused:

Absent:

Also Present: Clerk Hicks, Chief DeCarolis, Attorney Sordillo, Borough Planner David Banisch, Officer Jenkins and approximately 75 members of the public.

REPORTS

Councilman Hand – Fire, Water, Light, Buildings & Grounds

No report.

Councilwoman Tweedie – Health/Sanitation

Councilwoman Tweedie reported smoke testing and jetting of the sanitary sewer system was scheduled to commence this spring.

Councilman Surks – Roads

Councilman Surks stated pothole repairs were completed on Sunnybranch Road, Minebrook Road and Douglas Road. He provided details regarding the Douglas Road Improvement Project, a joint project with Bernards Township, which was expected to commence this spring.

Councilman Carty – Finance/Insurance

Councilman Carty stated budget preparations were progressing and an introduction of the budget was expected in April.

Councilwoman Chimenti – Laws, Ordinances & Elections

Councilwoman Chimenti reported that she would be scheduling the annual meeting with Judge Adler within the next few weeks.

Council President Karner – Police

Council President Karner reported PBA contract negotiations were continually progressing. He stated a Distracted Driver enforcement detail would commence next month. He added “Operation Take Back New Jersey” a prescription drug drop off event sponsored by the NJ Division of the Drug Enforcement Administration (NJDEA), was planned for April 27, 2019.

Chief Michael DeCarolis – Police

Chief DeCarolis echoed Council President Karner stating the Distracted Driver detail would be in effect from April 1-21, 2019. Chief DeCarolis stated that in addition to the drug take back event on

April 27, 2019, there was also a kiosk in the lobby of police headquarters available 24/7 for residents to drop off expired or unwanted prescription medication.

Mayor Vallone

Mayor Vallone informed the Council he attended a meeting with representatives of the Visiting Nurse Association on March 19, 2019 to discuss logistics of the spring VNA Rummage Sale. He noted donations would be accepted from April 6-23, 2019 and the sale would be held May 2-5, 2019.

Mayor Vallone stated that the New Jersey Department of Transportation indicated paving of Route 202 would commence this summer, spanning from the Far Hills Train Station to the Quarry in Bernardsville.

Lastly, Mayor Vallone stated, in collaboration with CFO Debi Stern and all of the Council members, the 2019 Budget was near completion and would be introduced in April.

REGULAR AGENDA

APPROVAL OF MINUTES

2/25/19 – Regular Meeting

Motion by Council President Karner, seconded by Councilman Surks, was unanimously carried that these minutes be approved for content and release.

NEW BUSINESS

ORDINANCE – INTRODUCTION

ORDINANCE 2019-01 – CALENDAR YEAR 2019 ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK

Motion by Council President Karner, seconded by Councilwoman Tweedie that Ordinance 2019-01 be introduced.

Roll Call:

Aye: Carty, Chimenti, Hand, Karner, Surks, Tweedie

Nay:

Abstain:

Motion Carried.

RESOLUTIONS

CONSENT AGENDA

The items listed within the consent agenda portion of the meeting have been referred to the Borough Council for reading and study and are considered routine and will be enacted with one motion of the Borough Council with no separate discussion. If separate discussion is required, the item may be removed from the agenda by Borough Council action and placed on the regular agenda under new business.

RESOLUTIONS

1. Resolution 19-059 – Authorizing an Emergency Temporary Appropriation
2. Resolution 19-060 – Authorizing the Cancellation of Capital Improvement Ordinance(s)
3. Resolution 19-061 – Payment of Bill List - 3/11/19
4. Resolution 19-062 – Payment of Bill List - 3/25/19

Motion by Council President Karner, seconded by Councilman Surks that Resolutions 19-059 through 19-062 be approved.

Roll Call:

Aye: Carty, Chimenti, Hand, Karner, Surks, Tweedie

Nay:

Abstain:

Motion Carried.

Mayor Vallone made the following statement prior to the Public Comment section of the meeting:

Ladies and gentlemen, before I open up the meeting to public comment, I want to address a substantial amount of misinformation that has been disseminated regarding the Borough's affordable housing plan which has already been approved by the Court and Fair Share Housing Center giving the Borough immunity from builder remedy lawsuits. For those of you who are unaware of what that means, it means by having a plan that has been approved by the court, it insulates the Borough from any builder coming in and buying any property and essentially building whatever they want, wherever they want. Receiving immunity prescribed by the court is vitally important to this Borough. As the majority of residents are aware, our plan has three components, the first is a group home which will be built by Matheny at their own expense, on land donated to Matheny by the Borough. Some eight years ago, the Borough purchased the home located at 46 Peapack Road along with the adjacent land and bonded for \$423,800.00 in anticipation of using that land to address a future component of our affordable housing obligation. That future is now here. The last payment will be made this budget cycle leaving the Borough debt free for this property. The small home on the remaining land will be converted to Veterans housing for additional credits toward our obligations.

The second part of the plan is our agreement with Mr. Bill Hotz, a builder very experienced with affordable housing, whose office has been in Far Hills for over twenty years. He will add an additional floor to the two buildings that he owns on Peapack Road, across from the J. Malcolm Belcher Fairgrounds, which will consist of rental apartments providing the Borough additional credits toward our obligation.

The third component will be the development located on what is presently Errico Acres on Route 202 where this development will completely and totally satisfy our obligation. Over the last several weeks, a group of residents on Lake Road asserted that they were unaware of this plan despite extensive discussion at Council meetings, presentations by several developers at Council meetings, articles in the local newspaper, affordable housing updates at almost every Council meeting like this one and from residents of Far Hills and surrounding areas discussing this issue at coffee shops, banks, yoga studios and post offices, as residents do. When Pulte Homes was here for their presentation, this room was as equally filled as it is now.

Despite all of this, much misinformation has been spread just recently by three residents in an interview and subsequent article in the Bernardsville News last week, the same newspaper that ironically these residents stated they never read. I want to take a few moments to correct these inaccuracies.

First, is the statement that the Route 202 Pulte Homes project to be built on "Errico Acres" will be all three bedrooms and two car garages and all will be over 3000 square feet. This is false. The Polo Club at the end of Sunnybranch Road, which is a wonderful addition to our community and addressed the Far Hills affordable housing obligation in Round One. Built about 25 years ago, the development has 100 market rate units and 25 affordable housing units ranging from one, two and three bedroom units as prescribed by New Jersey State mandate. The market rate units are comprised of about 75% two-bedroom units most with a one car garage and some with a two car garage, and about 25% three-bedroom units with a two car garage. The Route 202 project will be very similar in nature. The project will be a

mix of two-bedroom and three-bedroom units and I and the Council will continue to address this mix going forward. The statement that all of the units will be three-bedroom units is false.

The next false statement was the inaccurate calculation of the number of school children. It was stated by several residents that this number would be up to 275 in number which is completely inaccurate. According to the National Association of Homebuilders, whom I have contacted and their vast experience with building in this area indicates the average anticipated number of children will be 40 or less. The number of children estimated by NJ State figures and the Department of Community Affairs is even less. Keep in mind that over the twenty five year history of the Polo Club, at no time have there been more than 10 school children on an annual basis and, for the first several years, there were none.

In addition, after my discussion with the liaisons for Pulte Homes, they will consider putting an age restriction designation on a percentage of the development, thus reducing even further the number of children to be educated. With these numbers, and even higher than these projected numbers and discussing this with our professionals and tax advisors, the project is a net tax positive for the Borough. Also having discussed this issue with local school officials, they concur with these projections.

The next false statement put forward is that a 30 unit affordable housing building can be built for \$6,000,000.00 or \$200 per square foot. That is far less than the actual cost to build the units and is a false statement. Let me share some factual 2019 figures.

In talking to several knowledgeable builders over the last several years and most recently several weeks ago I, our Planner and Attorney and members of this Council have ascertained from builders who have extensive experience in building affordable housing in the State of New Jersey, that the going rate is \$250,000.00 to \$325,000.00 per unit depending on the topography. For 30 units, the construction cost alone would be some \$8,250,000.00. Also, remember for state projects you must use prevailing wage rates. This was an article, just this week, from Crane's Business in NY who are advocates for affordable housing stated that this alone will add \$40,000.00 - \$80,000.00 per unit. This figure does not include sewer connection fees which in Far Hills are some of the highest in the state. To connect a two bedroom unit, the affordable housing rate would be \$68,464.43 per unit; a three bedroom unit is \$91,169.23. So let's take 30 times \$68,484.00 and that is an additional \$2,000,000.00, running the water lines which have to provide certain pressure for fire concerns and new sewer lines to the property can be another \$2,000,000.00-\$4,000,000.00 and buying the land, another \$1,000,000.00. Add in professional fees, state approvals, DCA approvals, engineers, attorneys and others for another \$600,000.00-\$750,000.00 for a grand total of nearly \$15,000,000.00 and that is if everything goes well.

The bond costs would be \$1,000,000.00 a year or more, which is about 40% of our budget which is short of \$3,000,000.00. This would require nearly doubling your taxes immediately, would cripple the Borough financially for the next 20-30 years, we would have no reserves because for a municipality to bond you have to put up 5% of the total amount of bond in cash. That would wipe out our cash reserves and should an emergency arise we would not be able to borrow any more money as we would be at the legal maximum amount a municipality can borrow in the State of NJ. You can only borrow up to 3.5% of your total assessed value. We would have pushed up against that and should we need any more money we cannot bond for anything else. In addition, we would still have to run and staff the building and maintain them physically which would also add additional cost or pay someone 10-15% of the cost of the building annually to do so. As you can see, this is not an option and it is not the direction Far Hills is going to go. These are real facts and real figures.

While I will not comment on any other municipalities' affordable housing plans, it has been brought up by a resident at a meeting on January 28, 2019 and in a newspaper article recently, that Harding has self-

funded for their obligation and it worked well which is a false statement. Harding self-funded for 24 units in Round one. I have contacted representatives of Harding Township and the unanimous response from them was that it was a poor choice and they would never do it again. They are left with a building on Hartley Farms that needs massive repairs, heating ventilation, new roof, updating of the bathrooms and kitchens in compliance with ADA regulations and these costs are to be passed on to the taxpayers.

In short, the plan we have adopted is sound and financially responsible and places our affordable housing obligation throughout the entire Borough, not just clustering it all in one area of Far Hills which is frowned up by the courts. It also addresses all of our current obligations without financially over burdening our residents and will keep Far Hills financially strong as we go forward. It takes into account all of Far Hills, not a single section of the Borough and all of our residents, not just a few.

I hope this accurate information is informative and puts to rest some of the misinformation being currently put forward by a few uninformed residents. I encourage all residents to continue to attend Council meetings where I and this Council will be happy to address your concerns and answer your questions and we welcome your input. Twenty-five years ago, our community struggled with the same decision, I know because I have spoken to previous Borough Officials who were there. The decision made then, while difficult, was right for Far Hills and given our options, our finances and Supreme Court imposed directives, this decision is right for Far Hills now.

I will now open the meeting up to public comment. Please come up to the microphone, give your name and address before asking your question or making your comment. In an effort to hear as many residents as possible, I ask that you limit yourself to 5 minutes or less and please remember to be collegial, courteous and constructive as we are all here working together for the Borough of Far Hills.

PUBLIC COMMENT – *The Mayor and Council welcome 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 shall limit their comments to 5 minutes.*

Charles Schwester, 410 Lake Road, Far Hills commented that builders promote a need for market rate units in order to cover the cost of the affordable housing units they provide. He provided the Borough Council with information which he personally received from RPM Development Group as an option to build only the affordable units. He also spoke of the number of school aged children generated from the proposed development and reviewed the potential financial impact upon the Borough.

Ed Coury, 100 Lake Road, Far Hills expressed concern for the number of school children that could be generated from the current affordable housing agreement noting that it would be an ongoing cost to the Borough for the education of these children. Mr. Coury stated he was against building the 110 market rate homes in order to cover the cost to build the 29 mandated affordable units and expressed his support for the Borough to self-fund the required affordable units. He also commented upon the ancillary services that would be needed to support the increase in population. He requested the financial data utilized by the Borough in the determination to not self-fund the project.

Stuart Lieberman, Attorney from Lieberman & Blecher, Princeton NJ stated that he was retained by the organization “Preserve Far Hills” the officers of whom live on Lake Road. He commented the current affordable housing agreement was a village altering project which would increase the population of the Borough by 30% and questioned the financial impact to self-funding specifically to the costs of sewer connection fees. Mr. Lieberman requested that the residents be provided with an analysis as to the determination of the Errico Acres site for affordable housing development in comparison to the other proposed developments. He also commented on a Fish and Wildlife Services Report indicating the Long Eared Bat, a federally endangered species has been known to nest in the Borough of Far Hills and

requested the Council reevaluate the possible nesting grounds that may be affected by the proposed development.

Sohail Khan, 3 Fox Hunt Court, Far Hills expressed concern as to the lack of transparency afforded residents with regard to the affordable housing project proposals.

Mel Weinberger, 14 Polo Club Road, Far Hills commented on the Borough's ability to litigate the calculation used to establish the number of affordable housing units required for the municipality.

Michael Joyce, 57 Liberty Corner Road, Far Hills inquired as to the mandate imposed on the Borough at this time and requested clarification on whether the Borough has the ability to investigate a possible proposal from the RPM Development Group.

John Sobel, 44 Spring Hollow Road, Far Hills commented upon the Borough's ability to apply for an extension to the Court. He also questioned whether adequate notice of the meeting regarding the approved affordable housing agreement was provided.

Lee Pressler, 80 Lake Road, Far Hills inquired as to the impact this affordable housing agreement would have on the Borough's future obligation numbers. He also suggested notification of affordable housing discussion be made in the form of a mailer sent to all of the residents.

Charles Schwester, 410 Lake Road, Far Hills requested the Borough Council consider alternative solutions to the affordable housing agreement.

Lauren Gilbert, 13 Prospect Street, Far Hills inquired as to the cost of the affordable housing units in relation to what the Borough could recoup financially.

Ken Wilke, 18 Polo Club Road, requested clarification as to the process going forward and a timeline associated with the Borough satisfying its affordable housing obligation.

Christian Kubick, 250 Lake Road, Far Hills suggested the increase use of technological resources as a means to increase transparency.

Cindy Campbell, 81 Peapack Road, Far Hills inquired as to the Matheny School development at the property located at 46 Peapack Road. She also requested clarification as to the allocation of the \$800,000.00 monetary donation for improvements to the fairgrounds detailed in the agreement.

Amy Pressler, 80 Lake Road, Far Hills requested guidance as to the process moving forward and how residents could best become involved.

There were no further comments from the public.

ADJOURNMENT

Motion by Councilwoman Tweedie, seconded by Council President Karner and unanimously carried to adjourn the meeting at 8:55 p.m.

Respectfully submitted,



Dorothy S. Hicks
Borough Clerk

APPROVED – 4/8/19