

SPECIAL MEETING OF THE MAYOR AND COUNCIL
HELD VIA VIDEO CONFERENCING
MUNICIPAL COURT /COUNCIL CHAMBERS
10 LAWLOR DRIVE, OAKLAND, NEW JERSEY
FRIDAY MAY 1, 2020

MEETING CALLED TO ORDER: By Mayor Schwager at 9:30 am.

ROLL CALL: Mayor Schwager called the meeting to order and the Clerk called the roll. Present: Mayor Schwager, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck. Absent: Councilman Talamini. Also Present: Lisa M. Duncan, Borough Clerk; Richard Kunze, Borough Administrator; Brian Chewcaskie, Borough Attorney; David Young, Chief Financial Officer.

SALUTE TO THE FLAG:

MOMENT OF SILENCE:

MEETING ANNOUNCEMENT: Mayor Schwager announced this meeting is being held in accordance with the Open Public Meetings Law duly announced and advertised and held with the guidelines set up for this COVID-19 health crisis.

MOTION TO EXCUSE ABSENCE:

On motion of Councilman Pignatelli, seconded by Councilman Biale, the absence of Councilman Talamini be excused.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck.

OPENED FOR PUBLIC DISCUSSION:

On motion of Councilman Biale, seconded by Councilman Pignatelli, this portion of the meeting be opened for public discussion.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck.

No comments made.

CLOSED FOR PUBLIC DISCUSSION:

On motion of Councilman Levy, seconded by Councilman Pignatelli, this portion of the meeting be closed to public discussion.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck.

OPENING RECREATION FACILITIES:

Mayor Schwager advised that the Governor signed an Executive Order to open golf courses and parks for passive recreation. She explained that we cannot open playgrounds, basketball courts, tennis courts or the restrooms. Parking must be at 50% of capacity. The walking path will have signs directing people one way.

Councilman Pignatelli knows the Recreation Commission had proposed to have the people using the walking path go in one direction only. He asked if there would be signage and if the signage will tell people to use social distance and wear a face mask. Mr. Kunze advised there would be signage. Mayor Schwager advised that if people start violating social distancing, this will have to be revisited. Councilman Pignatelli commented that people didn't take this seriously in the beginning. However, now people are wearing masks and social distancing. There are people who will violate this but he is comfortable with opening the facilities if people are practicing social distancing and wearing masks.

Councilman Knapp questioned if the roller hockey rink will be open. Mr. Kunze responded that it is still closed. Mr. Kunze advised that he will be working on signage today. We will do informational graphics. Mr. Kunze advised that the County Executive's order states masks shall be worn. Mayor Schwager asked if legally shall means must. Mr. Chewcaskie responded that it does. Councilman Biale asked if fields are still closed so there would be no practicing. Mayor Schwager advised that there will be no organized sports and no pick up games. Councilman Knapp asked if it would be allowed for one person goes to the school to shoot hoops by themselves. Mr. Kunze advised that the Police have the discretion to enforce the Executive Orders. Mayor Schwager responded that the Council can't direct what happens on their property.

Councilman Van Eck that the Recreation Commission sent a letter with unified consent to open the walking path. He advised that the Borough is going to open the facilities for passive recreation. The baseball diamonds, batting cages, restrooms and picnic tables will all remain closed. Councilman Van Eck does not like the wording "shall". He asked what is going to be done if someone is not wearing a mask. He does not think it necessary to mandate the masks. Councilman Knapp advised that he doesn't wear a mask when he walks but he has it so if he encounters people, he puts the mask on. Councilman Van Eck advised that Mahwah put infographics on their signs to let people know what they need to do.

Mayor Schwager commented that some towns are not reopening parks so it is good that parking is only allowed at 50%. Mr. Kunze advised that the DPW is already making arrangements to rope off areas of parking. Councilman Levy advised that Franklin Lakes is opening some facilities. Mayor Schwager advised that she talks to the Mayors of surrounding towns daily in order to work together. Franklin Lakes is opening up trails. Councilman Biale advised that someone has been hitting golf balls in the field behind the Japanese school. He asked people not to hit golf balls on the Rec field. Councilman Van Eck asked if Great Oak Park will be opened. Mr. Kunze responded that this will included everything unless specified. Councilman Knapp asked if the facilities can be limited to Oakland residents only. Mr. Chewcaskie and Mr. Kunze responded that it cannot be limited.

MOTION:

On motion of Councilman Levy, seconded by Councilman Biale, the Recreation facilities be opened for passive recreation only starting Saturday May 2nd.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck.

Mayor Schwager reiterated that the restrooms, playgrounds, and tennis courts remain closed. Parking is at 50% capacity and people should practice social distancing and carry masks.

EXTENSION OF GRACE PERIOD-2ND QUARTER TAXES:

Mayor Schwager advised that the Governor signed an Executive Order permitting municipalities to extend the grace period for 2nd quarter taxes. If taxes are not paid by June 1st, penalties go back to May 1st.

Councilman Levy asked what the impact to the Borough would be. He asked if we are able to sustain the extension without borrowing money. Mr. Young advised that our collection rate is already 10% lower than this time last year. He advised that the Borough did receive a tax payment from Core Logic today so he is not as concerned about cash flow. He will reach out to the schools to see if we can pay after June 1st. The cash flow should be ok if we get the majority of payments by June 1st.

Mayor Schwager asked if they passed a mandate that the schools have to pay the employees. Mr. Kunze responded that school is still in session. Mayor Schwager asked when the payment to the schools and County is due. Mr. Young responded that the school payment is due May 11th and the County payment is due May 15th. Councilman Levy feels that if we are giving the taxpayers a deferment until June 1st, the schools and County should not be paid until June 1st. Mr. Chewcaskie responded that the Borough is obligated to make payments in accordance with the statute. They can seek action if payment is not made timely but by the time that would happen, the Borough will make the payment.

Mayor Schwager commented that Mr. Young had said 50% of taxes are paid through mortgage companies. She asked if Core Logic is the biggest company. Mr. Young confirmed it is a large payment. He suggested paying the schools and County a percentage of the money we collect so they can keep operating. Mayor Schwager advised that our portion of the taxes is 23%. The rest of the taxes that are collected gets paid to the schools and the County. She asked if we would be able to cover this delay. Mr. Young responded that we can cover this month.

Councilman Levy suggested that if we collect 40% taxes, then we give the schools and County 40% of the taxes owed to them. We can make the remainder of the payment on June 1st. Mayor Schwager asked if Councilman Levy wants to amend the resolution. Mr. Kunze advised that the payments can be managed administratively. He advised that there is an interest provision in the Statute regarding payment to the County. Mr. Young believes the interest is after 30 days. He commented that we cannot assume the County will be agreeable to a late payment. Mr. Chewcaskie advised that the Borough has already received a \$ 5 million payment from Core Logic. There is a meeting on May 13th. The Mayor and Council can get an update from the CFO to determine if we need to amend the payment procedure. Councilman Pignatelli asked if the County has a reserve for uncollected taxes. Mr. Young responded they do not.

Mr. Kunze spoke to Councilman Talamini yesterday and he is in favor of extending the grace period. Mr. Kunze advised that in late March, the Assembly passed legislation that would have given the authority to towns to extend the grace period and extend the deadline to make payments. That legislation died in the Senate. The Governor issued an Executive Order on the grace periods as a result of the Senate's failure to act.

Councilman Biale had asked Mr. Young how many residents pay taxes through their mortgage and Mr. Young advised approximately 50% are paid through mortgage. Councilman Biale asked if residents could roll the tax payments in their mortgage payment. Mayor Schwager responded that has to be determined by the individual resident. If it is a first time buyer, the mortgage company will hold one quarter payment tax and insurance. A lot of people want the money in their own pocket. You can't ask people to forego three months of tax and insurance payments to

the mortgage company. Mr. Young responded that the mortgage companies pay through a third party like Core Logic and the Borough has already received payment from those companies this quarter.

Mr. Young advised that right now, we are ok with cash flow for the second quarter. There is a debt payment due in June but it is a smaller payment. He is unsure about the third quarter because the Energy Tax Receipts won't come in the summer until after the State passes their budget. Councilman Levy commented that a lot of people need this deferment now. He asked what happens if June 1st comes and we have not received all the payments. Mr. Young responded that we are ok with cash flow right now. If it gets to the point there is a cash flow issue, we do have reserves. The next option after using reserves is Tax Anticipation Notes which would hurt our bond rating and the additional costs ultimately get passed on to the taxpayers.

Mr. Chewcaskie advised that the intention of what the Governing Body is trying to do is accommodate the residents and extend the grace period for second quarter taxes by virtue of the Governor's Executive Order. The second issue about paying the schools and County is a matter of financial management. He advised that the Governing Body should see what the financial position is as of the May 13th meeting. It should not be costing the Borough money to allow this grace period. Councilman Pignatelli asked Mr. Young to let the Governing Body know if there is a cash flow problem so they can act accordingly. Mr. Young advised he is watching the situation several times a week.

Councilman Van Eck advised that some mortgage companies have allowed for extensions on payments. He asked how that would affect the Borough. Mr. Young responded that the property owner is responsible for making the tax payment. Councilman Van Eck asked if the mortgage company will still make tax payments if they are not getting paid. Mr. Young responded that the mortgage company will likely continue to pay using escrow. He advised that there is no grace for residents not to pay taxes because they are not paying the mortgage.

Mayor Schwager commented that payments have to be received June 1st or the penalties will date back to May 1st. Mr. Young advised that payment must be physically received by June 1st not postmarked by June 1st.

RESOLUTION 20-133 EXTENSION OF GRACE PERIOD FOR 2ND QUARTER TAXES

On motion of Councilman Biale, seconded by Councilman Pignatelli, the following resolution be introduced, adopted and duly passed by roll call vote:

WHEREAS, Governor Phillip D. Murphy issued Executive Order No. 130, which permits a municipality, by resolution, to provide for a grace period concluding no later than June 1, 2020, for the payment of second quarter property taxes; and

WHEREAS, this Executive Order was issued on April 28, 2020; and

WHEREAS, the Governing Body has been apprised of and considered the possible effect on the Borough's cash flow as well as the possible benefits to property owners; and

WHEREAS, the Mayor and Council of the Borough of Oakland deem it in the best interest of the citizens of the Borough of Oakland to extend the grace period for the payment of second quarter property taxes to June 1, 2020; and

WHEREAS, 2nd quarter property taxes are still due May 1, 2020, and any payments received after June 1, 2020 will incur penalties dating back to May 1, 2020;

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Oakland, as follows:

- The grace period for the payment of second quarter property taxes shall be extended to June 1, 2020.
- The Borough shall post on its website information regarding the adoption of this Resolution and the extension of the grace period for the payment of second quarter property taxes to June 1, 2020.
- The Borough Clerk shall provide a copy of this resolution to Director of the Division of Local Government Services and the Department of Community Affairs no later than the third business day after the adoption of this Resolution.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck.

MEETING ADJOURNED:

On motion of Councilman Pignatelli, seconded by Councilman Knapp, the meeting be adjourned at 10:14 am.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Levy, Pignatelli, Van Eck.

Lisa M. Duncan

Linda H. Schwager

Lisa M. Duncan, Borough Clerk
May 13, 2020

Mayor Linda H. Schwager

Date Approved