

The Workshop Meeting of the Borough of Butler Mayor and Council was opened by Mayor Martinez who indicated that the meeting was being held in compliance with the Open Public Meetings Act having been duly advertised and posted in Borough Hall.

ROLL CALL

PRESENT: Mayor Martinez, Councilman Calvi, Councilman Fox, Councilman Meier, Councilman Piccirillo, Councilman Regis and Council President Verdonik

ALSO PRESENT: J. Lampmann, Borough Administrator, and R. Oostdyk, Borough Attorney, J. Kozimor, Chief Financial Officer and M. O'Keefe, Borough Clerk

Ordinance for Introduction

2021-4 Water Rate Increase

Public Hearing: March 16, 2021

Mr. Lampmann gave the Mayor and Council a synopsis as to why the increase is needed, the State of New Jersey is requiring improvements to the Water Distribution System, revenues are not as expected due in part to an increase in testing requirements and the cost of chemicals used to treat the drinking water. The water rates have not been increased since 2012, and the increase is minimal as it is less than \$40.00 yearly.

Moved: Calvi

Second: Fox

Voted Aye: Calvi, Fox, Meier, Piccirillo, Regis and Verdonik

Voted Nay: None

Resolution No. 2021-28 Resolution Authorizing the Execution of an Amendment to the Agreement for Payment in Lieu of Taxes (PILOT) and a Third Amendment to the Restated Lease Between the Borough of Butler and Butler Senior Citizens Housing, LP

Mr. Lampmann explained that Butler Senior Citizens Housing, LP is looking to refinance at a lower rate and they have offered the Borough of Butler a guarantee that they would provide a portion of property in the rear of the Municipal Building to create a recreational space.

Moved: Fox

Second: Verdonik

Voted Aye: Calvi, Fox, Meier, Piccirillo, Regis and Verdonik

Voted Nay: None

Appointment of Britni Morley to the Butler Planning Board for the Unexpired Term of Marc Piccirillo ending December 31, 2022

Ms. Morley was in the audience this evening, Ms. O'Keefe administered the oath of office, the Mayor and Borough Council congratulated her on her appointment.

Discussion – 2021 Capital Budget Mr. Lampmann noted that the projects for the 2021 Capital budget were prepared after the departmental budget meetings. Discussion ensued about putting monies aside for a playground, there needs to be an amount given so budgeting for this project may begin. Council President Verdonik as part of the committee exploring options suggested \$50,000 as a start; it will probably be a multi-year project, with the placement of the play area in

the property recently acquired from the amendment to the agreement with Butler Senior Citizens Housing. Mr. Lampmann explained that site work for the area would be required; additionally he suggested that this project be done in sections. Council President Verdonik noted that he had received several requests for a Pickle Ball court, so perhaps Assante Park may be reconfigured to provide both a basketball court and a pickle ball court. Additionally, Mr. Lampmann needed a firm answer as to whether or not Stonybrook would be operational this year as the season is rapidly approaching and the summer recreation program sign ups should begin shortly. The current regulations are not conducive to having an indoor program in the event of severe inclement weather the program would be cancelled for that day and would be stated on the flyer at sign up about closure for that reason. The operational costs for Stonybrook without the Summer Recreational program would be approximately \$50,000. The Recreation Commission is asking the Borough Council put some funds in place in the event that the State of New Jersey regulations forbid the operation of the Recreational program this summer, as operational costs are not covered in full by gate receipts and memberships. If there are approximately fifty patrons of the summer recreation program, it will pay for itself. Recreation will reach out to former summer recreation programs patrons to gauge their interest in joining the summer recreation program. The Borough Council recommended opening Stonybrook and having the summer recreation program operate. The Pequannock River Basin Regional Sewerage Authority (PRBRSA) bill has been lowered by approximately \$100,000 due to methodology that was developed by the Borough, once this was brought forth to the board of the PRBRSA it was agreed that the new methodology would be used. The 2021 Municipal Budget if accepted as written will be introduced at the March 16, 2021 meeting and Public Hearing and adoption at the April 20, 2021 meeting the tax increase on an average home valued at \$252,000 would be \$34.00.

Discussion – Winter Overnight Parking Ban

Mayor Martinez asked that this be removed from the Agenda.

Discussion – Social Meeting and Cooperative

Mayor Martinez stated he had received a number of requests regarding expanding the Social Media presence of the Borough, he feels that it would be a better way to get more information out to the residents. Mr. Lampmann noted that he had received a call regarding the cost to maintain the website from a prospective vendor; the cost would be approximately \$6,000.00. Mr. Lampmann explained that the website is updated as information is received. Councilman Calvi suggested that this be a function of the Economic Development Committee as he has seen in other states and the Chamber of Commerce usually runs a website similar to what the Mayor is suggesting. Mr. Lampmann also explained the use of NIXLE; it is designed for emergencies. A specific site was created for Butler Electric that notes outages, and estimated time of restoration. Councilman Piccirillo noted that while it is great for informational purposes, sometimes the comments could be offensive or misinformation. Councilman Calvi asked that for additional information so the Council has a better idea as to what Mayor Martinez is looking for so the changes may be implemented with the pending upgrades to the website. Regarding starting a Cooperative Mayor Martinez explained that he has had conversations with the Borough Administrator and Borough Attorney regarding this. He detailed what the project would entail, it would be done by an open public bid, and once the contractor wins a project, the Borough would

receive a percentage of the bid amount. Councilman Piccirillo asked for more detail on what types of projects would be performed. The Borough could set the parameters as to what projects would be done. The cooperative would submit bids for public jobs; if successful, the Borough would receive a portion of the bid. Mayor Martinez will continue to investigate this as far as costs, time and state requirements.

Discussion – 84-86 Boonton Avenue Offering

Mr. Lampmann noted that he received a phone call from the owner of the property, it will be going up for sale, and he asked that the offer of sale to the Borough for \$379,000 be brought to the Mayor and Council. The consensus of the Mayor and Council is that the cost is too high and the Borough has no need for the parcel. Mr. Lampmann will present an offer of \$50,000 to the owner and he will provide an update at an upcoming meeting.

Discussion – Street Signs Designating Those Streets Named After Residents who were Veterans that were Killed in Action with a Special Sign Denoting the Conflict That They Lost Their Lives

Councilman Meier contacted Ray Bossard regarding cost of the signs, Mr. Bossard is present this evening. Ray Bossard explained that he did the project in Bloomingdale and cost was minimal for aluminum signs, in Pequannock, the signs are more ornate they have the colors of the branch of service on them. These signs are put under the street signs the name of the street is not changed to avoid any confusion with the United States Postal Service. Council President Verdonik asked what the price would be for a “high end” sign cost, Councilman Meier stated that the cost would be approximately \$25.00. Mr. Bossard also brought up banners with the names of those killed in action, the approximate cost is \$150.00 per banner, his thought was to have the Veteran’s family purchase their own banner, the banners would fly from Memorial Day through Veteran’s Day.

OPEN PUBLIC DISCUSSION

Mayor Martinez opened the meeting to the public at this time.

Paul Bastante, 10 Walnut Lane Mr. Bastante is the director of the Butler Museum; he expressed his gratitude at attending the Council meeting. He noted that the social media problem is greater than the Borough Council is aware of; he feels that the Borough is sorely lacking a social media presence. If the Council approves Mr. Bastante, will meet with Mr. Lampmann and provide a free consultation regarding what options are available on the social media front. Mr. Lampmann explained that people would call; email and phone with the same question at 11:00 p.m. and then express outrage that their matter has not been dealt with by 8:00 a.m. the following day. Mr. Bastante is asking for permission to install a digital sign with funds raised. The sign would be available for Borough information, the sign would be where the current Butler museum sign is, and it could serve as Community outreach. He would like to have an event in front of the museum that would have music and food trucks. He noted that the Museum is a wonderful community resource. This event will be sponsored in part by Wheel of Dreams he is contacting other local businesses to establish a connection within the community. Mr. Kozimor explained that regarding donations he should steer away from cash donations, if the person insists on cash he must provide receipts. Mr. Bastante would like to set up on the web page a way to donate

funds electronically. Mr. Lampmann suggested that perhaps the perhaps Butler Park would be a better location for the event as more people would be able to attend. Mr. Bastante is requesting that Main Street be closed to vehicular traffic to allow more people to attend. Mr. Lampmann noted that Mr. Bastante would need to go over the plans with Chief Chimento regarding road closure; Mr. Lampmann would facilitate the date for a meeting.

Seeing no one else come forward to speak a motion was made to close the public portion of the meeting.

Moved: Fox
All in favor.

Second: Verdonik

Motion to adjourn
Moved: Fox
All in favor.

Second: Verdonik

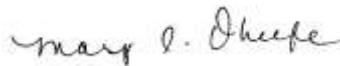
ADJOURNMENT: 8:25 p.m.

Adopted: June 15, 2021



Ryan Martinez, Mayor

Attest:



Mary A. O'Keefe, RMC
Municipal Clerk
Dated: June 15, 2021

BOROUGH OF BUTLER

ORDINANCE NO. 2021-4

**ORDINANCE AMENDING CHAPTER 234 OF THE REVISED
GENERAL ORDINANCES OF THE BOROUGH OF BUTLER
AND ESTABLISHING WATER RATES**

BE IT ORDAINED by the Mayor and Council of the Borough of Butler, County of Morris, and State of New Jersey, as follows:

1. Chapter 234, Subchapter 234-7, entitled "Fees and Rates; Billing Procedures" of the Revised General Ordinances of the Borough of Butler shall be amended by the following revisions to Subsections 234-7B entitled "Water Rates" which shall read in their entirety as follows:

B. Water Rates. The following rents, rates and charges are hereby established for water supplied by the Department.

(1) Domestic metered. This schedule of rates shall consist of two (2) parts or elements: first, a fixed charge; and second, a proportional charge.

(a) Fixed meter service charge (based on the size of the meter required to serve the customer on a quarterly basis) shall be as follows:

Size of Meter (inches)	Per Quarter Butler & Jurisdictional Customers
5/8	\$ 43.00
3/4	\$ 43.00
1	\$ 61.65
1-1/2	\$ 78.50
2	\$ 97.15
3	\$ 241.00
4	\$ 480.00
6	\$ 958.00
8	\$ 1,198.00

Provided, however, that each multi-tenant residential or nonresidential building supplied through one (1) service connection or meter shall pay Forty Three Dollars (\$43.00), for each unit supplied through the service connection.

(b) Schedule. In addition to the fixed charge, all metered water shall be charged as follows: The rent per one thousand (1,000) gallons shall be Five Dollars (\$5.00).

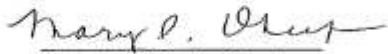
2. If any section or provision of this Ordinance shall be held invalid in any Court of competent jurisdiction, the same shall not affect the other sections or provisions of this Ordinance, except so far as

the section or provision so declared invalid shall be inseparable from the remainder of any portion thereof.

3. All Ordinances or parts of Ordinances which are inconsistent herewith are hereby repealed to the extent of such inconsistency.

4. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

Adopted this 2nd day of
March, 2021.


Mary A. O'Keefe, Clerk


Ryan Martinez, Mayor

BOROUGH OF BUTLER

RESOLUTION 2021- 28

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE AGREEMENT FOR PAYMENT IN LIEU OF TAXES AND A THIRD AMENDMENT TO THE RESTATED LEASE BETWEEN THE BOROUGH OF BUTLER AND BUTLER SENIOR CITIZENS HOUSING, LP.

WHEREAS, Butler Senior Citizens Housing, LP ("Owner" or "Borrower" or "Existing Tenant" or "Sponsor") has made an application to the Borough of Butler ("Borough" or "Landlord"), for approval of the continuation of that certain PILOT Agreement, by and between the Sponsor and the Municipality, dated October 19, 2004, upon the refinancing of its New Jersey Housing and Mortgage Finance Agency ("NJHMFA") Loan as defined in greater detail herein, *infra*; and

WHEREAS, Pursuant to the Restated Lease, dated December 26, 1991, between the Landlord and Butler Senior Housing Development Fund Company, Inc. ("Original Tenant"), a copy of which is recorded in Deed Book 3534 at Page 212 (as amended, the "Restated Lease"), the Landlord leased the Land (as defined therein) to the Original Tenant; and

WHEREAS, Pursuant to an Amendment to Restated Lease, dated February 15, 2005, among the Landlord, the Original Tenant and the Existing Tenant, the parties thereto amended the Lease to (i) substitute the Existing Tenant for the Original Tenant, (ii) extend the term of the Restated Lease and (iii) make conforming changes to the Restated Lease; and

WHEREAS, Pursuant to a Second Amendment to Restated Lease, dated June 7, 2005, between the Landlord and the Existing Tenant, the parties thereto amended the Restated Lease to re-lease to Landlord a portion of the Land; and

WHEREAS, Butler Senior Citizens Housing, LLC ("**New Tenant**") was formed to refinance the existing NJHMFA Loan encumbering the leased premises and improvements thereon; and

WHEREAS, Pursuant to such refinancing, (i) Existing Tenant will merge into the New Tenant, (ii) the term of the Restated Lease would need to be extended and (iii) other conforming changes would need to be made to the Restated Lease in the form of that certain Third Amendment to Restated Lease ("**Third Amendment to Restated Lease**") which the Borough Council has taken under consideration; and

WHEREAS, the Borough Council considered that certain Disbursement Agreement, by and between NJHMFA and Borrower, dated July 28, 2005 ("**Disbursement Agreement**"), which terms set forth that NJHMFA committed to provide a mortgage loan to Borrower in an amount not to exceed \$6,301,334 ("**NJHMFA Loan**"); and

WHEREAS, under the terms of the Disbursement Agreement, Borrower rehabilitated 89 units of rental housing at Butler Senior Housing, shown on the official tax map of the Borough of Butler as Lot 10.01, Block 41, and located at 9 Ace Road, in the Borough of Butler, County of Morris, New Jersey (the "**Project**"); and

WHEREAS, a portion of the NJHMFA Loan was disbursed for acquisition and other approved costs, and the remaining portion was held by NJHMFA in a dedicated escrow account for NJHMFA-approved costs associated with the rehabilitation of the Project; and

WHEREAS, the Borough Council considered that certain Use Agreement, by and between Owner and the Secretary of Housing and Urban Development, acting by and through the Assistant Secretary for Housing-Federal Housing Commissioner ("**HUD**"), dated July 28,

2005 ("Use Agreement"), which was executed contemporaneously with the Disbursement Agreement; and

WHEREAS, under the terms of the Use Agreement, Owner has agreed to maintain the Project solely as rental housing for very-low income elderly or disabled persons (or low-income elderly or disabled persons as approved by HUD or moderate-income elderly or disabled persons in the case of non-subsidized Section 202 projects) for the life of the Use Agreement; and

WHEREAS, under the terms of the Use Agreement, Owner will continue to accept all forms of Section 8 tenant-based assistance for all units that do not have project-based assistance for the life of the Use Agreement; and

WHEREAS, under the terms of the Use Agreement, Owner will continue to comply with the provisions of any federal, state, or local law prohibiting discrimination in housing on the grounds of race, color, religion or creed, sex, disability, familial status, or national origin, including the Fair Housing Act of 1968, as amended; and

WHEREAS, the Borough Council considered the PILOT Agreement, which sets forth in relevant part that Sponsor shall make payments to the Borough of Butler in an amount equal to 5.2% of the Project Revenues as set forth in the Audit (as terms are defined in the PILOT Agreement) from the date of the NJHMFA Loan and for the remainder of its original term expiring on or about August 1, 2037, and that such payments shall be made in lieu of the taxes otherwise due and owing from the Sponsor to the Borough of Butler; and

WHEREAS, the Borrower confirmed that the new HUD 223(f) loan to be secured through the planned refinance will have an anticipated maturity date of December 31, 2056; and

WHEREAS, the Borough Council finds that it is in the best interest of the Borough to approve the application for the continuation of the PILOT Agreement; and

WHEREAS, the Borough Council herein sets forth its findings of facts and conclusions of law regarding this application for the purpose of memorializing the Council's decision; and

WHEREAS, the Borough Council will impose certain stipulations and conditions upon its approval, as set forth within.

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Butler, County of Morris, State of New Jersey that after consulting with the applicant, Butler Senior Citizens Housing, LP, and after reviewing the Restated Lease, the Third Amendment to the Restated Lease, the Disbursement Agreement, the Use Agreement, the PILOT Agreement, and the proposed Amendment to the PILOT Agreement (as defined herein, *infra*), the Council of the Municipality discussed the merits of the granting of this application and so makes the following findings of law and fact:

1. The Existing Tenant and New Tenant have requested, and the Landlord has agreed, that the Restated Lease be modified as set forth in the Third Amendment to the Restated Lease.
2. Section 6 of the PILOT Agreement states that "The tax exemption provided herein shall apply only so long as the Sponsor or its successor and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the

New Jersey Housing and Mortgage Financing Agency, but in no event longer than the term of the Agency Mortgage.”

3. Notwithstanding the above, N.J.S.A. 55:14K-37(c) provides, in relevant part, that “the governing body of a municipality may agree to continue a tax exemption for a State or federally subsidized housing project, beyond the date on which the eligible loan made by the agency on the project is fully paid, so long as the project remains subject to affordability controls pursuant to: (1) project-based federal rental assistance, authorized pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. § 1437f), or other federal or State project-based assistance; (2) the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency; or (3) the rent and income limits established by the federal Low Income Housing Tax Credit program pursuant to section 42 of the Internal Revenue Code (26 U.S.C. § 42).”
4. Under the terms of the refinance, Borrower will necessarily make a full repayment of the original NJHMFA Loan (“Agency Mortgage”) in order to enter into its HUD 223(f) loan under new payment terms. This full repayment of the Agency Mortgage will not trigger the termination of the PILOT Agreement, because the Borrower will pay its HUD 223(f) loan in continued compliance with the Use Agreement, the terms of which satisfy N.J.S.A. 55:14K-37(c).
5. Accordingly, compliance with N.J.S.A. 55:14K-37(c) will continue for the term of the HUD 223(f) loan, which has an anticipated maturity date of December 31, 2056.
6. In the event of (a) a sale, transfer, or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, the PILOT Agreement shall be assigned to the

Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage. Section 7 of the Use Agreement states that "Ownership of the Project will be controlled by a nonprofit mortgagor entity or a limited partnership entity of which the general partner is an entity controlled by a legitimate nonprofit affordable housing provider."

7. The terms of the HUD 223(f) loan will continue to satisfy Section 6 of the PILOT Agreement, because a nonprofit agency will remain the controlling entity of the Borrower and at all times the Project will remain compliant with HMFA laws and regulations.
8. The terms of the HUD 223(f) loan will continue to satisfy Section 7 of the Use Agreement, as the ownership of the Project will continue to be controlled by a nonprofit mortgagor entity or a limited partnership entity of which the general partner is an entity controlled by a legitimate nonprofit affordable housing provider.

BE IT FURTHER RESOLVED, that Approval for the continuation of the PILOT Agreement and Approval of the Third Amendment to the Restated Lease are hereby granted subject to the conditions set forth above and herein, which are summarized as follows:

- a. The Project known as Butler Senior Housing, located at 9 Ace Road, Borough of Butler, County of Morris, New Jersey, shown on the official tax map of the Borough of Butler as Lot 10.01, Block 41, shall at all times during the term of the PILOT Agreement, as amended, remain compliant with the Use Agreement and N.J.S.A. §55:14K-37(c); and
- b. The Sponsor or its successor in title, which shall be an affiliate of Springpoint Senior Living, Inc., shall qualify for and close on its HUD 223(f) loan in materially the same

manner as described herein, and obtain all necessary approvals by the NJHMFA and HUD, as applicable, to approve full repayment of the Agency Mortgage and closing of the HUD 223(f) loan.

- c. The Sponsor or its successor in title, which shall be an affiliate of Springpoint Senior Living, Inc., shall continue to make timely payments in accordance with the PILOT Agreement, as amended, to the Borough of Butler; and
- d. The Council of the Municipality of Butler is hereby authorized to execute an Amendment to the PILOT Agreement, which is annexed hereto as Exhibit A and which terms are adopted and incorporated herein by reference.
- e. The Council of the Municipality of Butler is hereby authorized to execute the Third Amendment to the Restated Lease, which is annexed hereto as Exhibit B and which terms are adopted and incorporated herein by reference.

Adopted:


Mary O'Keefe, Borough Clerk


Ryan Martinez, Mayor