

# **Borough of Tenafly**

MAYOR AND COUNCIL

SPECIAL COMMITTEE OF THE WHOLE

MINUTES

TUESDAY, MAY 22, 2012

At 7:36 p.m. Mayor Rustin read the Open Public Meetings Act Statement: "In compliance with the Open Public Meetings Act P.L. 1975, chapter 231, the notice requirements have been satisfied. Meeting dates for the year are confirmed at the Annual Meeting, are posted on the public bulletin board in the lobby of the Municipal Center, published in the Record within the first 10 days of the New Year, and copies are sent to the Suburbanite and Northern Valley Press. Notice of this meeting by the May 16, 2012 Sunshine Notice has been sent to the Record, the Suburbanite and Northern Valley News and has been posted on the public bulletin board in the lobby of the Municipal Center."

Present: Mayor Peter S. Rustin

Council members: Anthony Barzelatto, Barry Honig, Martha Kerge, Nadia LaMastra, Mark Zinna

Chief Financial Officer/  
Acting Borough Administrator: Gene Vinci  
Borough Attorney: William R. McClure, Esq.

Absent: Council member Jon Warmes

Mayor Rustin explained that the governing body is charged with approving the BID budget, but the resolution approving the budget was tabled last week in order to have further discussion. It is most important to get a better sense on this matter as there are a lot of questions that need to be answered that had been raised by Council, business and property owners, and residents.

## **TO BE CONSIDERED**

### **Business Improvement District**

#### **i. Recommendation for Revisions to the By-Laws**

Mr. McClure advised that he went through all the changes and many items from the ordinance creating the BID was incorporated into these revisions. Scott Porter, Vice President of the BID, noted that the BID as it was approved did not include any members of the business district corporation in which the core constituency were not members. The revisions suggest that the membership of the board should be from the business district in order for the corporation to be a more representative organization for stakeholders to have a role and that the number of the directors on the board be expanded to 11. Mayor Rustin commented that there are a number of absentee landlords and inquired about the kind of representation do the business owners have. Mr. Porter responded that the composition of the membership is ultimately up to Council.

C. Kerge expressed concern that the business owners who have a lease will be paying the assessment rather than the property owner. She does not want to diminish the interest of the property owner, but business owners need to be involved since they are in the downtown daily and recommended that there be 2-3 additional members who are specifically business owners in town.

C. Honig inquired about the BID being able to take on debt. Beth Lippman, Executive Director explained that the BID can take on debt by state statute; it cannot bond, but can borrow or take out loans. She noted that borrowing money has to be included in the budget that the Council approves. Mr. Porter remarked that for the BID to borrow money, the authorization must be through Council resolution.

C. Kerge inquired about the authority of the BID being able to fund the improvement of exteriors of properties or rehabilitation of properties. She expressed her opposition of the BID being able to use assessment of all the businesses in the district to fund the rehabilitation for a particular business. Ms. Lippman responded that the BID is allowed to undertake this expenditure through state statute, but funding can come from grants and sponsorships, as well. Mr. Porter advised that Council can consider restrictions on how to use assessed funds or capping certain categories.

C. Honig expressed concern regarding the accounting and auditor selection process and recommended that the Borough auditor review the BID's books. Mr. Porter explained process of auditor selection. Mr. Vinci explained that it would not be appropriate to use the Borough auditor, as the BID and Borough should be separate. Mr. Vinci clarified that the only connection with the BID is the physical collection of the assessment. C. LaMastra noted that the Library and Senior Center have separate auditors and explained that the BID interviewed several accountants. The Board tried to hire someone local, no local accountant applied.

C. Kerge commented that the staggering of the terms of office and the limit on the number of terms is a little excessive and nonproductive. Mr. McClure advised that the annual should not be in January because there is an appeal process for the property being designated on the district, which occurs between January and May. He recommended that the annual reorganization should be in July or August as the appeals will be resolved. He commented about the voting process for members in which the secretary to the district conducts the election, not the municipal clerk. Mrs. Aportela-Hernandez clarified that the Borough Clerk is not responsible for counting the ballot of BID members citing Title 19 in which a municipal clerk is the election officer for municipal wide office or designated special districts such as a fire commission and that business districts are not a special district under the statute.

Mayor Rustin directed Mr. Porter and Mr. McClure to get together to present a draft for Council and the Board for review.

#### **ii. 2012 Budget**

Mayor Rustin advised the BID Board that Council needs to know where the proposed budget is going to take the business district and they need to see something concrete.

Ms. Lippman advised that the assessment revenue received in 2011 income is being put forward for 2012. She explained that a portion of the \$50,000 in administration will be allocated for a deputy to be available 2-3 times a week, since she was hired as a consultant. She reviewed the professional services category and advised that the application for the 501(c)(3) status is currently pending with the IRS and that funds identified for a consultant to retain assistance in creating a marketing kit to help recruit businesses, to survey customers, to evaluate what businesses are around a 5 mile radius, and to conduct a parking study.

Ms. Lippman described the visual improvement as a branding program as there is a lot of through traffic in the Borough. The purpose of the sign system is to get people to stop and shop. The BID hired a company that designs the systems. She advised that the façade program has a positive snowball event. With regards to promotion and marketing, it is hard for local businesses to compete with the internet, malls, and big box chains. Funds have been identified to instruct businesses on how to use social media as it is big and getting bigger. More promotional events will help retailers use discounts, contests, and social media to compete, as well as establishing customer reward programs to keep customers loyal.

C. Honig stated that he is troubled by idea that there is a tax assessment from one business to another to teach social media. If business thinks it is relevant then it will take it upon itself to use social media. Ms. Lippman responded that the business of the BID is to help the district thrive because no store stands alone. C. Honig commented that selling on the internet will not bring foot traffic. Businesses need to work with landlords to have more affordable rents. Funds should not be used to teach other business. Stacy Esser, Secretary of the BID, advised that the better one store does, the better other stores do with customer retention and customer loyalty. All businesses in the district need to come together and should not be singular.

C. Zinna noted that half of the revenue in the budget is surplus, but the total of the overhead is \$231,000. He inquired what will happen in 2013 if the BID doesn't have a surplus and half of budget is administrative costs. Ms. Lippman responded that the BID would then need to work within their budget. She stated that at the meeting in the Clinton Inn last week, most complaints businesses had were about the Borough Government as many were complaining about the Building Department, Planning Board, Zoning Board and Police Department.

Mayor Rustin advised that the BID budget is different from municipal budget. The Borough cannot set aside any money that will not be spent that budget year. People are looking at the bottom line and it appears that the intent of the BID is to spend \$231,000. C. Honig commented that the bigger problem in attracting sustaining business go beyond the BID and the he is not sure having additional taxes and marketing are enough to overcome these challenges.

Mayor Rustin described that the Chamber of Commerce has not flourished because there was not enough interest among the business community to support it and work with it. The BID is parallel to the Chamber. Council needs to hear is where BID wants to take this and how they will get there. He asked Ms. Lippman to describe her function. Ms. Lippman responded that she has 14 years of experience with business districts. She said that the BID has begun to develop a strategic plan because the goal and intent is to improve the climate to do business and bring a thriving downtown. Mayor Rustin emphasized that Ms. Lippman needed to describe her role. Ms. Lippman responded that she serves in a consultant role by making recommendations and bringing in people to make things happen. With the proposed budget, she is looking to hire someone local to be out in the street 3 days a week.

Paul Keyes, Member of Board of Directors, commented that Ms. Lippman's purpose was to educate the board members to make the necessary decisions and to help get things in order. Norman Dorf, President of the BID, stated that splinter groups that don't like something derail projects because supporters don't come out. Ms. Esser advised that the BID is seeking to bring more merchandise assortment in the downtown so people don't have to go to Route 4 and their mission is to create pride. Keith Alliot, Member of Board of Directors, explained that he has watched the downtown worsen since 22 years ago and that even during the good economic times there he has not seen anything that helps the businesses, that Tenaflly has reputation of being antibusiness because there is no appropriate planning in the downtown. Bob Kutik, Member of Board of Directors and President of the Chamber of Commerce described that only 5 people participated in the recent sidewalk sale, that the Chamber does not have the manpower or the money to assist businesses, and that the BID needs to pool all resources to make things happen.

Mr. Keyes mentioned that he has seen the downtown decline over the years, that there is a false expectation that miracles will be performed and if Tenaflly wants economic development, it has to come from a culture change from Council. C. Kerge commented that she hopes that the business community will be thriving, but she still has questions about the budget, mainly dealing with the marketing methods. People like to see a hands-on person in Tenaflly. C. Zinna inquired if the proposed budget is this the right amount of money to be successful. Ms. Lippman replied that the proposed budget is right for now for what seeking to accomplish.

C. LaMastra noted that prior Councils have not dedicated any time to the downtown area as they do not have the time it takes to support the downtown due to state mandates and scheduling. However, Council supports having a BID. She described the group as passionate and encouraged public to attend BID meetings which are publicized in the beginning of the year. Mayor Rustin stated that he is pleased that the BID members are willing to serve and advocate for local businesses, but urged them to be cautiously optimistic as the problems in Tenaflly are not unique to Tenaflly due to national and global economy. He recommended that they should not be looking for short term answers, look for long term project.

C. Barzelatto noted that people that come to Council meetings with negativity few come with positive vibes. Ms. Lippman stated that a lot of people were complaining about the Police and Building Departments. C. Barzelatto responded that the Building Department has been revamped and has a warmer environment, but the statutes are not going to change. Tenaflly is not any different than any town as there is a process.

C. Barzelatto commented that landlords need to take some of the responsibility and need to be business friendly with regards of the amount of rent that is charged. It's a matter of working with tenant to arrive at terms to stay. The Borough shouldn't be a scapegoat.

### **PUBLIC COMMENTS**

Deborah Knapp – owner of The Spring School on North Summit Street – described that the school is an outlier to the district and that the backyard is in Cresskill, that she does not understand principle on what the BID is based, and that the BID is an example of exploitation.

William Caputo – Wine Ventures – read letter into record from a property owner opposed to the BID budget by Richard D. Levin. He described that when he purchased Wine Ventures, it was almost bankrupt and that he worked out the rent issue with landlord with no one else's help. He stated that he does not blame Council and recommended that if the rent were lowered, business will improve.

Mayor Rustin explained that the Council does not have the ability by state statute to lower one specific owner's property taxes. To address the vacancy problem, it is up to the landlord to decide between having an empty building or keeping the rent flat to maintain occupancy.

Mel Lubins – 33 Stonybrook Road – commented that having a professional advertising and sales promotion company to steer business would be a worthwhile investment.

Unnamed individual – read letter from Judith Altman – recommended installing parking meters, partnering with realtors and revitalizing the Chamber of Commerce.

Abigail Lamanzer – Owner of Tenafly Camera – described an incident of when she was ticketed when her parking permit was displayed and commented that such incidents may deter customers.

Robin Odabash Brown – appealed to suspend BID, to cease funding and operations to the organization, cited concerns over the budget and inflation of figures, commented that signage and Facebook should not be priority and that there are no minutes of meetings.

Barry Rubin – County Manor Administrator – explained that he was asked to attend because the owners are opposed to the budget and the BID itself, they don't see the purpose for the BID since they are a nursing home, he commented on the ambiguous forecasting for 2013 and lack of a strategic plan.

Ari Chorulyian – stated that restaurants and bars are holding liquor licenses and not making them available and recommended having more coffee shops.

Laurie Starr – applauded Council for holding this meeting, believes Council should not accept this budget due to the lack in the public relations, strategic plan, priorities, timeline or measures for success.

Richard Baum – owner of Apex Wheel Company, he pays over \$35,000 annually in property taxes and the BID assessment is an additional \$2,000. Businesses in the outskirts of the downtown should not have to pay this tax. He requested that Council repeal and restructure the BID.

Sandra Diasparra – Tenafly Arts – feels that the money that is being taken is not fair, does not want to raise fees in her own business, never agreed for the bid, and requested that Council not adopt the budget.

Deborah Knapp – stated that she understands the pain of the previous speaker and does not understand what public/private partnership means.

Jonathan Fox – explained that he was asked by C. Honig and C. Kerge to assist the BID in some of their strategic thinking, commented on the pathetic performance on part of business community, does not quite understand why the town is dead at night, stated that people are overlooking the enormity of the challenge the businesses due to

the lack of retail space and insufficient number of food and beverage businesses. He stated that if the BID disappears the central business district will disappear.

Mayor Rustin informed the public that on Thursday, June 7<sup>th</sup>, there will be a special meeting with traffic consultant in which ideas and concepts for the downtown will be presented. He thanked public for coming to tonight's meeting.

**ADJOURNMENT**

As there was no further business to come before the Council, on a motion by C. LaMastra, second by C. Barzelatto, and unanimously carried, to adjourn this meeting. The meeting was adjourned at 10:44 p.m.

Respectfully submitted,

Lissette Aportela-Hernandez, MPA, RMC  
Borough Clerk