**CITY OF CLIFTON**
**SPECIAL MEETING MINUTES**
**SEPTEMBER 23, 2025**

A Special Meeting of the Municipal Council of the City of Clifton was held in the Courtroom of Clifton City Hall, 900 Clifton Avenue, Clifton, New Jersey.

**6:00 PM CALL TO ORDER**

The meeting was called to order by Mayor Raymond Grabowski presiding, and it was announced that adequate notice of the meeting has been provided by the Special Meeting Notice which was published as a legal advertisement in the Herald News on September 7, 2025 and September 19, 2025 and by posting of said notice on the bulletin board at City Hall which notice stated that formal action may or may not be taken on the matters to come before the Municipal Council.

Upon roll call, the following were noted present:

| | |
|---|---|
| Councilman Gibson | (BG) via ZOOM |
| Councilman D'Amato | (CD) |
| Councilman Kolodziej | (JK) via ZOOM & present |
| Councilman Latona | (AL) |
| Councilwoman Pino | (RP) Absent |
| Councilwoman Sadrakula | (MS) |
| Mayor Grabowski | (RG) |

Also present were City Manager, Gary DeMarzo; CFO, Joseph Kunz; Attorney, Thomas Egan; and City Clerk, Kathleen Tolosi.

**DISCUSSION**

D-1 Public Information Center ~ NJDOT Passaic Avenue, Ward Avenue

A brief presentation was given to the public outlining the upcoming night time milling and paving project. The presentation included traffic control plans, lane restrictions, and potential detour routes.

Councilwoman Sadrakula voiced her concerns and suggested the involving the State Police to manage the expected traffic impacts. She also raised concerns about potential costs to the city.
The CFO clarified that using off-duty police officers would not incur costs to the city, as these are typically considered revenue-neutral or revenue-generating services. Councilwoman Sadrakula expressed disagreement with the CFO's assessment regarding cost implications.
It was determined the start date of the project would be October 2025 with an expected completion date of November 2026.

**FLOOR TO MEMBERS OF THE PUBLIC**

Resident, Jennifer (Passaic Ave) inquired about residential parking loss, citing information in the original notification letter. The DOT confirmed that parking will be allowed during the project in the area.

Resident, Mary (Essex Street) inquired about traffic light locations. The DOT explained that the new location of the traffic light will improve traffic flow. Passaic Avenue traffic will now stop to allow vehicles from Ward Street to exit. DOT noted that tractor trailers currently take up two lanes in the area. A "Don't Block the Box" rule will be enforced.

D-2 FHA Certified Public Accountants ~ Forensic Audit Report of 2019 & 2023 Years

Matthew Holman and Joseph Sarno from HFA Certified Public Accountants were in attendance to present the findings of the Forensic Audit for the years 2019 and 2023. The presentation was organized into seven key sections including: Budgets, Capital & Debt, Grants, Trust Funds, Payroll & Health Benefits, Procurement and Other Financial Items. Each section provided their findings and recommendations for Corrective Action or Improvement.

Anthony Maglia, Clifton, inquired about the audit calculations revealed instances of both underpayments and overpayments in health benefit contributions. He asked if there was a formal procedure or monitoring system in place for managing health benefits contributions and payouts. He expressed concern that the audit only reviewed a sample of employees and suggested that a more comprehensive review should be conducted to determine the full extent of any discrepancies.

Jonathan (Attorney for the CFO J. Kunz) Boonton Township, asked why the Auditors failed to document the ARPA money on page 18 in 2021 since this about transparency. He asked if the CFO was interviewed relating to this audit. He asked if the missing documentation was presented would it change the findings. The auditors stated they spoke with the QPA and City Manager not the CFO. Mr. Kunz's Attorney asked the presenters whether they were certified/licensed to be Forensic Auditors. Their response was no. They were licensed as a Certified Public Accountant and Certified Municipal Finance Officer. The Attorney asked whether the Corrective Action Plan had been reviewed during the audit process. He also questioned why there was no meeting prior to the issuance of the final report to the Council.

Seeing no further members from the public wishing to speak, the public session was closed.

Councilman D'Amato asked what the potential outcome of the budget if the City were to implement all recommendations outlined in the forensic audit. The Auditor's stated that the report serves as a plan for future budget cycles, not the present. He also stated the City must increase revenues to address ongoing budgetary issues.

Councilman Kolodziej brought up many points of the forensic audit all of which were discussed at length. Some of the main points have been noted. Councilman Kolodziej noted that the current budget was adopted without incorporating any of the forensic auditors recommendations. He stated no evidence was found of fraud, slush funds, or overspending, only minor accounting issues were identified in the report. He stated that policy and purchase decisions are made by the Council, not by individual department heads. The Councilman Kolodziej asked how many on-site meetings the auditors held during their investigation. The response was two and that all documentation and communications were conducted electronically. Discussion continued regarding the leasing of vehicles, including the average values used to determine pricing. The Councilman discussed PILOT programs and how they impact city revenues and create jobs. He felt the audit did not review the PILOT programs enough. Mention of the Storm Trust Fund being necessary and preparedness is recommended for all Municipalities. Councilman Kolodziej noted there was no mention of CARES Act funding during the pandemic, which led to a temporary shifting of certain costs, affecting the financial picture during that period. Some discussion about the Art Center becoming a Utility to sustain itself and create revenue.

Councilman Latona asked whether the forensic audit was worth the cost? He stated that it was a good investment, noting that two trust funds appeared only after the forensic audit was approved despite Council asking for the information repeatedly. He mentioned the sidewalk program being funded by such trust fund. He compared the price of the audit done on all of the Fire Departments back in 2015. He discussed the status of the annual $10,000,000 bond allocation designated for infrastructure improvements. He voiced concerns regarding the inability to move forward with planned infrastructure projects despite the funds having been bonded for.

The Auditor explained that while the bond funds have been properly secured under the ordinance, they cannot be used until a budget is approved. The Auditor also noted that how these funds can be spent is strictly limited by what the ordinance allows only if the ordinance is changed or repealed. If the current ordinance no longer aligns with the City's project, it can be formally canceled. Once canceled, the bonded funds may be reallocated under a new ordinance.

Councilman Latona mentioned iBank program through the State and that the city should be using it. The Auditor stated that participation in the program must be planned well in advance and approved by the State. Councilman Latona also mention that OEM should be applying for FEMA for flooding issues when necessary.

Councilwoman Sadrakula asked whether there were any checks and balances in place to ensure that no individual received more than $15,000 payout for sick time. The CFO responded that this issue had been corrected. Councilwoman Sadrakula disagreed and requested clarification from the Auditor. She further discussed overtime payouts and a policy change related to overtime compensation.

Councilman Latona also asked whether the overtime policy had been implemented in the Police Department. He stated that he was putting the City Manager on notice and expected the policy to be implemented, as it had already been approved by the Council. The City Manager replied that discussions were ongoing with the union as part of their contract negotiations.

A discussion followed regarding sick day payouts and relevant state laws governing those payouts.

Councilman Latona questioned why the 120-page Personnel Policy Manual had been replaced with a shorter version without Council approval. The City Manager stated that he could not find any resolution approving either version of the manual and Administration was working on a new version for 2026.

Councilman D'Amato asked the Auditor for his opinion on whether there was hope for the City's financial future compared to other municipalities. The Auditor responded that the audit provided recommendations and that the City was largely compliant with required standards.

**ADJOURNMENT**

Upon motion made by Councilwoman Sadrakula, seconded by Councilman Latona, the meeting was adjourned at 9:30 p.m.

Respectfully Submitted,

______________________________
Kathleen Tolosi, City Clerk

______________________________
Raymond Grabowski, Mayor