



**Lambertville Municipal Utilities Authority  
Regular Meeting  
Tuesday, April 4, 2017, 6:00 PM  
Lambertville Wastewater Treatment Facility,  
Lambert Lane Extended  
Meeting Minutes**

The meeting was called to order at 6:05 p.m. by Mrs. MacGregor with a statement of compliance with the Open Public Meetings Act, providing the required legal notice published on Thursday, February 16, 2017 to The Hunterdon County Democrat, also noticed The Trenton Times. A copy of the agenda and minutes were posted on the bulletin board and web site of the LMUA and the City of Lambertville.

**Roll Call.**

Mrs. Ege called the roll as follows:

LMUA Board:

Present: Janine MacGregor-Chairwoman, Vincent Uhl-Vice Chairman, Paul Rotondi-Treasurer, Russell Lambert-Alternate 1

Mr. Hayes entered after roll call at 6:07 p.m.

Absent: Joseph Polizzi-Member and Megan Ruf-Alternate 2

Also Present: Thomas F. Horn, P.E.-Executive Director, Kathy Leary-CFO & C. Gregory Watts, Watts Tice & Skoronek

**Pledge of Allegiance.**

Mrs. MacGregor led the public in the Pledge of Allegiance.

**Minutes.**

**The minutes of the March 2, 2017 regular meeting was approved in a motion made by Mr. Rotondi. Mr. Uhl seconded the Motion. Affirmative roll call was taken by all members present in favor of the motion. MOTION CARRIED**

**Public Comment.**

There was no public in attendance.

**Correspondence.**

1. Academy Hill Site Specific Amendment Notice: The Board reviewed the DEP notice dated March 10, 2017. The applicant, Mr. Cattani has applied for an amendment to the Water Quality Management Plan through NJDEP. The DEP has decided to proceed with the proposed project and the applicant has entered the public notice period. In order for the amendment to get approved the City of Lambertville, Hunterdon County and the

Lambertville MUA will need to approve a written statement of consent. Mr. Horn explained that the Authority has 60 days to respond and that the Authority has already confirmed capacity for the project. Mr. Horn recommended the Board review this and move a resolution at the May 2<sup>nd</sup> Board meeting.

2. 172 York Street: Capacity confirmation was confirmed in a letter dated March 31, 2017 for the proposed project.

### **Chairwoman's Report.**

NJ Tree Foundation: Donation appreciation letter was read aloud and past around to the Board members.

### **Engineers Report – CDM Smith, Inc.**

CDM Smith did not submit a report as Mr. Horn outlined their work for March in his Operations Report. Mr. Horn expects CDM Smith to do their annual inspection later on in the year. They are also finishing up their design work on the Swan Creek pump station project.

### **Executive Directors Report – Thomas Horn.**

**OPERATIONS & MAINTENANCE:** No issues of concern for the month of March. The blower was serviced and the plant operators have started taking down the tanks for biannual cleaning. Mr. Horn is gathering quotes to replace some of the collection mechanisms that are showing wear and tear.

**COLLECTION SYSTEM:** Utility personnel have rebuilt and installed the grinder pump at Swan Street pump station.

**ODOR ISSUES:** There were no calls concerning odors for the month of March.

**UNION/ PERSONNEL ISSUES:** The Union has been in contact and met with the utility personnel to start working on their upcoming contract negotiations. The Board reviewed the included letter from the Union noticing the Authority of this. Mr. Horn has been adding his comments to the contract in preparation for negotiations. He will keep the Board informed as new developments occur.

**REGULATORY ISSUES:** The Authority continues monitoring the biofilter and carbon unit.

**Lab:** The Authority has sent in our annual performance tests for the lab and Mr. Horn expects the results to be in next week.

**ADMINISTRATIVE ISSUES:** Mr. Horn was able to find an Authority who uses an agreement with their Fire Department for confined space. After receipt, he will be reviewing and modifying this to use as our agreement.

**Excavation Services:** Mr. Horn is currently working on the bid specifications.

The EIT have refinanced some bonds that include our loan for the treatment plant. Mr. Horn reported that the Authority should see an overall savings of \$93,107.78.

**NJMEL:** Mr. Horn reminded the Board that the Elected Officials online training is due May 1<sup>st</sup>.

**Financial Disclosure Statements:** Instructions from the DCA with any updates should be sent out by the end of the week.

**SWAN STREET PUMPING STATION:** Mr. Horn expects the control panel for the pumps to be delivered this month. The Authority has received most of the materials necessary for this. The control panel is in the vender's hands to program before they come out to do the installation.

**Hazardous Mitigation Grant:** There are no new updates on the generator. Mrs. MacGregor had questioned when the Authority would receive the \$75,000 grant to be used for the generator. Mr. Horn explained that the money needs to be spent and then the Authority applies for reimbursement up to the grant amount.

**SWAN STREET PS RESILIENCY PROJECT:** The follow up meeting on February 21<sup>st</sup> was rescheduled for April 4<sup>th</sup> to decide on land approval. Mr. Horn discussed the meeting issues and that since the Authority is leasing from the State we cannot move forward until we get approval from State Parks. There were no decisions made at the meeting and Mr. Horn will keep the Board informed on any new developments.

## **Fiscal Year 2018 Budget**

**Proposed 2018 Budget Memo:** Mr. Horn reviewed his memo with the Board that shows an overall decrease of \$23,793 which is mainly due to a decrease in our debt service. Other Operating Budget decreases are plant wages, social security and health insurance. He then outlined some budget items that have increased, including pension share, insurance, trustee fees, office wages, accounting and auditing.

**Capital Budget Memo:** Mr. Horn prepared a supplemental memo and spreadsheet to further detail the Capital Budget. The spreadsheet shows a projected timeline of project costs over a five year period. Using this sheet the Board can determine the Authority's long term financial status while continuing to work on capital projects recommended in CDM Smith's Annual Report. Mr.

Horn explained that the Authority will need to generate a certain amount of excess revenue in order to replenish what is used in the capital reserve fund. The Authority also has a Renewal and a Replacement fund that can be used but needs to be replaced after any funds are used. Mr. Horn explained that the capital reserve fund has gone down since we have started work on the bigger capital projects like the Swan pump station upgrades, pickup replacement, wash down pad and the window and door replacements. Based on projected revenue, Mr. Horn expects that we will be able to put excess money in reserves for this year and next. Mr. Rotondi asked if there is any "State or Federal grants we can apply for to help subsidize capital costs". Mr. Horn explained that these projects are under the minimum expenditure and the Authority would not be eligible for funding.

Repairing the collection system was discussed in detail. The \$50,000 cost is associated with repairs to the system like lamp holes, man holes and broken pipes. Mrs. MacGregor was concerned as this item has been on the Authority's agenda for an extended period of time. Mr. Horn explained that while we do have the equipment, there is only so much our personnel can do in a day in addition to normal responsibilities and Swan Creek Pump station upgrades. Personnel have been able to make some repairs and TV work but not at a steady pace. The personnel will continue to work on this when time allows.

Mr. Horn further explained that based on the projected five year Capital Projects plan the Authority would need to consider a rate increase by fiscal year 2019. Mr. Watts suggested that the Authority budget the City contribution of \$72,000 to show it as an expense. Mrs. MacGregor then made a recommendation to set a minimum balance policy for a Capital Reserve fund. Mr. Horn suggested we bring in our Financial Advisors to review our finances and recommend a minimum balance amount. Mrs. MacGregor would like to see a spreadsheet that shows a total overview of expenses, revenue and the status of our accounts.

Revenue: The Board discussed the three main sources of revenue including Lambertville, New Hope and Stockton rate payers. Mr. Horn further explained how the Authority calculates New Hope and Stockton's bills. These are determined based on actual flows and their share of debt service for capital costs. Mr. Horn projects revenue to be the same as FY 2017 and will be sufficient to cover costs FY 2018.

The Board discussed in detail the possibility of raising our rates to ensure sustainability of future capital projects. The Authority would like to make sure that in five years we can still afford to do our capital projects and still maintain a reserve fund. Mr. Horn will work on putting together an overall spread sheet showing operating budget, capital budget, revenues and account status. Mrs. MacGregor seeing no other questions or concerns moved to introduce the 2018 Budget.

**Resolution 023-2017** *Introduction of the 2018 Budget*

WHEREAS, the Annual Budget and Capital Budget for the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2017 and ending, June 30, 2018 has been presented before the governing body of the Lambertville Municipal Utilities Authority at its open public meeting of April 4, 2017; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$1,901,498, Total Appropriations, including any Accumulated Deficit if any, of \$1,914,755 and Total Unrestricted Net Assets utilized of \$72,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$136,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$136,000; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Lambertville Municipal Utilities Authority, at an open public meeting held on April 4, 2017 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2017 and ending, June 30, 2018 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Lambertville Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on June 6, 2017.

Governing Body Member	Recorded Vote		Abstain	Absent
	Aye	Nay		
Janine MacGregor	X			
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

**Mrs. MacGregor made a motion to approve Resolution 023-2017 introducing the fiscal year 2018 Authority budget. Mr. Rotondi seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED**

**City of Lambertville Resolution 46-2017:** The Board reviewed the City’s resolution requesting \$72,000 to be paid to the City out of the Authority’s Unrestricted Net Assets. Seeing no other questions or concerns MacGregor moved the below resolution to approve the payment to the City.

**Resolution 024-2017 Authorizing Payment of \$72,000 of Authority Unrestricted Net Assets to the City of Lambertville**

WHEREAS, the Mayor and Council of the City of Lambertville passed Resolution 46-2017 on March 21, 2017 requesting \$72,000 from the Lambertville Municipal Utility Authority (LMUA); and

WHEREAS, as per N.J.S.A., 40A:5A-12.1, unreserved retained LMUA earnings, not to exceed 5% of the annual costs of operation can be appropriated for use in the City of Lambertville budget; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Lambertville Municipal Utilities Authority authorize payment of \$72,000 from Unrestricted Net Assets to the City of the Lambertville towards the proposed 2017 municipal budget.

BE IT FUTHER RESOLVED that the Authority shall pay the total sum of \$72,000 in three payments of \$24,000 throughout the first half of fiscal year 2018 so as not to create a strain on Authority funds.

Governing Body Member	Recorded Vote		Abstain	Absent
	Aye	Nay		
Janine MacGregor	X			
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

**Mrs. MacGregor made a motion to approve Resolution 024-2017 approving payment of \$72,000 to the City of Lambertville. Mr. Uhl seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED**

**Chief Financial Officer's Report - Kathy Leary.**

**Mr. Rotondi made a motion to approve the bill list for March. Mr. Uhl seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED.**

**Attorney's Report – Greg Watts.**

Attorney Watts had nothing new to report.

**Adjournment.**

**The meeting adjourned at 7:10 p.m. with a unanimous voice vote in favor of the motion by all members present. MOTION CARRIED.**

Respectfully submitted,

*Melissa S. Ege*

Melissa S. Ege, Administrative Assistant

*Approved at the regularly scheduled Lambertville MUA Board meeting held on May 2, 2017.*