



Lambertville Municipal Utilities Authority
Tuesday, March 3, 2020, 6:00 PM
Wastewater Treatment Facility,
3 Bridge Street
Regular Meeting Minutes

The meeting was called to order at 6:00 p.m. by Chairwoman MacGregor with a statement of compliance with the Open Public Meetings Act, providing the required legal notice published on Thursday, February 6, 2020 to The Hunterdon County Democrat, also noticed The Times of Trenton. 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, Russell Lambert-Secretary
Helen Pettit-Member & Michael Gaudio- Alternate II

Absent: Paul Rotondi-Treasurer, Jacqueline Middleton-Alternate I

Also Present: Thomas F. Horn, P.E.-Executive Director, Kathy Leary-CFO, C. Gregory Watts-Watts, Tice & Skowroneck, Robert Butvilla-Suplee Clooney & Co., Dennis Sutton of 241 N. Main Street

Pledge of Allegiance.

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

Minutes.

Ms. Pettit made a motion to approve the Special Session & Closed Session Minutes from the January 29, 2020 Meeting. Mr. Lambert seconded the motion. An affirmative roll call was taken by members present. MOTION CARRIED

Ms. Pettit made a motion to approve the Minutes from the February 3, 2020 Reorganization Meeting. Mr. Lambert seconded the motion. An affirmative roll call was taken by all members present. MOTION CARRIED

Public Comment.

Dennis Sutton was in attendance tonight to discuss the proposed addition located in his garage at 241 N. Main Street. The Board did agree to approve his continued use of a single lateral servicing his house and the proposed apartment in the garage provided that he enters into an agreement. Mr. Sutton to date has not entered into the required agreement but is here tonight to make sure he can apply for the City approvals needed for his project before purchasing a connection permit or entering into an agreement. Mr. Watts advised that he will wait to draft an agreement until Mr. Sutton provides the amount needed to establish an escrow account to cover the cost to draft and record it. This issue is on hold until Mr. Sutton advises the Authority that he is ready to move forward. After a short discussion incurred about the details of his project Mr. Sutton thanked the Board for their time and said that he will be in touch following additional approvals needed from the City and the Canal Commission. Mr. Sutton exited the meeting at 6:06 p.m.

Auditor's Report-Suplee Clooney & Co.

Review of the FY2019 Audit Report: Mr. Butvilla from Suplee Clooney & Co. was in attendance to discuss the audit and to answer any questions from the Board. Mr. Butvilla first reviewed the section called "Opinions" under "Independent Auditor's Report" on pages 1-3, explaining their Auditors have reviewed the Authority's financial statements and checked for compliance. This states that there were no issues here and also on the "General Comments and Recommendations" section on page 46 where it is stated "None."

He then focused on page 7 under "Overview of Annual Financial Report", the sixth paragraph down discussed the 2015 Government Accounting Standard Board (GASB) Statement 68. In his opinion this "blurs the financial position of the Authority" but is a State requirement that all governmental entities include unfunded pension liabilities in their financial statements.

Mr. Butvilla explained that the real financial position of the Authority is reflected in page 40 which shows the approved FY2019 Budget Report. This schedule details the revenues and expenses which show that the Authority had a surplus of \$188,266. He then explained depreciation on fixed assets and how that reflects a paper deficit. Lastly he wanted to explain "Net Position" on page 28 which brings together the restricted asset liabilities, debt service and unrestricted pension liability against the reserve balances to show the net position or (fund) balance.

Ms. Pettit asked about the number discrepancy between page 28 and page 9 on *Net Pension Liability*. Mr. Butvilla explained that the net of *Deferred Outflow of Resources*, *Bonds Payable* and *Deferred Inflows of Resources* equal *Net Pension Liability* on page 28. The pension numbers are taken directly from a State of New Jersey report that is done by the Department of Treasury. Mr. Butvilla explained that they have no control over the pension numbers and that every government entity has to have them.

Mr. Butvilla explained everything their auditors look into and pull for the audit to ensure they are getting an accurate picture of the Authority's financial standing. It is his opinion that the Authority is in good financial standing. Mr. Butvilla expressed his appreciation for his reappointment as Auditor for the current year and said if there are any concerns to please reach out to him. At 6:16 p.m. Mr. Butvilla exited the meeting.

Seeing no further questions from the Board, Mrs. MacGregor moved Resolution 027-2020 accepting the FY2019 Audit.

RESOLUTION 027-2020

GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of the Audit for the year fiscal year ended June 30, 2019 has been filed by a Registered Municipal Accountant with the Clerk of the City of Lambertville pursuant to N.J.S.A. 40A:5-6, and a copy has been received by each member of the governing body; and,

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and,

WHEREAS, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each municipality shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled “Comments and Recommendations, and,

WHEREAS, the members of the governing body have personally reviewed as a minimum the Annual Report of Audit, and specifically the sections of the Annual Audit entitled “Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and,

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and,

WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE BE IT RESOLVED, That the Lambertville Municipal Utilities Authority of the City of Lambertville hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON MARCH 3, 2020.

Motion: Mrs. MacGregor

Second: Mr. Lambert

Governing Body Member	Recorded Vote:				
	Aye	Nay	Abstain	Not Voting	Not Present
Janine MacGregor	X				
Vincent Uhl	X				
Paul Rotondi					X
Russell Lambert	X				
Helen Pettit	X				
Jacqueline Middleton					X
Michael Gaudio	X				

Correspondence.

1. Lambertville Police Station lot Redevelopment: In a letter dated February 18, 2020 the Authority confirmed capacity for their proposed redevelopment to include low income housing.
2. NJ PEOSH: In a letter dated February 18, 2020 the Department of Labor confirmed that the violations noted on September 23, 2019 compliance inspection have been remediated.
3. ACUA: A letter dated February 24, 2020 confirmed the fully executed shared services agreement for Sludge Disposal Services.
4. 73 Delaware Ave.: In a letter dated March 2, 2020 the continued unrestricted access to the sewer easement servicing 139 N. Main Street was confirmed. The Authority sees no issues with the construction of a deck over a small portion of the easement as long as the owner understand that they are responsible for removing it should 139 N. Main Street need to gain access to their sewer lateral.

Chairpersons Report-Janine MacGregor.

Mrs. MacGregor expressed a concern with group emailing as it can cause a violation with the Open Public Meetings Act (OPMA). When the meeting packet gets sent out to the Board members they should be blind copied so if and when they reply to an email their reply does not get sent to the whole Board but rather to only the Main Office. Mrs. Ege assured the Board that she will make sure the email communication to the Board is done so that it is in compliance with OPMA.

Mrs. MacGregor took a moment to apologize on behalf of all the members and employees for an inappropriate comment made by one of the contractors at the last public meeting. She will be more proactive in the future to address any inappropriate behavior head on as this is a no tolerance environment. She would like to remind everyone to be respectful in the workplace.

City of Lambertville Resolution 048-2020 Requesting \$72,000 from the LMUA for the 2020 Municipal Budget Pursuant to P.L. 2204, c.87

The issue of the \$72,000 request from the City to be used towards their budget was discussed. The Authority has been contributing \$72,000 yearly to the City since 2008. Before the monetary contribution started the Authority supported City projects like the Justice Center rehabilitation, S. Franklin Street repaving, the playground and various other City improvement projects through Authority contributions.

Mr. Watts pointed out that before N.J.S.A., 40A:5A-12.1 Municipalities were requesting a great deal more from their Authorities and that this law puts a limit of not more than 5% of the total Authority's annual operating costs. This amount cannot exceed this percentage but it can also be based on what funds are currently available. Mr. Horn said that there is a line item for this in our Budget. The total amount is paid in three equal payments spread out over the term of our fiscal year so as not to create a strain on Authority funds.

Mr. Uhl was wondering if the Authority could choose which part of the municipal government it goes to. Mr. Watts does not recommend that the Board do this without first speaking to the Mayor.

Mrs. MacGregor noted that the City must support and understand that this payment affects our fund balance and that we would appreciate their support on any future rate increases as a contributing factor.

Executive Directors Report-Thomas Horn.

TREATMENT FACILITY: The garage heater needed replacement. A contractor has been contacted and the install will be underway shortly.

COLLECTION SYSTEM: Staff worked on installation of replacement pumps at the Ferry Street pump station.

ODOR CONTROL: There were no calls concerning odors for February.

UNION/ PERSONNEL: Mr. Horn reported a road rage incident had occurred on February 19th between one of our employees and a member of the public. Mr. Horn was then contacted by the member of the public involved in the disagreement and has spoken to the employee about this issue. The next day, Mr. Horn contacted the member of the public and expressed his sincere apologies for the incident and assured them that the employee has been spoken to about his behavior and that the Board would be made aware. Mr. Horn has instructed all personnel at our most recent safety meeting on how they are to act around the public. All employees will attend safety training through our insurance on how to best handle difficult situations with the public. Mr. Horn feels that this issue was unacceptable and has made this clear to all of the employees.

REGULATORY: Biofilter and carbon unit continued to be monitored. There are two proficiency lab tests that we must complete to check for permit compliance and for continued laboratory certification.

ADMINISTRATIVE ISSUES: Acceptance of the FY2019 Audit Report was approved via Resolution 027-2020.

FY 2021 Budget: Mr. Horn is working on the draft 2021 budget and expects to have all the numbers together for the Boards review prior to the April 7th regular meeting.

Annual Inspection: CDM Smith will be out on the 17th of the month to perform the Annual Inspection (AI) as well as work on the Asset Management Plan (AMP). Mr. Horn has most of the data together so they can start the analysis to replace/ repair schedule for our long term Capital Plan. There was a question as to how the AMP and AI are different. The AMP is proactive and plans for the asset life expectancy well into the future vs. the AI which tends to be more reactive and looks at assets that currently need attention.

Memo-Vacation.

Mr. Horn advised the Board that he will be on vacation from March 25th through April 6th.

NJMEL: 2020 Elected Officials Online Training-Due May 1st

A link with the training information has been sent to the Board members via email. Each member to complete the online training will earn \$250.00 credit towards of the Authority’s insurance premium. Mrs. Ege will follow-up with the Board before our next meeting.

Memo-Status of Capital Improvements.

Collection system work: The State is waiting on the final release of retainage/ final payment so they can schedule a final inspection to close-out the project.

Plant & road paving, roof replacement & clarifier parts replacement will begin in the Spring. Mr. Horn and Suburban Consultants are working on the contract documents for all three projects and a pre-construction meeting is set for next week for the road and roof projects.

Drain lines & chemical building requests for proposals are out and the bids are due March 10th. The advertisement for this bid was published shortly after our February meeting to give ample time for response.

Treasurer Rotondi: Mr. Horn let the Board know of the passing of Treasurer Rotondi’s mother this past month. The Board would like to reach out to him and ask if there are any memorial contribution suggestions we can make in her honor. Mrs. Ege will reach out to him and let the Board know for approval at April’s meeting.

2020 Professional Services: At the February 3rd reorganization meeting, the Board awarded the professional services contract via resolution. However the resolutions did not include the “not to exceed” budgeted amounts. The Board would like to pass a resolution amending their awards to include the budgeted amounts for Fiscal Year 2020.

**RESOLUTION 028-2020
RESOLUTION TO AMEND THE 2020 PROFESSIONAL
SERVICES AWARD RESOLUTIONS**

WHEREAS, the Commissioners of the Lambertville Municipal Utilities Authority awarded the 2020 professional service contracts via Resolution at the reorganization meeting held on February 3, 2020; and

WHEREAS, the Commissioners wish to amend the professional service Resolutions 018, 019, 020, 021 & 022-2020 awarding professional service contracts to include the Fiscal Year 2021 Not to Exceed Professional Service Budget amounts.

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the Lambertville Municipal Utilities Authority, County of Hunterdon that the following Not to Exceed amounts be made a part of the approved 2020 Professional Service Resolutions to be reflected in the Fiscal Year 2021 Budget:

Professional Services	Not to Exceed
Legal & Labor	\$7,000
Engineering	\$8,500

Accounting & Audit	\$27,000
Financial Advisor	\$10,000
Risk Manager/ Insurance	5% of JIF Assessment

BE IT FURTHER RESOLVED, that certified copies of this resolution shall be given to each Authority professional and attached and made part of their contract.

Motion: Mrs. MacGregor

Second: Mr. Pettit

Governing Body Member	<u>Recorded Vote:</u>				
	Aye	Nay	Abstain	Not Voting	Not Present
Janine MacGregor	X				
Vincent Uhl	X				
Paul Rotondi					X
Russell Lambert	X				
Helen Pettit	X				
Jacqueline Middleton					X
Michael Gaudio	X				

Suburban Contract Amendment #3 to the Treatment Plant and Collection System Professional Services Contract

The Board reviewed Suburban’s proposal dated January 28, 2020 detailing the third amendment to their professional services contract for the Capital Improvements Project. The Board would like to have the title of the *Proposal Fee Breakdown* page corrected from “Roof Replacement” to the correct project name “Rehabilitation of Disinfection Facilities and Drainage Improvements.” Suburban will need to supply the Authority with the names who will be performing the work. The Board then went into a discussion about the number of staff they are proposing for the project. They would like Mr. Horn to ask if they can revisit the estimated number of hours for the proposal, in particular site inspection.

Given the three requested changes to the proposal and the upcoming bid opening on the 10th they would like to give the final authorization to Mrs. MacGregor and Mr. Uhl who can approve the revised proposal once available so as not to hold up the project.

Mrs. MacGregor made a motion to conditionally accept Suburban’s proposal pending review and approval by Chairwoman MacGregor and Vice Chairman Uhl of the final proposal to include the

Board's approved changes. This motion will be memorialized via resolution at the April 7th meeting. Ms. Pettit seconded the motion. An affirmative roll was taken by all members present. MOTION CARRIED

Chief Financial Officer's Report.

Mrs. MacGregor made a motion to approve the bill list for February. Mr. Lambert seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED. Mrs. Leary reported that the bills are high this month due to the annual payment of the employer's pension share to PERS.

Attorney's Report.

Mr. Watts had no report for the month of February.

Adjournment.

The meeting adjourned at 6:59 p.m. with a motion made by Mrs. MacGregor and seconded by Mr. Lambert and followed by a unanimous voice vote taken 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 April 7, 2020.