



Lambertville Municipal Utilities Authority

Tuesday, April 6, 2021, 6:00 PM

Virtual Zoom Meeting Minutes

Link: <https://us02web.zoom.us/j/84424216017>

The meeting was called to order at 6:06 p.m. by Chairwoman MacGregor who read the statement of compliance with the Open Public Meetings Act, by adoption of *Resolution 005-2021* setting forth meeting dates for 2021-2022. Notification was additionally published on Thursday, February 11, 2021 to the Hunterdon County Democrat and also noticed in the Times of Trenton. A copy of the agenda was posted on the web sites 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-Secretary, Helen Pettit-Member, Jacqueline Middleton-Alternate I, Holly Havens-Alternate II Board Member

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

Public Participation Instructions for Zoom.

Mrs. Ege read the public participation instructions for the record.

Virtually by Computer: If you are currently utilizing a computer to participate, you would click the **“Raise Hand” button** on the bottom of the screen. This will place you in a queue that I can see for when it’s time to take public comments. People are sorted in the order they raised their hands. When I call on you, a message will pop-up asking if you want to unmute yourself. If you choose to move forward and place a public comment or question, choose to unmute, if you have changed your mind then choose deny.

Telephonically by Phone: If you are dialing in tonight on your phone, to **“raise your hand” dial *9** to be placed in the queue. When called on, the system will ask you to confirm being un-muted to proceed.

Once called, I will ask you to please state your full name and address into the record, then please feel free to make your comment or ask a question. You will remain unmuted while the governing body responds. Please make sure there is no background noise such as the T.V. on, music or loud chatter.

When public comments are finished, participants will be placed back on mute for the duration of the meeting.

Minutes.

The minutes from the March 2, 2021 virtual regular meeting were approved with the included revision on page 8 in a motion made by Ms. Pettit and seconded by Mr. Uhl and followed by a unanimous roll call vote except for Mr. Rotondi who abstained as he was absent. MOTION CARRIED

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

Regular Meeting

April 6, 2021, 6:00 pm

Held Virtually Via Zoom

Minutes, Page 2

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

Correspondence.

1. 260 North Main Street: In a letter dated March 17, 2021 Mr. Horn confirmed adequate sewer capacity for the City’s proposed redevelopment plan for the planned purchase of the Closson property. Mr. Horn advised that there could be possible changes in billing and additional EDU’s may need to be purchased depending on the final redevelopment plans. The Board reviewed the current map showing the existing lateral servicing the market and house. The older house lateral was not included on the map as the Authority doesn’t have those records. Ms. Pettit asked why the market and house are connected to the same lateral as our rules state each unit must have their own lateral. Mr. Horn explained that because both are on the same lot it was allowed but should the lot ever be subdivided they would then be required to separate.

Chairpersons Report-Janine MacGregor.

Mrs. MacGregor did not have a report.

Executive Directors Report-Thomas Horn.

OPERATIONS REPORT FOR APRIL 2021:

The replacement support piece for the sludge holding tank will be installed this month. The biannual tank cleaning has begun.

ODOR CONTROL: No calls for March.

UNION/ PERSONNEL: Mr. Horn reported that the Union representative notified the Authority that they want to begin negotiations.

REGULATORY: Biofilter and carbon unit continue to be monitored.

ADMINISTRATIVE ISSUES:

Accounting/ billing program: Data discovery began last month for the Edmunds software upgrade.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

Regular Meeting

April 6, 2021, 6:00 pm

Held Virtually Via Zoom

Minutes, Page 3

NJIB Loan: Work on the long term financing is continuing.

Replacement of biofilter media: Requests for bids will be advertised April 15th and due back May 6th.

Sodium Hypochlorite & Sodium Bisulfite: Mr. Horn requested authorization to advertise for bids for 2 year supply contracts of the chemicals that end in June. The Board agreed with his request and authorized the same.

Memo-Status of Capital Improvements.

Mr. Horn reviewed his spreadsheet entitled *Capital Projects 2019-2021, April Update* with the Board noting that all of the projects with the exception of the clarifier parts are now completed. Mr. Horn did make some formatting changes to include grid lines after hearing that the Board had some trouble reading the spreadsheet in the past.

NJ MEL: 2021 Elected Officials online training is due by May 1st.

FINANCIAL DISCLOSURE STATEMENT: An email went out to the Board advising the Board that they can begin to file their statements on April 5th and are due April 30th. Mrs. Ege advised Ms. Havens that since she is a new member this year she will need to wait until the City files everything on their end with the DCA and issues her a unique pin number to validate her local government credentials and register her online account.

Proposed FY 2022 Budget.

Mr. Horn prepared the proposed FY 2022 Budget package for the Board's review. The package included: the Draft FY 2022 *Budget Memo*, *Draft Budget 2022* spreadsheet, *Capital Projects Projected Costs & Schedule* spreadsheet, Acacia's updated *Pro-Forma Cash-Flow Model* spreadsheet, & *Annual Cash Receipts Summary* spreadsheet. Mr. Horn reviewed the *Draft Budget 2022* spreadsheet in detail with the Board showing the changes from 2021 vs. 2022. He stated that the total proposed budget shows an increase of 3.3% which is due to increases in pension and health insurance contributions as well as trustee fees, wages and professional services for computer, accounting and auditing. Mr. Horn explained that because we pay the \$72,000 to the City out of our surplus the amount cannot be accounted for in our budget. There was a discussion on public transparency and Mr. Horn confirmed that the amount is in our Audit reports which are posted on our website along with the approved budgets. The Board then discussed various expenses in the budget and asked that Mr. Horn breakdown some of the categories into more descriptions for the following year.

Mr. Horn then discussed his proposed *Capital Projects Projected Costs and Schedule* spreadsheet showing his recommended improvements broken down by fiscal year and project description. The spreadsheet table begins with 2019 because there are outstanding projects that have been budgeted for but not yet done. Mrs. MacGregor pointed out that it is hard to read the totals in each project group and would like the spreadsheet to be reformatted to make it clearer. The main projects Mr. Horn is recommending for FY2022 are evaluating the force mains, rehabilitation of the office and control building's HVAC systems and the replacement of our dump truck. Mr. Horn explained that these projects would be funded out of our Fund 16, reserve account until we get to 2025 and then he would recommend going for NJ I-Bank financing for those larger projects.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

Regular Meeting

April 6, 2021, 6:00 pm

Held Virtually Via Zoom

Minutes, Page 4

Seeing no further questions, Mr. Horn requested the Board move Resolution 023-2021 authorizing the FY 2022 Budget.

**2022 AUTHORITY BUDGET RESOLUTION 023-2021
LAMBERTVILLE MUNICIPAL UTILITIES
AUTHORITY**

FISCAL YEAR: FROM: JULY 1, 2021 TO: JUNE 30, 2022

WHEREAS, the Annual Budget and Capital Budget for the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2021 and ending, June 30, 2022 has been presented before the governing body of the Lambertville Municipal Utilities Authority at its open public meeting of April 6, 2021; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$2,122,291, Total Appropriations, including any Accumulated Deficit if any, of \$2,101,715 and Total Unrestricted Net Position utilized of \$72,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$150,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$150,000; 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 6, 2021 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, 2021 and ending, June 30, 2022 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 1, 2021.

Moved: Mrs. MacGregor

Seconded: Mr. Lambert

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

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

Regular Meeting

April 6, 2021, 6:00 pm

Held Virtually Via Zoom

Minutes, Page 5

Helen Pettit	X	
Jacqueline Middleton		X
Holly Havens		X

User Fees for FY 2022.

Mr. Horn had prepared four different proposed rate increase scenarios including: 1.6%, 3%, 4% & 5.4% per unit per quarter for the Board to review prior to any rate hearing. The scenarios are projected using the *Pro-Forma Cash Flow Model* designed by our Financial Advisor which projects revenue, expenses and debt service out 10 years. This is the Authority’s most useful tool for budgeting and rates. Mr. Horn explained that the debt service numbers are preliminary and worst case scenario. These will be updated after the long term financing is done in May. Wages are also projected higher than the industry average based on Mr. Horn’s research.

Mrs. MacGregor explained that it makes sense for the Authority to maintain a small increase in user fees in order to maintain a balanced budget. The Board then reviewed the four different rate increase scenarios shown via screen share to determine which would meet 120% of our bond coverage. A discussion ensued on the current cost of living and that the increase should meet our increase in operating expenses. Mrs. MacGregor would like the Board to consider raising rates at the minimum amount needed to maintain a balanced budget. The Board discussed their concerns with the age of the force mains which are mostly from the original installation in 1955. Then they reviewed the possible projected revenues and debt service outcomes based on the four scenarios. Mr. Watts confirmed that the Authority’s rates are “in line with other similar sized treatment plants.”

Mrs. MacGregor then asked the Board for their consensus on rate increases for FY2022. The Board agreed that based on the *Pro-Forma Cash Flow Model* a rate increase of 4% or \$5.00 more per unit, per quarter would cover operating expenses, the bond coverage and capital improvements for FY 2022. The Board plans to formally approve the rate increase at the scheduled rate hearing set for June 1st via Zoom meeting platform. Notice will be published in the newspaper, the City of Lambertville list serve and posted on the Authority’s website.

FY 2021 Annual Audit.

Mrs. MacGregor deferred the audit review for the May 4th regular meeting.

Chief Financial Officer’s Report.

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

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

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

Regular Meeting

April 6, 2021, 6:00 pm

Held Virtually Via Zoom

Minutes, Page 6

Attorney's Report.

Union Contract: Notification from the Union was sent to the Authority and Mr. Watts on April 5th of their intention to commence negotiations. Mr. Horn will keep the Personal Committee informed of any new developments.

Public Comment.

At this time Mrs. Ege confirmed that there were no other members of the public in attendance.

Adjournment.

The meeting adjourned at 7:30 p.m. with a motion made by Mrs. MacGregor seconded by Mr. Uhl and followed by a unanimous voice vote taken 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 4, 2021.