

**MINUTES**  
**TOWNSHIP OF HILLSBOROUGH**  
**MUNICIPAL UTILITIES AUTHORITY**

**TUESDAY, NOVEMBER 22, 2016**

The Township of Hillsborough Municipal Utilities Authority met at a regular monthly meeting on Tuesday, November 22, 2016, with the following members present:

Michael Avolio  
Richard Nunn  
Robert McCray  
Frank Scarantino

Also present were Scott Lynn, Executive Director, and Peter Cipparulo, General Counsel. Absent was member Mr. Burchette.

**Announcement – Open Public Meetings Act**

Following the roll call, Chairman Avolio made the following announcement: In accordance with the provisions of the Open Public Meetings Act, P.L. 1975, c. 231, as amended, notice of this meeting was duly provided as part of the annual meeting notice on March 3, 2016.

**Approval of Minutes**

Mr. Nunn moved that the minutes of the meetings of October 26, 2016, be approved as recorded by the Executive Director. The motion was seconded by Mr. McCray, and the roll call vote was: Chairman Avolio –yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino – yes.

**BUSINESS FROM THE FLOOR**

There was no business.

**MATTERS FOR CONSIDERATION**

**Public Hearing – Operating and Capital Budgets – Fiscal Year Ending 11/30/2016**

Mr. Lynn reported the Operating Budget for the fiscal year ending November 30, 2017, as introduced on September 28, 2016, has been approved by the New Jersey Division of Local Government.

Mr. Nunn moved that the Public Hearing of the Operating Budget for the fiscal year ending November 30, 2017 be opened. The motion was seconded by Mr. McCray, and the roll call

vote was: Chairman Avolio – yes, Mr. Scarantino – yes, Mr. McCray – yes, and Mr. Nunn – yes.

Mr Lynn stated with increasing costs of operation, primarily health benefits, increased maintenance of our facilities, pensions, and higher energy costs we will have to utilize funds from the Reserve for Rate Stabilization to balance our budget (\$293,148). This does not mean we will definitely use these funds but at this point they are needed to balance the proposed budget. Some good news regarding these funds is that with the anticipated overage from our 2016 budget, which as you know is designated to go to the Rate Stabilization Fund, we will immediately replenish the funds anticipated in the current budget.

The proposed annual budget represents an increase in anticipated revenues of 1.44% from the current year's budget, mainly due to the increase in total revenues. The increase in revenues is offset by a 1.0% increase in total appropriations thus resulting in a balanced budget.

As you know a significant part of our budget is the SRVSA cost to the Authority. The only true method to stabilize our SRVSA costs, is to continue our ongoing I & I program to reduce the I & I from our system.

The Capital Budget reflects a revised 5 Year Capital Improvement Plan which we also need to adopt at our meeting. As you can see I have proposed an aggressive Capital Budget for 2017, but as always all projects must be approved by the members prior to commencing.

Chairman Avolio called for questions or comments from the public. There being none, Mr. Nunn moved that the Public Hearing be closed. The motion was seconded by Mr. McCray, and the roll call vote was: Chairman Avolio – yes, Mr. Scarantino – yes, Mr. Nunn- yes, and Mr. McCray – yes.

Mr. Nunn introduced the following resolution and moved that it be adopted:

**THE TOWNSHIP OF HILLSBOROUGH MUNICIPAL UTILITIES  
AUTHORITY  
ADOPTED BUDGET RESOLUTION  
FISCAL YEAR: FROM DECEMBER 1, 2016 TO NOVEMBER 30, 2017**

**WHEREAS**, the Annual Budget and Capital Budget/Program for the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning Dec. 1, 2016 and ending, Nov. 30, 2017 has been presented for adoption before the governing body of the Township of Hillsborough Municipal Utilities Authority at its open public meeting of 11/22/16; and

**WHEREAS**, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

**WHEREAS**, the Annual Budget as presented for adoption reflects Total Revenues of \$6,031,725, Total Appropriations, including any Accumulated Deficit, if any, of \$6,342,873 and Total Unrestricted Net Assets utilized of \$293,148; and

**WHEREAS**, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$1,607,500, and Total Unrestricted Net Assets planned to be utilized of \$1,607,500.

**NOW, THEREFORE BE IT RESOLVED**, by the governing body of Township of Hillsborough Municipal Utilities Authority, at an open public meeting held on November 22, 2016 that the Annual Budget and Capital Budget/Program of the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning, 12/01/16 and, ending 11/30/17 is hereby adopted and shall constitute appropriations for the purposes stated; and

**BE IT FURTHER RESOLVED**, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

The motion and resolution were seconded by Mr. McCray and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino - yes.

#### **Resolution – Adopting of the 5 Year Capital Plan**

Mr. Lynn stated he has revised the 5 Year Capital Plan. Mr. Lynn stated he has indicated an aggressive plan for 2017.

The members reviewed the revised plan and Mr. Nunn introduced the following resolution and moved it be adopted:

WHEREAS, the 5 Year Capital Plan approved by the Authority on September 28, 2016, be adopted a revised plan with expenditures of \$4,398,000;

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby approve the 5 Year Capital Plan:

The resolution and motion were seconded by Mr. McCray and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino - yes.

#### **Resolution – Adopting of Reserve Fund**

Mr. Lynn informed the member the need to approve the Reserves for System Replacement portion of the Reserve for Capital Improvements and System Repairs in the amount \$1,400,000.

After further discussions by the members, Mr. Nunn introduced the resolution and moved it be adopted:

NOW, THEREFORE, BE IT RESOLVED that the Authority continues its policy of maintaining the following reserves to be utilized for said expenditures, thereby eliminating the need to issue additional bonds:

Reserve for Capital Improvements – not to exceed \$4,500,000

Reserve for System Replacement – not to exceed \$1,400,000

The resolution and motion were seconded by Mr. Nunn and the roll call vote was:  
Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino - yes.

#### **Update – River Road Pump Station**

Mr. Lynn informed the members that work had been completed with the exception of the carport and all has been working fine. Mr. Lynn stated the carport would be installed in the spring. Mr. Lynn also informed the members the existing pumps will have to be replaced in the near future since the existing pumps are old.

#### **Township of Hillsborough-Groundwater Discharge-Underground Storage Tank Site**

Mr. Lynn reported no break-through was detected for the period.

#### **Update – Winding Way Sewer Project**

Mr. Lynn informed the members that EIT representatives have made their final inspections on the newly installed system and the inspection went well.

#### **Reminder – December Meeting Date**

Mr. Lynn reminded the members that the December meeting will be held on December 14, 2016.

#### **Reminder – Employee Holiday Lunch**

Mr. Lynn informed the members that the Authority Holiday lunch will be held on Friday, December 16, 2016 at 12:00 here at the main office.

**Resolution – Closed Meeting**

Mr. Nunn introduced the following resolution and moved that it be adopted:

BE IT RESOLVED, in accordance with the provisions of the Open Public Meetings Act, P.L. 1975, c. 231, as amended, the Authority shall meet in closed session for the purpose of reviewing personnel and negotiations.

The motion and resolution were seconded by Mr. McCray, and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, and Mr. McCray –yes, and Mr. Scarantino – yes.

**Reconvene Public Meeting**

Following the closed session, the public meeting was reconvened.

**Resolution – Establishing Salaries and Wages for Year 2017**

Chairman Avolio noted Mr. Lynn’s recommendations for Salaries and Wages for the year 2017 had been reviewed in closed session and requests a resolution identifying said action.

Mr. Nunn introduced the following resolution and moved that it be adopted:

BE IT RESOLVED that the Schedule of 2017 Salaries and Wages as discussed be approved.

The motion and resolution were seconded by Mr. McCray and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, and Mr. Scarantino – yes, and Mr. McCray – yes.

**SVSA Report**

No Report

**Claims List Approval**

Mr. Nunn introduced the following resolution and moved that it be adopted:


BE IT RESOLVED that the following claims lists dated November 22, 2016 be approved and the Treasurer be authorized to issue checks in payment of said claims.

Operating Fund	-	November 22, 2016	\$628,436.36
General Fund	-	November 22, 2016	\$16,450.00
Inspection Trust Fund	-	November 22, 2016	\$10,150.00

The motion and resolution were seconded by Mr. Merdinger, and the roll call vote was: Chairman Avolio – yes, Mr. McCray – yes, Mr. Nunn – yes, and Mr. Scarantino – yes.

**Adjournment**

There being no further business to come before the meeting, Mr. Nunn moved that the meeting be adjourned. The motion was seconded by Mr. McCray and the roll call vote was unanimous for adjournment.



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Scott Lynn, Executive Director