

# MINUTES

## TOWNSHIP OF HILLSBOROUGH

### MUNICIPAL UTILITIES AUTHORITY

TUESDAY, NOVEMBER 21, 2017

The Township of Hillsborough Municipal Utilities Authority met at a regular monthly meeting on Tuesday, November 21, 2017, with the following members present:

Michael Avolio  
Richard Nunn  
Robert McCray  
Greg Burchette

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

#### **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, 2017.

#### **Approval of Minutes**

Mr. Nunn moved that the minutes of the meetings of October 25, 2017, 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. Burchette – abstain.

#### **BUSINESS FROM THE FLOOR**

There was no business.

#### **MATTERS FOR CONSIDERATION**

##### **Public Hearing – Operating and Capital Budgets – Fiscal Year Ending 11/30/2018**

Mr. Lynn reported the Operating Budget for the fiscal year ending November 30, 2018, as introduced on September 27, 2017, has been approved by the New Jersey Division of Local Government.

Chairman Avolio moved that the Public Hearing of the Operating Budget for the fiscal year ending November 30, 2018 be opened. The motion was seconded by Mr. McCray, and the roll call vote was: Chairman Avolio – yes, Mr. Burchette – 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 (\$310,603). 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 2017 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 adopted at our meeting. As you can see I have proposed an aggressive Capital Budget for 2018, 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. Burchette - 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, 2017 TO NOVEMBER 30, 2018**

**WHEREAS**, the Annual Budget and Capital Budget/Program for the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning Dec. 1, 2017 and ending, Nov. 30, 2018 has been presented for adoption before the governing body of the Township of Hillsborough Municipal Utilities Authority at its open public meeting of 11/21/17; 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 \$6,172,423. Total Appropriations, including any Accumulated Deficit, if any, of \$6,483,026 and Total Unrestricted Net Assets utilized of \$310,603; and

**WHEREAS**, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$1,470,000, and Total Unrestricted Net Assets planned to be utilized of \$1,470,000.

**NOW, THEREFORE BE IT RESOLVED**, by the governing body of Township of Hillsborough Municipal Utilities Authority, at an open public meeting held on November 21, 2017 that the Annual Budget and Capital Budget/Program of the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning, 12/01/17 and, ending 11/30/18 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. Burchette - 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 2018.

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 27, 2017, be adopted a revised plan with expenditures of \$4,538,000;

**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. Burchette - 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 \$4,600,000

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. Burchette - yes.

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

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

#### **Update – Sunnymead Pump Station Force Main Evaluation Report**

Mr. Lynn informed the members that Echologics Inc., had submitted their final report on the condition of the 10” and 14” force mains. Mr. Lynn stated that the force mains, in the locations as tested, have retained approximately 74% of their wall thickness and are structurally sound at this point. Mr. Lynn also states that our wetland consultant has begun working on the base map and is scheduled to be out shortly to flag any wetlands should they exist.

#### **Resolution – Approval to Join Middlesex County Purchasing Division**

Mr. Lynn reiterated from the October meeting the need to purchase a vehicle for the use in our inspection department. At the October meeting, Mr. Lynn had suggested the purchase of a good used jeep type vehicle since the State of NJ had not renewed their contracts with vendors to purchase such a vehicle. Mr. Lynn stated the State of NJ is behind by at least eight months in this process and as of this time, an SUV type vehicle is not available from the state contract list. It has become urgent at this point since our current inspection vehicle is very unreliable. After doing research on the Authorities options, it was suggested to contact the Middlesex County Purchasing Department. As such, the Middlesex County Purchasing agent does have an SUV that would fit our needs on their contract list. Mr. Lynn reported that Hunterdon, Somerset and Mercer Counties do not have the vehicle needed on their Purchasing list.

Following further discussion Mr. McCray introduced the following resolution and moved it be adopted:

WHEREAS, Mr. Lynn express the need to replace the current inspection vehicle and since the State of NJ does not have updated contracts for such purchases, the Authority is seeking

other purchase options. Joining Middlesex County would provide such an avenue to make the purchase at the lowest cost to the Authority; and

WHEREAS, joining the Middlesex County Purchasing Department does not cost the Authority any funds or fees as it is a free service offered to other public entities,

WHEREAS, joining the Middlesex County Purchasing Department does have a vehicle on their list that would fit our requirements,

NOW, THEREFORE BE IT RESOLVED, that the approval to join the Middlesex County Purchasing Department be approved,

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

**Resolution: Purchase of an SUV for the Inspection Department**

Mr. Lynn has stated that the remaining jeep vehicle used in the Inspection department will need to be taken out of service and replaced. The last remaining Inspection vehicle has more than 185,000 miles and the reliability lately has put an urgency on its replacement. Mr. Lynn stated that the Authority had approved the replacement of the jeep more than a year ago but since that time the State of NJ has not provided a replacement vehicle on their contract list, thus preventing the Authority from replacing this vehicle.

As a result, we have the option of now purchase the replacement vehicle from a County Purchasing department. The Middlesex County and any other County Purchasing Department can accommodate our needs.

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

WHEREAS, there is a need to replace the Inspection Department vehicle and the purchase of the new vehicle is accounted for in the Budget;

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby approve the purchase of the Inspection vehicle as needed:

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. Burchette - yes

**RESOLUTION: BOND RELEASE – Performance Bond to Maintenance Bond  
John Sullivan, Hodge Road Sewer Extension**

WHEREAS, sanitary sewer facilities for John Sullivan have been constructed and tested under the Authority's inspection and found acceptable;

WHEREAS, John Sullivan has requested the project be placed on a Maintenance Bond;

NOW, THEREFORE, BE IT RESOLVED, that a Maintenance Bond, in the amount of \$7,330.00 be established for a two year Maintenance Bond period.

INTRODUCED BY: Mr. McCray

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

I, Scott Lynn, Certifying Officer of The Township of Hillsborough Municipal Utilities Authority, hereby certify that the above is a true and correct copy of a resolution adopted by the Authority at a meeting duly convened on November 21, 2017.

  
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Scott Lynn, Certifying Officer

**Resolution – Approval of Replacement Generator at Ninth Street Pump Station (Cont. from April, 2017).**

Mr. Lynn reported the generator located at the Ninth Street and Hodge Road pump stations are in need of replacing. The generators were installed in the early 1980's and are powered by White diesel motors which are no longer being manufactured and parts are very hard to obtain. Mr. Lynn reported the radiator at the Ninth Street generator needed to be replaced about a year ago and completing the repair was difficult due to the configuration and requirements of the old, out dated system. Mr. Lynn also stated the two generators are becoming harder to maintain their running condition causing concern over the longevity of the motors and systems. Mr. Lynn said the generators are a key piece of equipment to the function of the systems in the event of a power outage and the generators must be functioning to ensure proper operation of the system. Mr. Lynn recommended replacing the existing generators with the same type system as currently being used. That is to say, a self-contained unit (sled) type unit to keep the replacement cost down and effectively this being a "plug and play" system. Mr. Lynn recommend replacing the Ninth Street generator at this point in time.

After further conversations, Mr. McCray introduced the following resolution and moved it be adopted:

WHEREAS, the Authority has determined it is necessary to replace the generator at the Ninth Street Pump Station.

WHEREAS, funds to purchase said generators have been provided in the Authority's 5 year Capital Budget; and

WHEREAS, three quotes have been obtained and Mr. Lynn recommended the purchase be from the lowest priced company being GenServe, Inc.

NOW, THEREFORE, BE IT RESOLVED by the Township of Hillsborough Municipal Utilities Authority that it hereby approves the replacement of the generator at Ninth Street with a not to exceed of \$28,000.

INTRODUCED BY: Mr. McCray

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. Burchette – yes.

**Resolution – Blackwell Mills Pump Station Pump Repair, Gate and Check Valve Replacement**

Mr. Lynn reported to the members that one of the pumps is in need of repair, the gate and check valves at the Blackwell Mills Pump Station are in need of replacement. Mr. Lynn stated the valves are original equipment from when the station was constructed and both valves are not operational and have been so for some time. As a result Mr. Lynn has received quotes to repair the leaking pump and remove and replace the valves. Mr. Lynn also stated that we do not have a means of shutting off the gravity flow to the station if required.

After further discussion, Mr. McCray introduced the following resolution and move it be adopted:

WHEREAS, the Authority has determined it requires the repair of the pump and the replacement of the gate and check valves at the Blackwell Mills Pump Station; and

WHEREAS, funds to replace the valves have been provided in the Authority's Budget for the fiscal year ending November 30, 2017; and

NOW, THEREFORE, BE IT RESOLVED by the Township of Hillsborough Municipal Utilities Authority that it hereby approves the replacement of the valves by the lowest quote, being Pumping Services with a not to exceed \$17,000.

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

**Reminder – December Meeting Date**

Mr. Lynn reminded the members that the December meeting will be held on December 20, 2017.

**Reminder – Employee Holiday Lunch**

Mr. Lynn informed the members that the Authority Holiday lunch will be held on Friday, December 15, 2017 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, Mr. McCray –yes, and Mr. Burchette – yes.

**Reconvene Public Meeting**

Following the closed session, the public meeting was reconvened.

**Resolution – Establishing Salaries and Wages for Year 2018**

Chairman Avolio noted Mr. Lynn’s recommendations for Salaries and Wages for the year 2018 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 2018 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, Mr. Burchette – 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 21, 2017 be approved and the Treasurer be authorized to issue checks in payment of said claims.

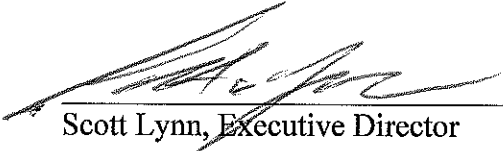
Operating Fund	-	November 21, 2011	\$641,791.69
General Fund	-	November 21, 2017	\$47,333.00

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



Scott Lynn, Executive Director