

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

**WEDNESDAY, NOVEMBER 28, 2018**

The Township of Hillsborough Municipal Utilities Authority met at a regular monthly meeting on Wednesday, November 28, 2018, with the following members present:

Michael Avolio  
Richard Nunn  
Robert McCray  
Robert Damiano

Also present were Scott Lynn, Executive Director, and Mark Wetter, 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 9, 2018.

**Approval of Minutes**

Mr. Nunn moved that the minutes of the meetings of October 24, 2018, 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. Damiano – yes.

**BUSINESS FROM THE FLOOR**

There was no business.

**MATTERS FOR CONSIDERATION**

**Public Hearing – Operating and Capital Budgets – Fiscal Year Ending 11/30/2019**

Mr. Lynn reported the Operating Budget for the fiscal year ending November 30, 2019, as introduced on September 26, 2018, 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, 2019 be opened. The motion was seconded by Mr. McCray, and the

roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Damiano - 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 (\$308,467). 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 2018 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.

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 2019, 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. Nunn- yes, Mr. McCray – yes, and Mr. Damiano – 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, 2018 TO NOVEMBER 30, 2019**

**WHEREAS**, the Annual Budget and Capital Budget/Program for the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning Dec. 1, 2018 and ending, Nov. 30, 2019 has been presented for adoption before the governing body of the Township of Hillsborough Municipal Utilities Authority at its open public meeting of 11/28/18; 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 \$6,324,730. Total Appropriations, including any Accumulated Deficit, if any, of \$6,633,197 and Total Unrestricted Net Assets utilized of \$308,467; and

**WHEREAS**, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$1,495,000, and Total Unrestricted Net Assets planned to be utilized of \$1,495,000.

**NOW, THEREFORE BE IT RESOLVED**, by the governing body of Township of Hillsborough Municipal Utilities Authority, at an open public meeting held on November 28, 2018 that the Annual Budget and Capital Budget/Program of the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning, 12/01/18 and, ending 11/30/19 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. Damiano – 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 2019.

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 26, 2018, be adopted a revised plan with expenditures of \$5,360,000;

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

The motion was seconded by Mr. McCray, and the roll call vote was: Chairman Avolio – yes, Mr. Nunn- yes, Mr. McCray – yes, and Mr. Damiano – 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 \$1,495,000.

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 \$5,400,000

Reserve for System Replacement – not to exceed \$1,495,000

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

**Resolution – Adoption of Revised Rules and Regulations**

Tabled until the December meeting.

**Resolution – Removal from the Fleet and Auction of the Two 2001 Ford Pickup Trucks at Somerset County**

Mr. Lynn stated that two of the current maintenance vehicles have been replaced and there is no need to keep the two pickup trucks.

WHEREAS, the Authority has determined it no longer has the need for two of the 2001 Ford trucks which have serviced the Authority beyond their service life.

WHEREAS, the two vehicles have been replaced by new vehicles.

NOW, THEREFORE, BE IT RESOLVED by the Township of Hillsborough Municipal Utilities Authority that it hereby approves the auctioning, by Somerset County, of two 2001 Pickup trucks having VIN numbers 1FTNF20L71EB93097 and 1FTNF20L51EB93096

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. Damiano – yes.

**Resolution – To Appoint John Napolitano, Esq. as Special Counsel to the Authority**

Mr. Lynn stated the need to have representation by “Special Counsel” as needed, if required, of an attorney who specializes in NJ Authority Law. Mr. Lynn said an attorney such as John Napolitano, Esq. came recommended by the AEA and SRVSA.

Mr. Lynn stated that since the Sunny Mead Pump Station and other projects would be coming up shortly that it would be advantageous to have an expert in Authority Law to refer for guidance, if required.

WHEREAS, the Authority has determined it should have an Special Counsel Attorney available should the services be required.

WHEREAS, based upon the recommendations of the AEA, SRVSA and Mr. Lynn that John Napolitano, Esq, be

WHERAS, no retainer or defined monthly or yearly fee will be paid for such representation but rather payment for services will be only on a per diem basis.

NOW, THEREFORE, BE IT RESOLVED by the Township of Hillsborough Municipal Utilities Authority that it hereby approves the soliciting of a per diem basis contract to be represented by Special Counsel, partially, John Napolitano, Esq.,

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. Damiano – yes.

**Discussion – Additional Security for the Authority Facilities**

Mr. Lynn suggested that research should be done on additional security at the counter area at the office. Mr. Lynn suggested that possibly a barrier of sorts be installed to restrict persons from freely entering the office area beyond the counter area and protect against the threat of an intruder.

After further discussions it was recommended that Mr. Lynn have several ideas and quotes ready to present at the December meeting as to provide additional security at the counter area.

**Reminder – December Meeting Date**

Mr. Lynn reminded the members that the December meeting will be held on December 19, 2018.

**Reminder – Employee Holiday Lunch**

Mr. Lynn informed the members that the Authority Holiday lunch will be held on Friday, December 21, 2018 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. Damiano – yes.

**Reconvene Public Meeting**

Following the closed session, the public meeting was reconvened.

**Resolution – Establishing Salaries and Wages for Year 2019**

Chairman Avolio noted Mr. Lynn’s recommendations for Salaries and Wages for the year 2019 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 2019 Salaries and Wages as discussed be approved.

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

**SRVSA 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 28, 2018 be approved and the Treasurer be authorized to issue checks in payment of said claims.

Operating Fund	-	November 28, 2018	\$960,920.06
General Fund	-	November 28, 2018	\$13,627.00

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

**Adjournment**

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

  
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Scott Lynn, Executive Director