

JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
OPEN MINUTES
April 26, 2018
5:30 PM

The Public Meeting of April 26, 2018 was called to order by William Allmann, Chairman

PLEDGE OF ALLEGIANCE – Chairman Allmann led the Commissioners in the Pledge of Allegiance

The Open Public Meetings Act notice was read into the record by Joan Haltigan, Executive Assistant.

ROLL CALL OF THE BOARD OF COMMISSIONERS:

William Allmann, Chairman	Present
Carol Blake, Secretary	Present
Geneva Clayton, Asst. Secretary/Treasurer	Present
Clara Glory, Treasurer	Present
Vicki Rickabaugh, Vice-Chairwoman	Present
Todd Porter, Alternate	Excused

PROFESSIONALS:

Attorney – William Hierung, Esq.	Present
Consulting Engineer – Alan Dittenhofer, PE	Present

AUTHORITY STAFF:

David Harpell, Executive Director	Present
James Diaz, Asst. Executive Director/Director of Finance	Present
Earl Quijano, Principal Engineer	Present
Joan Haltigan, Executive Assistant	Present

Approval of the Minutes of the Open Session Public Meeting of March 22, 2018

Moved:	Commissioner Blake
Second:	Commissioner Glory
Vote:	Unanimous
Abstain:	Commissioner Rickabaugh abstained

QUESTIONS/COMMENTS FROM THE PUBLIC: Present from the Public was Mr. Rodney Haines and Ms. Dana Montanelli from Holman Frenia Allison, PC (HFA), who reported on the results of the 2017 Audit noting that there were no comments or recommendations. Mr. Haines stated that the report is still in draft form and are waiting on the NJ Division of Pension & Benefits to release the pension reports in order to record the pension liability for the Authority. It was made clear that there will be no change to budgetary operations, but will change some of the liabilities that have to be reported, noting there will be a change to expenses to adjust for that liability. Mr. Harpell clarified that there will be no current cash expense changes and Mr. Haines noted mostly balance sheet adjustments. Ms. Montanelli stated that the report is an unmodified opinion and a clean audit, noting that the unmodified opinion is based on the assumption that the pension liability will be adjusted as soon as those numbers are available from the State. Ms. Montanelli noted with regard to

internal controls and compliance regulations, HFA is pleased to report there are no findings in this area and another clean opinion.

Next discussed was the Statement of Net Position which reflects total assets of \$94.7 million and after deferred outflow related to pensions, it was \$97.6 million. Also noted, total assets are up \$480,000 from 2016. The 2017 total liabilities very close to 2016, up approximately \$150,000, resulting in a total of \$23.4 million. The overall net position for 2017 is \$73.4 million, an increase of approximately \$364,000 from 2016. Mr. Haines noted that of the \$73.4 million, \$69.2 million of assets that have been purchased, have not yet been depreciated and will be depreciated over the life and use of the assets. Mr. Harpell commented that the Authority typically shows an operating loss because we tend to be conservative by budgeting both principle on debt service and depreciation, noting that cash flow is very positive for the Authority.

Ms. Montanelli continued by reviewing the Statements of Revenue, Expenses and Change in Net Position. The total operating revenues were approximately \$12.0 million, slightly down from 2016 due primarily to reduced connection fees and a wet year. The total operating expenses were \$12.4 million, with a decrease of approximately \$500,000. This decrease is mainly because the net pension liabilities have not yet been updated. Mr. Haines stated that this will adjust based on the pension expenses associated with the report. Also on this report, Ms. Montanelli noted the operating loss of \$327,000 and a change in non-operating revenue expenses were mainly due to the debt service payment on the 1996 New Jersey Environmental Infrastructure Trust (NJEIT) loan which is primarily reimbursed by Six Flags Great Adventure was completed August 2016. Last year this item was reported as \$177,000.

The change in net position of \$364,000 was primarily due to the insurance refunding caused by the change of the contractor assigned to the NJEIT funded Manhattan Street project.

Unrestricted and restricted cash increased by \$8,960 in 2017 compared to 2016. Ms. Montanelli referred to page 14 of the report regarding Notes to the Financial Statement for more information on balance sheet or income statement items.

Lastly, Ms. Montanelli reviewed the Schedule of Operating Revenues and Cost Funded by Operating Revenues (Budget vs. Actual). Ms. Montanelli reported that both total operating revenues and expenses came in under budget. She further explained that this was primarily due to reduced production in water caused by less than anticipated connections and a wet year which impacted both revenues and expenses.

In closing, Mr. Haines referred to general comments and recommendations, and again noted no findings and no comments or recommendations. The reports should be released from the State shortly at which time the audit report will be finalized and hopefully can be formally adopted at the next public meeting. Chairman Allmann thanked the Authority and HFA staff for a great job. At this time, Chairman Allmann asked if there were any other questions and the public portion of the meeting will remain open until the end of the public meeting.

REPORTS:

EXECUTIVE DIRECTOR'S REPORT:

Mr. Harpell did not have any action items from the Executive Director's report.

As a reminder, Mr. Harpell mentioned that the filing deadline for the Financial Disclosures is Monday, April 30, 2018.

ENGINEERING COMMITTEE REPORT:

Mr. Quijano did not have any capital projects or action items to report this month.

CONSULTING ENGINEER'S REPORT:

On behalf of Remington & Vernick Engineers, Mr. Alan Dittenhofer reported on the following developer projects this evening:

RESOLUTION GRANTING A SEWER PERFORMANCE BOND REDUCTION FOR ABNET REALTY DENTAL OFFICE, BLOCK 7309, LOTS 15 AND 16, ON THE TAX MAP OF THE TOWNSHIP OF JACKSON – the applicant, Abnet Realty Company, has requested a Performance Guarantee reduction for the Sanitary Sewer System for Abnet Realty Dental Office. We recommended a 68% reduction in our April 16, 2018 letter to the Board.

RESOLUTION GRANTING TENTATIVE SEWER AND WATER APPROVAL TO PINE VIEW MAJOR SUBDIVISION, BLOCK 19403, LOT 4, ON THE TAX MAP OF THE TOWNSHIP OF JACKSON – the applicant, Mordechai Finkelstein, is proposing to construct a forty-one (41) unit residential subdivision on Grawtown Road. The applicant is applying for tentative utility services at this time. The applicant proposes to connect to the water main on Grawtown Road to be installed by others as well as the gravity sewer installed by others. The adjacent development is RG2 who will need to have improvements installed before this project is approved. They also indicated that they cannot come back for their permit application to be signed until RG2 applies for permits and/or installs the infrastructure. This was recommended in our April 16, 2018 letter to the Board.

PUBLIC RELATIONS COMMITTEE REPORT:

None

ADMINISTRATIVE COMMITTEE REPORT:

None

ASSISTANT EXECUTIVE DIRECTOR/DIRECTOR OF FINANCE REPORT:

Mr. Diaz reviewed the following from the Assistant Executive Director/Director of Finance report.

FINANCE COMMITTEE REPORT:

RESOLUTION AUTHORIZING PAYMENT OF VOUCHERS, DEPOSIT REFUNDS AND PAYROLL FOR APRIL 2018 – The April Bill List was submitted for approval in the total amount of \$1,336,613.12, which includes \$225,000.00 for funding payroll. The Finance Committee has reviewed and is recommending approval.

RESOLUTION AUTHORIZING THE AWARD OF THE ELECTRONIC HANDHELD VALVE OPERATOR, CONTRACT NO. CT-18082, TO E.H. WACHS, A DIVISION OF ILLINOIS TOOL WORKS, IN AN AMOUNT NOT TO EXCEED \$8,695.00 – The

Authority went out to bid for a Skid Mounted Valve Exerciser Unit and an Electronic Handheld Valve Operator. Bids were solicited in an effort to meet the valve exercising requirements of the NJ Water Quality Accountability Act. The Authority has 4,000 valves to exercise and the purchase of a skid mounted unit would be very helpful to complete this process. There were two (2) items on this particular bid. Item #1 is specified as a Skid Mounted Valve Exerciser Unit, in an amount not to exceed \$75,976.58, which the Authority is holding until it is decided whether to place this unit on a trailer or a truck. The Authority can award within sixty (60) days of the bid opening. The Authority is requesting approval this evening to award Item #2, specified as an Electronic Handheld Valve Operator, to E.H. Wachs, in an amount not to exceed \$8,695.00.

RESOLUTION AUTHORIZING AWARD TO REPAIR AND REBUILD THE WELL NO. 15 GENERATOR, CONTRACT NO. CT-18084, TO JOHNSON & TOWERS, INC., IN AN AMOUNT NOT TO EXCEED \$7,652.79 – the Authority received two (2) quotes to repair and rebuild the Well No. 15 Generator. The Authority is requesting approval this evening to award the repair and rebuild of the Well No. 15 generator to Johnson & Towers, Inc., in an amount not to exceed \$7,652.79.

PERSONNEL REPORT:

PROMOTIONS – There are two (2) promotions on the agenda this evening for the following: Lindsay Brown from the Civil Service Commission title of Clerk 1 to Account Clerk/Clerk 2. Ms. Brown started at the Authority in the Purchasing Department and is now in the Accounting Department. The second promotion is for Michael Janusz from the Civil Service Commission title of Clerk 2 to Clerk 3. Mr. Janusz is the Authority’s Safety and Regulatory employee.

These promotions have been recommended by their respective Supervisors. The Personnel Committee has reviewed and is recommending approval this evening.

The Authority’s Engineering Department is in need of a part-time temporary summer help employee to assist with the AutoCAD drawings. Joe Demateis completed an eighty (80) hour unpaid internship in the Authority’s Engineering Department during 2017 through the Jackson Township School District Science, Technology, Engineering and Math (S.T.E.M.) program. Mr. Demateis has the experience required for this temporary position. The Authority is requesting approval this evening to hire Joe Demateis as a part-time temporary summer help under the Civil Service Commission title of Clerk 1. The Personnel Committee has reviewed and is recommending approval this evening.

Mr. Harpell stated that with all the current projects going on, the Authority will have light agendas for a while.

CONSENT RESOLUTIONS:

- 2018-67 Resolution Accepting Cash Management Report for March 2018
- 2018-68 Resolution Granting Tentative Sewer and Water Approval to Pine View Major Subdivision, Block 19403, Lot 4, on the Tax Map of the Township of Jackson
- 2018-69 Resolution Granting a Sewer Performance Bond Reduction for Abnet Realty Dental Office, Block 7309, Lots 15 and 16, on the Tax Map of the Township of Jackson

Moved: Commissioner Blake
Second: Commissioner Glory
Vote: Unanimous
Abstain: None

RESOLUTIONS OFFERED:

2018-70 Resolution Authorizing Payment of Vouchers, Deposit Refunds and Payroll for April 2018

Moved: Commissioner Blake
Second: Commissioner Glory
Vote: Unanimous
Abstain: Commissioner Rickabaugh abstained on check #24448

2018-71 Resolution Authorizing the Award of the Electronic Handheld Valve Operator, Contract No. CT-18082, to E.H. Wachs, in an Amount Not to Exceed \$8,695.00

Moved: Commissioner Clayton
Second: Commissioner Rickabaugh
Vote: Unanimous
Abstain: None

2018-72 Resolution Authorizing the Award to Repair and Rebuild the Well No. 15 Generator, Contract No. CT-18084, to Johnson & Towers, Inc., in an Amount Not to Exceed \$7,652.79

Moved: Commissioner Blake
Second: Commissioner Clayton
Vote: Unanimous
Abstain: None

2018-73 Resolution Authorizing the Promotion of Lindsay Brown to the Civil Service Title of Account Clerk/Clerk 2

Moved: Commissioner Clayton
Second: Commissioner Blake
Vote: Unanimous
Abstain: None

2018-74 Resolution Authorizing the Promotion of Michael Janusz to the Civil Service Title of Clerk 3

Moved: Commissioner Clayton
Second: Commissioner Blake
Vote: Unanimous
Abstain: None

2018-75 Resolution Authorizing the Part-Time Temporary Summer Help Hire of Joe Demateis Under the Civil Service Title of Clerk 1

Moved: Commissioner Clayton

Second: Commissioner Blake
Vote: Unanimous
Abstain: None

There was no closed session.

Chairman Allmann noted that the next Public Meeting will take place May 24, 2018 at 5:30 PM.

OTHER MATTERS:

With no further matters to discuss, Commissioner Rickabaugh made a motion to adjourn. Commissioner Clayton seconded the motion and it was passed unanimously. Chairman Allmann declared the April 26, 2018 Public Meeting adjourned.

End of Minutes