

BORDENTOWN SEWERAGE AUTHORITY
MEETING MINUTES
June 15, 2015

The meeting was called to order by the Chairman, Ronald Marino, at 6:00 p.m. in the Conference Room of the Authority located at 954 Farnsworth Avenue, Bordentown, New Jersey.

In compliance with the Open Public Meetings Act, adequate notice of this meeting was provided in the following manner:

- a. Posting written notice on the Official Bulletin Board of the Bordentown Sewerage Authority on February 26, 2015,
- b. Mailing written notice to THE TIMES and BURLINGTON COUNTY TIMES on February 26, 2015; and
- c. Filing written notice with the Clerks of the City of Bordentown and Township of Bordentown and mailing written notice to all persons who requested and paid for same on February 26, 2015.

The following persons were in attendance: Board Members Ronald L. Marino, Zigmont F. Targonski, Stephen Monson, James E. Lynch, Jr., Joseph R. Malone III, and M. Ellen Gulbinsky. Also in attendance were: Executive Director Richard D. Eustace, Administrative Manager Elizabeth J. Kwelty, the Authority's Solicitor Thomas J. Coleman, III, and the Authority's Engineer Richard Czekanski.

On motion by Targonski, seconded by Lynch, it was moved to approve the minutes of the May 18, 2015 regular session.

No discussion on the proposed minutes.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

On motion by Targonski, seconded by Lynch, it was moved to approve the minutes of the May 21, 2015 special meeting.

No discussion on the proposed minutes.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Malone
Nays:	None
Abstained:	Lynch, Gulbinsky
Absent:	None

On motion by Targonski, seconded by Malone, it was moved to adopt Resolution 2015-049 approving the June payment of bills from the Operating Fund in the amount of \$209,646.01, of which \$102,190.84 is a payroll transfer.

No discussion on this Resolution.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

On motion by Lynch, seconded by Gulbinsky, it was moved to adopt Resolution 2015-050, approving the payment of June bills from the Escrow Fund in the amount of \$10,736.16.

No discussion on this Resolution.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

On motion by Targonski, seconded by Gulbinsky, it was moved to adopt Resolution 2015-051, approving the payment of June bills from the Escrow Fund in the amount of \$4,894.74.

The entirety of the refund applied is for one property located 67 Old Amboy Road in Bordentown Township. The township passed an ordinance that can be enforced for this property to connect to the sewer main. The homeowner signed an agreement in 2005 with the Bordentown Sewerage Authority to pay the remaining connection fee. The homeowner has agreed to resume payments to prevent a tax lien on the property, and all excess fees have been removed from the sewer account. Bordentown Township can enforce the lateral connection.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

I. AGENDA ITEMS FOR DISCUSSION AND/OR ACTION:

On motion by Lynch, seconded by Malone, it was moved to adopt Resolution 2015-052, authorizing specific agents of the company to authorize wire transfer orders from the Authority's accounts.

A change in Federal laws caused banks to reword their agreements and procedures in relation to wire transfers.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

On motion by Gulbinsky, seconded by Malone, it was moved to adopt Resolution 2015-053, authorizing the Authority's participation in a third party payment plan in connection with the Authority's acceptance of credit card and check-by-web payments.

There was discussion between the Board Members, Mrs. Kwelty, and Mr. Eustace. Mr. Monson requested the Board table this Resolution until a proper presentation can be made about all other e-payment options and their fees, as he felt this proposed solution charged the customers too much per transaction. There was no motion to table. The Board voted 5-1 to try this proposed solution. If the Authority finds it necessary, the service can be cancelled at any time.

Recorded vote:

Ayes:	Marino, Targonski, Lynch, Malone, Gulbinsky
Nays:	Monson
Abstained:	None
Absent:	None

On motion by Gulbinsky, seconded by Malone, it was moved to adopt Resolution 2015-054, authorizing the reduction of the Thorntown Lane Development performance bond for East Haven Woods, LLC from \$84,954.00 to \$21,238.50.

Mr. Czekanski: Per the Authority's Rules and Regulations once 50% of the project is complete the bond can be reduced 75%. This particular project still has work to be done, so the remaining 25% is sufficient for the remaining work. Mr. Monson questions the mention of "as-builts" in the engineer's report. The as-builts document the field conditions that determine slight variations to the original drawings, and are provided to the Authority at the completion of the project.

Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

II. PROFESSIONAL REPORTS:

A. EXECUTIVE DIRECTOR:

Open Sewer Connection Accounts

- (1.) K Johnson Urban Renewal, LLC/Team Campus Building B: Payment of \$17,167.50 paid as defined by deferred connection agreement and payment schedule. (Payment #4)
- (2.) Rivergate Urban Renewal, LLC: payment of \$12,920.98, Building 4 and payment of \$18,304.72 Building 1 as defined by deferred connection agreement and payment schedule. (Payment #7)
- (3.) 15 Roosevelt Avenue approval of S-1, S-2, S-3, and S-4.
- (4.) Mission First Housing Development Corporation paid connection fee of \$166,245.00. Connection permit issued; approval of S-4 application.

- Executive Director developer time spent for May, 4 hours, and June, 4.25 hours
- Administrative staff developer time spent for May, 20 hours, and June, 11.50 hours
- Collection System Inspection, Bordentown City – *The NJDEP inspected the City pump stations.*
- Energy payment refunds – *The Authority is owed money for incorrect charges on energy bills.*
- Jester's Café – *Authority staff was able to clear the lateral so the street did not have to be dug up.*

In accordance with a motion pertaining to June 15, 2015 agenda item 9. Professional Reports, sub-item A. Executive Director, Financial Discussion on July 20, 2015, the following portion of the minutes have been reproduced as a verbatim transcript.

End of Executive Directors Report to the Board:

Mr. Eustace: The last thing I have is the financial discussion; I think we have something to finish up tonight. Ron, I will turn it over to you at that point.

Mr. Marino: All right as everybody remembers we had the special presentation that made the discussion with regards to the potential of the Authority having rate increases. Unless you have forgotten. So the topic is; Number 1: Do you want to do it? Number 2: For how many years? Number 3: What rate do you want to use?

Mr. Monson: Are you opening the floor?

Mr. Marino: It's open, it's a discussion.

Mr. Monson: I think I made it clear, I think we definitely need to have a rate increase. In line with the presentation that Rick and Elizabeth made, and we agreed that we would end up with what 2.5 million as a reserve account?

Mr. Marino: That's the, that's the, that is the goal line

Mr. Monson: That would be the goal, okay. I would encourage a rate increase for five years at ten percent which would get us to a financially healthy position.

Mr. Marino: So, a rate increase of five years at ten percent.

Mr. Monson: Yes

Mr. Eustace: Do you want to see what that looks like?

Mr. Marino: Yes I do, because I know you can do it. You have the technology.

Mr. Marino: At the end of 5 years are you saying we will be at two million surplus?

Mr. Eustace: [Yes]

Mr. Monson: Where is that? I'm sorry Rick.

Mr. Eustace: There's the surplus right there. And then this is above and beyond your expenses here.

Mr. Monson: So that brings us to the two- five?

Mr. Eustace: Yep

Mrs. Gulbinsky: And beyond that, if just in case, we end up with money that comes from a connection fee and it is going to help with that, we still always want to, I think, have an objective that our billings are always covered by our rents.

Mr. Marino: You have an out-clause where by, where by, you run into some, extra cost the Authority has the ability to modify those numbers going through.

Mr. Eustace: Any time

Mrs. Gulbinsky: Yes

Mr. Marino: At any given time

Mr. Eustace: Again remember this, what you see here, this scenario only has/gives you a two percent budget increase every year, because that is what they are telling you to do at this point. The secondary thing is it doesn't take into account any capital projects, nor does it take into account any connection fees coming in so this is a static revenues to our expenditures. That is exactly what you are looking at here. So this can change year to year

if you get, you know, a housing development, you get this, you get that. We can revisit it, take it down, take it up, do whatever you want to do. Okay so this is a cash flow, like I said just revenues to expenditures.

Mr. Lynch: Then what is the necessity of five years then?

Mr. Eustace: Huh?

Mr. Lynch: Why do we have to do it for five years?

Mr. Eustace: Okay, what would you like to do it at?

Mr. Lynch: No, I am just saying, what is the reason for the five years?

Mr. Eustace: Because if you don't....

Mr. Marino: What does it look at like after three years?

Mr. Malone: That is not the question Jimmy is asking. The question is, if things are variable....

Mr. Lynch: why am I worrying about five years out, when...?

Mr. Malone: So. So, If for example after the first year, and correct me if I am wrong, after the first year if we're at the two million, just hypothetically, why would we go to three years?

Mr. Eustace: Okay, go up to year two in this scenario. What's happening is we put every dollar that you cash money that we have into this scenario here, so you are looking at everything you have in terms of dollars and cents in your pocket right now that we are putting into this, in this scenario. So, as the years go on as you can see, because our revenues are not meeting our expenses that's our shortfall that we are going to be taking out your cash money. So that cash money is going to keep depleting.

Mr. Malone: Okay, I understand the mechanics of it, the issue is this; if we decide two years from now that we don't need this.

Mr. Eustace: Then you can change it. You can reduce it..

Mr. Malone: So the thing is this. This is an issue that can be visited every year we can have a five year plan, but we should vote on it every year to determine exactly if that plan is the plan we should keep. Is that, is that what you are asking Jim?

Mr. Lynch: Well that's, well, exactly...

Mr. Eustace: That's a decision that you as the board members are going to make. We're putting this together as a..., we put this document together so you can see how it affects each year by doing what you're going to do today.

Mr. Malone: No, I understand your proposal and I understand your goal.

Mr. Lynch: Yeah, the mechanics and the financial part of it, I mean, I understand that. That's, you know...

Mr. Malone: But the, the ability every year to modify this. There is nothing, nothing in, in a five year agreement that says we can't modify after one year, or so so the issue really is, it's a year to year question.

Mr. Lynch: Because the question I just asked, isn't going to be a question that I am asking the board. It is going to be what the public is going to ask.

Mr. Eustace: Right

Mr. Lynch: That's, that's going to be how you answer the question.

Mr. Eustace: You have the right every year, depending on how your revenues come in that year and, you know those kind of things. But we are taking what we started with, this money in the bank and we put it all in the pot to set this plan up. And if nothing else changes, just your revenues and your expenses, this is what it will look like for year to year for five years. If other things change, then you are absolutely right, but what you want to do for this plan to work, then you're going to have look at your, rate hearing so to speak would have to come in October/November so that you could start into the next year with your new rates or whenever you choose to do your new rates.

Mr. Marino: Are we telling our customer base that, we are savvy enough to be able to take a look at where we are year after year after year as opposed to say no, we're going to just go in and do a five year plan, boom, and let it go at that. Knowing the fact that we can always reduce it, but here is our five year plan. And is that something that is going to stick in the craw of our customer base?

Mrs. Gulbinsky: It shouldn't!

Mr. Lynch: The customer base is only going to see a fifty percent increase in your sewer.

Mr. Targonski: Well actually it's more than fifty percent.

Mr. Lynch: Well more than fifty percent. But that, they are going to look at the numbers and you are not going to be able to, able to explain to them, how maybe it's being explained to us now on the street. You are not going to be able to explain that to them.

Mr. Eustace: Could you go to the.... Here is how you can explain it to them. Okay, what we did was tie this together in a second page.

Mr. Lynch: Rick, I am talking about a five year plan.

Mr. Marino: That's what he is going to do.

Mr. Eustace: We can give you a three year.

Mr. Marino: That's what he is going to do, that's what he is going to show.

Mr. Lynch: Okay, I can explain the reasoning for a rate increase but I can't explain away the variables that if we had more connection fees or if something changes, they are going to ask well what's going to change? Or what could happen? And you're going to get into the "what ifs". And those "what ifs" are possible.

Mr. Eustace: Oh, absolutely

Mr. Monson: I thought though we were saying as connection fee, excuse me as the developments that are in the pipeline, that their connection fees then mature for lack of the better term, that money then comes into the Authority but it was our intention that that was to be put into the reserve, capital reserve account because that's what it's supposed to do. And that we should be paying our bills off of rent.

Mr. Lynch: I don't think we ever, I don't think we said all of it.

Mr. Monson: Yes

Mr. Lynch: I don't think we discussed all of it.

Mr. Monson: Yes

Mr. Monson: If that's not what we are doing..

Mr. Lynch: I don't remember...

Mrs. Gulbinksy: I think that is definitely...I think that's a goal we should always have.

Mr. Lynch: It could be a goal.

Mrs. Gulbinsky: That our rents, our billing, our rents are covered by our, our...

Mr. Marino: our expenses are covered by our rents.

Mr. Malone: If that were the case, I mean, the thing is this. Right now if that were the case we'd probably have a fifteen million dollar surplus if that were the philosophy.

Mrs. Gulbinsky: And it was a different time, but we are not looking at a lot coming in.

Mr. Malone: And, and what I am saying, I think my concern is, do I think we need a rate increase? The answer is yes. Do I think we need to say that it is going to be a five year rate increase at ten percent a year and that's the story? I don't think that's what we should say.

Mrs. Gulbinsky: How would you prefer to say it Joe? What should we say?

Mr. Malone: I think, it's a five, with current financial constraints it looks like as though we have to do this over a five year period we are doing it one year at a time. And we will evaluate exactly where we are at the appropriate time every year. And that people have to be held accountable every year for making that decision. Because I think it's easy to sit here and for, I, I'm about ninety-nine point nine nine percent sure I am not going to be here in in in five years so it doesn't make any difference, four years, three years, I don't know how much longer I am going to be here. But, but I think it's it holds people accountable year after year to a certain standard that they are going to have to be accountable to the customers as to exactly why we are having an increase. Rather than just walking out of here tonight saying "We've done it and we don't have to worry about it for five years". And I just think that's just a cowardly way out of doing it because I think that a, you know I just think that...

Mrs. Gulbinsky: Well, how about it's a way of preparing them for the fact that this is what the economy looks like...

Mr. Malone: Yeah, I, I don't have any problem saying that based on all of the financial constraints that we have now it looks as though we will probably would have to have a five year program.

Mrs. Gulbinsky: Right

Mr. Malone: But it'll be it'll be every year it'll be voted upon exactly to what extent we will raise the rates to, to come to that goal.

Mrs. Gulbinsky: So then you are going to hold a public hearing every single year?

Mr. Malone: Yeah we yeah, yes.

Mrs. Gulbinsky: Okay, you do fear it, okay then that's we visit this...

Mr. Malone: Look at it this way, it's just like everything else, just like when you do your taxes or do something else. I mean, I think the public ought to be made aware of exactly what we are doing. If they have no concerns and this is the appropriate way to do it, then we have one or two people and that's the extent of it. If we have five hundred people show up and say it's too much then people in this off., in this... that are sitting in these chairs are going to have to make a decision. And I think it's really a, a decision that that should not be an, an easy decision. I think it oughta be.. Especially if our rev... if our, if our, our surplus grows. And the big objection I had to a rate increase up until now, was the fact we had an obscene surplus. And I don't care how we got it or what, but it was, but it was pretty obscene. And you can't... and every year it was subject to the scrutiny of an election. And the sewer authority was battered quite brutally from year to year about having a, a surplus, and, and about, over expenditure whenever, whatever the flavor of the day was. And as far as I'm concerned I think that we ought to be, hold our feet to the fire every year to make that decision.

Mrs. Gulbinsky: I agree, but I also think we need to make our public understand and be educated to the fact that this is not something we do without. It's a utility, like we have to have it....

Mr. Malone: Well, I'm not disagreeing with you.

Mrs. Gulbinsky: Yeah

Mr. Malone: But I think that, that, you know we are saying the same thing, but I'm saying...

Mr. Lynch: Yeah, you really are, you're saying the same thing.

Mr. Malone: I am saying that we basically should come out and say look given the financial constraints that we have today, this is what we project over the next five years. But we are going to have enough respect for the public to say we will hold a public hearing every year to, to give you the reasons why it has to be ten percent or eight percent, or twelve percent. And I think they have the right to hear that from us.

Mr. Monson: Well, I am going to add then, that, however we are going to this I think first

Mr. Monson: [continued] pro.. premise is, we have a financial plan for five years. A basic financial plan, because it also, that's something that our, our, bondholders and people who provide money for us for capital projects and so forth. They're going to look at that, and they're not going to have a particular sympathy for the rate payer. They are going to say, look you, your plan puts you on a solid founding...excuse me.

Mrs. Gulbinsky: Foundation

Mr. Monson: A solid foundation, and as for the description of the surplus as being, you used the term obscene, my recollection from what Rick was pointing out is that for a replacement of a hundred feet or whatever it was, he had the numbers whether it was a planned capital projects versus an emergency. Now the emergency was what, four times?

Mrs. Gulbinsky: Yes

Mr. Eustace: Three and half times

Mr. Monson: Yeah, something like that, and I think the public has to be cognizant of that fact in particularly the public in the City where you have...

Mr. Malone: Steve, Uh Steve, I have no, I have no problem

Mr. Monson: I hadn't finished

Mr. Malone: with us putting out a five year plan. I mean, I agree with you.

Mr. Monson: okay

Mr. Malone: I mean, I am not arguing about a five year plan.

Mrs. Gulbinksy: okay

Mr. Malone: I'm arguing about, the only issue I'm arguing about...

Mr. Marino: A five year plan on...

Mr. Malone: With a vote every year on where it is...

Mrs. Gulbinsky: okay

Mr. Monson: Fine, and and I don't mind coming in here every year and voting an increase.

Mr. Lynch: What's going to happen is the public is going to be cynical, if, if you do a five year plan, and you lock in ten percent for five years, with the, with the caveat of saying that, well if we had a good year we are going to reduce it. They aren't going to believe that. And we're not going to reduce it. So at least this gives you more...

Mrs. Gulbinsky: Okay

Mr. Lynch: power to, to communicate to the public exactly what, what your responsibilities are, here as a board member, are to the public. I think it makes you look better.

Mr. Monson: But I'm going to reiterate what I said two meetings ago. I'm not elected. Neither is Ellen, neither is Ron.

Mr. Lynch: Well, you represent the public.

Mr. Monson: We were, But we're not elected.

Mr. Lynch: Well, well, that, I didn't say that.

Mr. Malone: We....

Mr. Monson: Yeah, but you mentioned an election saying we're answering to voters....

Mr. Malone: I'm not, I'm not, we don't have an election every year....

Mr. Lynch: I'm talking about your responsibility...

Mr. Malone: The City does not have an election every year.

Mr. Marino: I, I have a major responsibility to our customer base. And we have to do what we believe is right for our customer base. Period. Regardless of whether or not we are or are not elected is incidental to anybody in this room. Almost anybody in this room. The whole issue is, however, what is best for our customer base. Period. So if what is best for our customer base is to demonstrate, based on projections and plans and finances and so on and so forth, that we've developed a five year, plan and we are going to look at it on a yearly basis. and in year one we are going to say, number one yes you do need to have a rate increase number two we're going to do it on a year to year basis and evaluate it year to year we're going to make it ten percent. Everyone in agreement with ten percent? Before I go...

Mr. Monson: yes

Mr. Marino: say something else...So basically we're looking at it to say, we're going to publicize, through our website, through however we do a publications, you know, that the Authority has done an extensive financial review of its, of its cost/benefit analysis that was completed by our auditor and our internal staff, and we have a five year projection in order to meet that five year projection, the first year is going to be a ten percent increase and we will evaluate on a year to year basis over the next four extra years, to make a determination of what our expenses input and outputs are to evaluate that to see if we need to continue with a rate increase. Are we all in agreement with that?

Mr. Targonski: Yeah..

Mr. Monson: Mr. Chairman, to one extent. You said we have to do what is best for our customer base..

Mr. Marino: Absolutely

Mr. Monson: Well, I would take issue with that. We are an Authority that was created by the two municipalities which has, and the Authority has financial and fiscal responsibilities...

Mr. Marino: Correct

Mr. Monson: it must meet, if it doesn't meet those responsibilities it immediately falls back on the two governing bodies that created us. So I would take issue that the customer base is the prime issue. Yes, we need to communicate with our customers but at the same time we have a fiscal responsibility and if we fail to deal with that going forward, then we're not doing our job. And yes, people will be pissed. Too bad.

Mr. Eustace: I have a question, if I may. We're going to do a rate hearing I guess at our next...

Mr. Marino: Meeting

Mr. Eustace: Meeting. Are you going to want us to set up another rate hearing for the beginning of the year next year, or at the same time next year?

Mr. Marino: The rate hearing that we're going to have next month, is going to be implemented and if in fact that rate hearing turns out to be ten percent over the course of the year, right? When will that start?

Mr. Eustace: That will start July.

Mr. Marino: So that would start as of July first.

Mr. Eustace: Right.

Mr. Marino: Right?

Mr. Lynch: Then you, then you keep it the same. Next June you have another one.

Mr. Marino: So then this time or whenever it is we do this next year, we will have all of the data together in order for us to do an internal evaluation and then set it up for a future....

Mr. Lynch: Does that affect that?

Mr. Eustace: Oh absolutely

Mr. Lynch: Well then it's going to change it then.

Mr. Eustace: What

Mr. Lynch: It's going to change it then.

Mr. Eustace: Oh, it's going to change it a lot. Because its expi.. as you go out the five years....

Mr. Lynch: Before we make that decision, why don't we see the new numbers, and then, and then we'll make a determination as that point.

Mr. Monson: So, so your projections were using the calendar year.

Mr. Eustace: Well, you were using the whole year, yeah. You would do this one this year, and then January of next year your next one would kick in. But after that, it would be calendar years, it really wouldn't affect...

Mr. Lynch: I mean to sit here tonight...

Mr. Malone: Twenty percent increase over the next four or five months

Mrs. Gulbinsky: But you just need ten at least this year.

Mr. Lynch: Right.

Mr. Eustace: So, you want ten this year, and then the rate hearing is going to be every July..

Mr. Lynch: It's a little..I think the fair way would be to...

Mr. Marino: I think that's what you need to do..I think what you need to do is for the rate hearing to have every rate increase effective for every July.

Mr. Eustace: Okay

Mr. Lynch: Turn your vehicle in, that'll help a little bit.

Mr. Malone: [To Mr. Moynihan attending as Township Liaison] Let me, let me ask, there's, there's a, I don't know..You were at, you were at the hearing the other night, and the thing is with the Township members here, I'm assuming they would want us to have accountability every year that we have a rate increase.

Mr. Moynihan: Actually, Joe I kind of had a question I was waiting to ask you. You can raise your rates five years in advance?

Mr. Malone: No, well, I I I

Mr. Moynihan: Is this as an Authority?

Mr. Malone: Yes, yes

Mr. Moynihan: Oh, you can?

Mr. Coleman: You can put a plan in place that will trigger each rates that go up.

Mr. Moynihan: It's not like a tax rate in a municipality where you do it one year in advance.

Mr. Coleman: No, the....

Mr. Moynihan: I can't raise the taxes on people in 2017.

Mr. Coleman: No, the, the way that the statute is written, the statute says as long as revenue projections meet the anticipated expenses and debt service. As long as the numbers match up, yeah we can do that.

Mr. Moynihan: You can raise the rates a percentage every year?

Mr. Marino: You can put, you can put a Tom tell me if I am wrong, you can put a plan

Mr. Marino: [continued] in place that if you don't hit certain triggers, it it it automatically increases a rate struc...a rate increase over periods of time. You know, if in fact, your net expenses are x amount, it means you have to trigger a rate increase, and so on and so forth.

Mr. Moynihan: You could, you could do that with a rate hearing next month, next meeting.

Mr. Marino: You could. But we're not going to.

Mr. Moynihan: Well, you could, okay and then you have one member of the public here, and then that would be in effect for five years.

Mr. Malone: For five years, yeah. Which I don't think...

Mr. Moynihan: But could you do it for ten years?

Mr. Malone: Yeah

Mr. Targonski: Sure

Mr. Moynihan: What's the limit? A hundred years?

Mrs. Gulbinsky: Well, the smell factor...the stink, the smell factor, how the public will handle it.

Mr. Moynihan: The smell factor, I might smell it more than you.

Mr. Coleman: The limit is effectively is, there is going to be testimony presented, and the testimony better be credible to support that, rate increase, if not, you're going to get....

Mr. Monson: pushback

Mr. Marino: I think you have to determine what is considered reasonableness. Obviously a hundred year increase is not a reasonable assumption to make. Most people when they do projections, do it either on three year, or a five year plan, action plan. Any more than that is sheer guesswork, so that's not really being reasonable or responsible either to the township or the city or their customer base.

Mr. Lynch: That, that brings up the other flip-side of the coin that are you being responsible applying a five year plan now what if it went the other way. What if, what if we had a situation occur where inflation took over and we're still short? Then we're gonna, that five year plan and we don't have that money in house and we're going to have to revisit it probably right?

Mrs. Gulbinsky: Yes

Mr. Lynch: We'd have to revisit it and then we'd have to have another increase over top of the ten, ten, ten, ten. That even makes you look worse than what it would be if you did it on a year to year basis.

Mr. Marino: Okay

Mr. Lynch: So you have better control over it, you can explain it away better, the numbers are still there, it makes you more accountable to do it, that's all.

Mr. Marino: Are you okay?

Mr. Monson: I am feeling very well,

Mr. Marino: Good.

Mr. Monson: Thank you very much.

Mr. Marino: I'm looking for, then I'm looking for a motion.

Mr. Monson: Are we doing, I'm sorry are we doing?

Mr. Marino: Mr., Mr. Solicitor...

Mr. Coleman: Yes, Mr. Chairman, so this would be a motion to have the executive staff prepare for a rate increase hearing, at the July public meeting, okay which will be published in two newspapers circulating within the municipality and the city, notifying, the public that an increase of ...

Mr. Marino: Ten percent

Mr. Coleman: Ten, ten percent will be considered at the July public meeting.

Mr. Marino: for the, for one year.

Mr. Coleman: Yeah.

Mr. Monson: What, I'm sorry...

Mr. Coleman: We don't need to get into that level

Mr. Marino: Right

Mr. Coleman: of detail, but

Mr. Marino: Okay

Mr. Coleman: you all will specify that

Mr. Monson: Tom,

Mr. Marino: In the...

Mr. Monson: Where then does the five year plan fit into that resolution?

Mr. Coleman: It's not going to go in the resolution. That's, that's going to be part of the record Steve, that the number that you come up with that night is part of a plan that we considered. But to put that in...

Mr. Malone: Well if he wants to do it...

Mr. Monson: Well should we...

Mr. Malone: if he wants to do a separate resolution..

Mr. Monson: Don't tell me what I want to do, let me ask my question...

Mr. Malone: No, no, I said if...

Mr. Monson: Should we then not say we are adopting a five year plan which will be in part be hinged on annual rate hearings, maybe I'm putting one before the other, but

Mr. Marino: I think, I think you need to do that after next meeting.

Mr. Monson: I don't want to lose sight of the five year plan and when it will fall...

Mr. Marino: After the hearing

Mr. Coleman: You know I, Steve, I don't....

Mr. Eustace: So we figured it out, this is what's going to happen at the end of five years if you do ten percent.

Mr. Coleman: I don't know if there is a consensus that to actually adopt and commit to a five year plan.

Mr. Monson: I still want to vote on it, thank you.

Mr. Coleman: I don't know if that answers your question.

Mr. Monson: I appreciate that, thank you Tom.

Mr. Eustace: That's what happens at the end of five years.

Mr. Monson: Using July instead of...

Mr. Eustace: Well, you don't have to use anything, you are only making one move here, one ten percent move.

Mrs. Kwelty: One ten percent move.

Mr. Lynch: No, no, no, that, that's not what we're saying

Mr. Eustace: Well we can't we can't we have to change this whole spreadsheet to give you

Mrs. Gulbinsky: Yes

Mr. Lynch: Well, if you're going to change that then, see where it says budget increases expenses, make that five percent because inflation's going to go up. What's that gonna do?

Mr. Eustace: We did...

Mr. Lynch: But who said two percent is what it is going to be?

Mr. Eustace: We went with what the Governor said it's going to be.

Mrs. Kwelty: That's what the Governor....

Mr. Monson: That's what the legislature said two percent.

Mr. Lynch: The Governor said that we were going to have a surplus too didn't he?

Mr. Eustace: What?

Mr. Lynch: He said we were going to have surplus in our budget too didn't he?

Mr. Monson: Don't you believe him?

Mr. Eustace: That's the only thing I can tell you...

Mr. Lynch: So why don't we make our own numbers up. What does five percent do that? That hurts it right?

Mr. Marino: Right there.

Mrs. Kwelty: Yeah

Mr. Eustace: Yeah

Mrs. Kwelty: You want five percent in...?

Mr. Lynch: So the only thing we're saying is, let's take a look at it every year so we have a better handle on expenses and....

Mr. Eustace: No problem, and I understand what you're saying, but at this point right here, if you say that you're not going to do anything until July of next year we can reeval...we'll fix this sheet for the next...for when you come back in so that every July is when the increase starts out. So this thing will show you five years with an increase of whatever you want it to be every July.

Mr. Lynch: Put that back to two percent.

Mr. Monson: Would we....

Mr. Eustace: And if that's the way your plan is set...

Mr. Lynch: Liz, put that back to two percent, I want to see what the difference is.

Mr. Marino: Big difference

Mr. Lynch: Big difference

Mr. Monson: Rick, then every month we could see how we are doing towards our, our goal

Mr. Eustace: You're at that right now with this year, because we are up to date to Friday.

Mr. Coleman: Statute states that you have a statutory obligation as a, as a member of this board to look at it every year anyway.

Mr. Monson: No, I understand that, but we're gonna...

Mr. Coleman: so your gonna

Mr. Monson: Given what he's built now

Mr. Coleman: I understand...

Mr. Monson: We have the ability... I apologize, given what our more than capable staff has built, we have the capability of essentially of real-time monitoring if you will. And yes, we would do an annual formal review.

Mr. Coleman: And maybe on a, maybe on a quarterly basis Rick, we can include in, in the packets, not to make more work for you, just a tracking so you see where you are during the course of the year.

Mr. Marino: A projection

Mr. Eustace: Well, this is built, you can have it every meeting...

Mrs. Gulbinsky: Yes, that would be good.

Mr. Eustace: This is built, you can have it every meeting.

Mr. Marino: Just a projection that's all....

Mr. Coleman: I'm trying to limit the amount of work here....

Mrs. Gulbinsky: Right, you'll be doing it every minute

Mr. Lynch: Well, somebody from the public asks you that question and you are able to say back to them we monitor it monthly...that's a pretty good answer right?

Mr. Eustace: Yeah, we are monitoring it monthly right now...

Mr. Marino: Tom, could you rehash...

Mr. Lynch: Right, but us...you are, we know you are, we know you are but...

Mr. Coleman: Rick we made this push to do this in July do, do you still want to send it out to the commissioners, this new renumbered on a July basis.

Mr. Eustace: Yeah, we could show it to you...

Mr. Coleman: I don't know if that is going to impact your bottom line...

Mr. Eustace: Oh, it will..

Mrs. Kwelty: Not for year one

Mr. Eustace: Not for year one..

Mr. Coleman: Not for year one..

Mr. Monson: We could come up with a shorter reserve then, don't you think...

Mr. Eustace: Well, sure, because you're not putting anything in there. You, you're not putting anything new in there for year two. What, do you want something in there for year two. It's not going to change until you put a number in there for year two.

Mr. Marino: Right.

Mr. Coleman: It hits in year one right?

Mrs. Gulbinsky: Yes.

Mr. Eustace: Yeah, so if you take this one that you're looking at right now, and don't do anything in year two...that's what's going to happen for the next..

Mr. Marino: five...

Mr. Eustace: Next, yeah. And this will move, year two will move up to year one and you will have a new year five.

Mrs. Gulbinsky: So if expenses increase, ten increases too. If we don't, in order to get to the two

million like that. Because if we are trying to get there by that's, that's an objective but may not, you know not in stone necessarily to be at two point five surplus at the end of that time, but we're spending money as we are going along.

Mr. Monson: Yes

Mrs. Gulbinsky: So we're drawing down to.

Mr. Monson: Mr. Chairman, we did a resolution saying we wanted, our goal was two point five, or did we not?

Mr. Marino: No we're not going to...No, we never did a resolution on that discussion.

Mr. Targonski: Our discussions led to that number.

Mr. Marino: That's only been our discussion.

Mr. Monson: Okay

Mr. Marino: The motion that should be on the table is to have a rate hearing next month with the specific purpose with considering a rate increase of ten percent effective July 1, 2015. And further to reevaluate the existing financials, each and every year thereafter for a potential increase review... Huh?

Mr. Monson: Ron,

Mrs. Gulbinsky: If we write this....

Mr. Monson: The the the annual review, you don't want to say for consideration of rate increase of a number again? Or do you want to leave that vague?

Mr. Marino: No. No. The annual review is the annual review. Because next, the next June/July timeframe we may determine that it isn't ten percent, its twelve percent, or eight percent, so you don't want to, you don't want to nail yourself into a percentage. I don't think people would want to, would want to know that. All they would want to know is, yes there's going to be a rate, yes there's going to be a hearing for a potential rate increase of ten percent next month effective with, with July first of fifteen.

Mrs. Gulbinsky: I have a question.

Mr. Marino: Yes.

Mrs. Gulbinsky: Could we, instead of ten percent sounds like a scary number, in real dollars, it's not that bad. Do we need to include that in the resolution in order to be able to put that in, into the notice to just say...

Mr. Malone: I don't know what you're going to get if you don't put a percentage in.

Mrs. Gulbinsky: Well you do, you do put it in, but you say....

Mr. Monson: Ten percent which equates on average to so many dollars....

Mrs. Gulbinsky: An explanation, this translates to four dollars per household. Something like that. The average household....

Mr. Malone: Well I'm just telling you I'm abstaining until we find out what the Township officials are going to do. So, I'm just letting you know for the record, before we even start this....

Mr. Marino: Okay, that's fine...

Mr. Malone: Because this has gotten so convoluted tonight, that I, I...

Mrs. Gulbinsky: Why?

Mr. Monson: I don't understand what you're problem with the Township is..

Mr. Malone: Well, you don't want to hear me any other time. I'm just telling you as far as I'm concerned the Sewer Authority rates and the operations surplus have never been an issue in the City election. They are an issue every year in the Township's election. I want to hear what the Township officials have to say about us raising the rates, cause I don't want to listen to any more nonsense, Steve.

Mr. Monson: Well you're talking to the wrong people. And I don't think you're going to get the township officials to sign on.

Mr. Malone: Well, I... Well, I'm not talking to anybody. I'm not talking to anybody, I'm just talking in general, and I'm tired of their nonsense, and the thing is this. Everybody comes here, this thing has worked swimmingly well for the last twenty some years. And the thing is, and I'll be honest with you, you know, I, I was content to go for ten percent with a five year agreement as a resolution after that. But I am not now. And, and the rest of the members can do whatever they want. But I just, I'm tired of this nonsense that we go through with this. So anybody can do what they want, but I'm just telling you, as it stands right now, unless I hear from the Township officials as to what they want to do, I'm not voting for anything.

Mr. Monson: I would say that you would wait a long, long time...

Mr. Malone: Well, I guess I'll wait a long time.

Mr. Marino: [To Mr. Moynihan as Township Liaison] Is it possible for us to get a comment from the founding fathers of the Township?

Mr. Moynihan: From the founding fathers, probably not. From the present, elected officials, I could probably get some input.

Mr. Lynch: Could you bring that back to them?

Mr. Moynihan: Yeah, Monday night...

Mr. Lynch: What, what some of the feeling of the board is? Actually all of the feeling, we have a couple of different ways the board was looking at this, if you could relay both of them to them and then maybe give us a report back.

Mrs. Gulbinsky: Why are we sitting in these chairs? If you are waiting to hear...

Mr. Malone: I know why I'm sitting here, and I know...

Mrs. Gulbinsky: I do too..

Mr. Malone: Listen to me, I know why I've sat here for twenty five years, Ellen. And, and, and, and really worked to get this thing to work right, and the issue is I, I don't need to be badgered about stupid stuff. And the thing is, I think I have a reasonably good understanding of how this thing functions. I'm tired of the innuendos that has to do with the City election, which has never been an issue as far as being, me being elected or not. I've been elected by residents of the City and Township for, for over forty years, so it doesn't make a difference to me. But I'm tired of the, of the little nuances and the little chicken jabs and as far as I'm concerned every Township election has been a jab at the Sewer Authority and a jab at the members. And I'm telling you I want it over with. If we're all in as a City and Township, we're all in. If we're not, I want to, I want to count heads on who is with this Authority and who isn't, and stop using it as some whipping boy every time there's an election. People go door to door make scandalous kinds of comments about the way things are handled here, and every time we've gone through this process, we do the same thing, it's been honest and above board and straight. So as far as I'm concerned, I want to hear from the Township officials. You know where the City officials are. I mean, I have no problem...

Mrs. Gulbinsky: Well, you know where we are...

Mr. Malone: Until I, Well, you know, wait, let me say this to you...

Mr. Monson: Wait are you sitting here as a City official right now, or as ?...

Mrs. Gulbinsky: We're the vote, we're the vote Joe...

Mr. Malone: No, I made a statement to you. If you don't understand the statement well

Mr. Monson: I want you to clarify it because it's not....

Mr. Malone: No, I'm not gonna clarify. I'm not clarifying anything for you Steve, because it has nothing to do with City officials. It has to do with Township officials constantly using this as a whipping boy, and if you don't have the courage to stand up and say that that is a true statement, then, I'm disappointed in you Steve. Because you know it's true.

Mr. Monson: I don't know it's true.

Mr. Malone: Then you go ask them, and you get the literature that gets put out every year about the Sewer Authority as part of the Township election process. And I'm tired of hearing about it.

Mr. Marino: Okay

Mr. Malone: So, Unless we get...I'm concerned, me. Unless we get some kind of word from the Township officials, then, then whatever happens is gonna happen because I want them to stand up and be counted. There that's, that's what I want.

Mr. Marino: So, so good. So, what we are hoping to get is a response back from the Township officials that they are on board with whatever the Sewerage Authority decides with regards to making the, making the Sewerage Authority solvent over the next period of time.

Mrs. Gulbinsky: I'm opposed to that.

Mr. Monson: Yes, excuse me, I thought we already had a motion on the floor

Mrs. Gulbinsky: I'm opposed to that, we are sitting in the chair to make this decision, Joe.

Mr. Marino: No we don't. We do not have a motion on the floor.

Mr. Malone: You can, you can make whatever decision you want, Ellen. It's your decision to make. You're sitting in that chair, I'm sitting in this chair to make my decision.

Mrs. Gulbinsky: Right.

Mr. Malone: So you have a vote just like I do. So if you want to vote one way you do it. Whatever you want to vote is fine with me. I told you where I stand and why I stand there,

Mr. Malone: [continued] and, and the thing is this, if somebody else wants to vote differently, that's totally up to them. I'm not going to be party to this joke that goes on every year...

Mrs. Gulbinsky: It's not in the room though Joe, it's, it's not in these numbers, it's not in the room, I understand your frustration.

Mr. Malone: I disagree with you. And, and, and I respectfully disagree.

Mr. Lynch: But one of the reasons it was me who asked to have the Township come to a meeting and have this explained to them. And the reason I did that, was because of what Joe just said. City officials have heard everything that goes on in the Township election over the last twenty years. What Joe said is correct. The Sewer Authority has taken a brutal backlashing over money, surplus, we're hiding money.. We've been accused of probably everything under the sun. Now, now to a degree we probably have to take that, we, we're leaders. We take that. But we also have to be responsible enough that if we're going to try to sell a five year plan it would be nice to know if the Township is on board with this, and supporting us. So, so we're not all against each other. And, and I don't think that's asking too much. And, and I think if the Township leadership sees it that way, that they would agree. And that's all Joe's asking. We're not, he's not disagreeing with what we're doing here. He just wants to have a little confidence so that we don't have to go through this again. Because...

Mr. Monson: I totally disagree with you.

Mr. Lynch: Well, it happened, Steve, believe me, trust me, it happened. And, and, and it's not pleasant. It's not a pleasant thing.

Mr. Monson: this is all about the Township elections which Joe is making it, because that's not, that's not a matter that this board should be concerned with.

Mr. Lynch: Right, I understand that, but to win an election based on, false statements is a little, it gets old after a while.

Mr. Targonski: And then go ahead and approve billions of dollars of development after...

Mr. Monson: You're talking about Township business which is not on the table here.

Mr. Lynch: I don't think it's unreasonable to have the Township involved in the process.

Mr. Monson: I don't think that it was required. I don't think that there's anything in our charter that calls for it. Tom, could you correct me on that? Please.

Mr. Lynch: I'm not saying it's required, I'm saying it would be nice to have them involved in the process that's all.

Mr. Monson: What's nice, is nice but...

Mr. Lynch: Yeah..

Mr. Monson: But we, we are the ones who are here.

Mr. Lynch: Right

Mr. Monson: We have to make the decision. I'm prepared to move forward with the resolution to move forward with the hearing right now.

Mr. Marino: Well I didn't look for a resolution yet, now have I?

Mr. Marino: [To Mr. Moynihan Township Liaison] So, you'll be contacting the founding fathers on Monday?

Mr. Moynihan: We have a meeting on Monday.

Mr. Marino: Thank you. Alright, tabling it.

Conclusion of verbatim transcript portion of Financial Discussion

B. GENERAL COUNSEL:

Mr. Coleman reported on the month's activities.

- Agreement with Amboy Bank and with Grainger
- Reviewed specifications for BSA chemical bid
- Reviewed Mission First Performance Bond

C. ENGINEER:

Mr. Czekanski reported briefly on the month's activities and his report is attached to these minutes and made a part thereof.

III. PUBLIC PARTICATION:

In attendance was Township Committeeman John Moynihan. Mr. Moynihan asked about the electronic payment system.

On motion by Lynch, seconded by Gulbinsky, it was moved to adjourn the meeting at approximately 7:10p.m.


Recorded vote:

Ayes:	Marino, Targonski, Monson, Lynch, Malone, Gulbinsky
Nays:	None
Abstained:	None
Absent:	None

Respectfully submitted,

APPROVED ON:

August 17, 2015


Stephen Monson, Secretary

15-064

**BORDENTOWN SEWERAGE AUTHORITY
ENGINEER'S STATUS REPORT
FOR JUNE 2015 MEETING
PREPARED BY REMINGTON VERNICK & ARANGO (RV&A)
ENGINEERS**

DEVELOPMENT TOPICS:

- **Bordentown Waterfront Community:**

Phase I: Apartment units that are being occupied by the new residents have their wastewater flowing to the pump station. The pump station is operational. BSA personnel are monitoring its operation but it is still owned by the Applicant.

Phase II: In design. The site layout for the entirety of Phase II has not been submitted to date. **A NJ Transit railroad crossing permit application has been submitted on behalf of the Applicant by our office.** No other action.

- **East Haven (aka Thorntown Lane) Development:** On-site wastewater conveyance system construction is substantially completed. We recommend a performance bond reduction. At later date video camera work will be conducted and information location on each lateral connection will be added to the as-builts.
- Dunkin Donuts @ Bottom Dollar: On-site construction is ongoing.
- Central Crossing: Flow from this development is subject to restrictions present in the Rising Sun Road pump station and force main system:
 - Grainger:
 - Building Number 1: Building number 1 is under construction. We are in discussions with their personnel about internal equipment proposed to be installed along their plumbing system.
 - For the Route 206 bypass force main we completed our review of the material shop drawings but the ability to access NJTP property has not been acquired by the applicant.
 - **Building No. 2W: A meeting with the Applicant is scheduled for Thursday June 18th.**

- Central Crossing Amboy Bank Building No. 3: The agreement for installation of the Route 206 sewer main upgrades adjacent to the Armory and, if needed, the entire Rising Sun Road pump station force main is completed and signed. **On Wednesday, June 3rd a walk-through of the Route 206 improvement area occurred with the Applicant's design engineering firm.**
- 1 Spring Street; Bordentown City: We distributed "Approved for Construction" drawings and we are entering the construction phase.
- **Holiday Inn Express (Route 206 Edgewood Motel Site): Shop drawings work is ongoing as not all the required information has been provided.**
- Holiday Inn Express (Route 206 by Mansfield Border): BSA representatives meet with this "serious" developer on March 10th to discuss Rising Sun Road conveyance system issues. This is the first conveyance system meeting for this project that has been on/off for 15 years. No recent action.
- Love's Tire Repair Shop At Rising Sun Road Connector Road: A review letter has been provided to the Applicant. No recent action.
- Bordens Crossing: A progress meeting was held with Amboy Bank the current Phase 4 owner on April 9th to review outstanding work. Amboy bank is in dispute with Kor regarding ownership of Phases 1-3.
- **15 Roosevelt Avenue: Single family residential connection application has been received. Conditional S-3 approval recommended.**

End of Report

Prepared by Richard B. Czekanski, PE, BCEE, CME

RE: Verbatim Transcript of a Specified :
Portion of the Minutes of the :
Bordentown Sewerage Authority :
Public Meeting, June 15, 2015 :

CERTIFICATION
IN LIEU OF OATH

STEPHEN H. MONSON, hereby Certifies to the following statements:


1. I am a citizen of the Township of Bordentown, Burlington County, and serve as an appointed Member/Commissioner of the Bordentown Sewerage Authority [hereafter the Authority].
2. On February 17, 2105, the Member/Commissioners of the Authority elected me to serve as the Secretary to the Authority for the calendar year 2015.
3. At the July 20, 2015 regularly scheduled meeting of the Authority, the minutes of the regularly scheduled Authority meeting, held on June 15, 2015, and prepared under my supervision, were submitted to the Member/Commissioners of the Authority for their approval.
4. Several Member/Commissioners of the Authority objected to the summarization portion of the proposed minutes of the regularly scheduled Authority meeting held on June 15, 2015, pertaining to Agenda Item 9, Professional Reports, sub-item A, Executive Director Financial Discussion.
5. As a result, a vote was held, on a motion, to have that portion of the minutes of the regularly scheduled Authority meeting held on June 15, 2015, pertaining to Agenda Item 9, Professional Reports, sub-item A, Executive Director Financial Discussion, be prepared as a verbatim transcript to be included in the minutes for June 15, 2015, to be submitted for approval at the next regularly scheduled meeting of the Authority on August 17, 2015.
6. Elizabeth Kwelty, in her official capacity as the Administrative Manager of the Authority then prepared a verbatim transcript from the audio recording of the regularly scheduled Authority meeting held on June 15, 2015, pertaining to Agenda Item 9, Professional Reports, sub-item A, Executive Director Financial Discussion.
7. In my official capacity as Secretary to the Authority I listened to the audio recording of the regularly scheduled Authority meeting held on June 15, 2015, pertaining to Agenda Item 9, Professional Reports, sub-item A, Executive Director Financial Discussion and compared that audio recording to the verbatim transcript prepared by Ms. Kwelty.

8. It is my opinion that the verbatim transcript of the audio recording of the regularly scheduled Authority meeting held on June 15, 2015, pertaining to Agenda Item 9, Professional Reports, sub-item A, Executive Director Financial Discussion is accurate and correct and fully reflects the discussion of the Member/Commissioners of the Authority in that specific portion of the meeting.

I hereby certify that the foregoing statements made by me are true, I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Date:

17 August 2015



Stephen H. Monson