

A Public Hearing for the adoption of the 2017 Budget of the Eatontown Sewerage Authority was held at 5:00 P.M. on January 10, 2017 in the Borough Hall, 47 Broad Street, Eatontown, New Jersey. No one from the public attended the Hearing.

The regular meeting of the Eatontown Sewerage Authority was held at 5:15 P.M. on January 10, 2017 in the Borough Hall, 47 Broad Street, Eatontown, New Jersey. The Chairman, Brian Charnick, called the meeting to order by making the following statement: "This is a regular meeting of the Eatontown Sewerage Authority made pursuant to Chapter 291 of the Public Meeting Act by declaring notice thereof at least 48 hours prior to this meeting to The Link News and to the Borough Clerk. Notice has also been posted in the public corridor of this Borough Hall."

### **ROLL CALL**

**MEMBERS PRESENT:** Brian Charnick  
Anthony Gaetano  
Peter Berkley  
Herman Redd

**MEMBERS ABSENT:** Ben Caviglia

**ALSO PRESENT:** Steve Colvelle, Manager of Oliwa & Company CPAs  
Ted Lewis, Executive Director  
John Bonello, Attorney  
John McKelvey, Authority Engineer  
Richard Johnson, Superintendent  
Anita Andrus, Treasurer  
Michelle Hu, Assistant Treasurer

**CITIZENS PRESENT** No One

### **ADOPTION OF 2017 BUDGET**

Mr. Colvelle reported that the 2017 Budget was introduced and reviewed by the Authority in November, 2016. The 2017 Operating Budget has decreased by \$133,189, below the 2016 level. The budget appropriation is completely supported by service charges and there is no need to use any surplus, connection fees, or other revenues to fund the operations for 2017.

The Capital Budget as presented for adoption reflects Total Capital Appropriations of \$600,000, which was utilized from an unrestricted net position to fund the 2017 capital program. The Operating Budget for adoption reflects Total Revenues of \$3,307,971 and also reveals Total Appropriations including any accumulated deficit of \$3,307,971.

The largest budgeted expense decrease was for regional disposal charge which was down \$150,000 from 2016. There is no need for a rate increase in 2017.

***Mr. Charnick offered a Resolution to adopt the Operating Budget and Capital Budget of the Eatontown Sewerage Authority for the fiscal year beginning January 1, 2017, and ending December 31, 2017. The Operating 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. The Resolution was seconded by Mr. Redd and adopted on the following roll call vote:***

**ROLL CALL**

AFFIRMATIVE: Brian Charnick, Anthony Gaetano, Peter Berkley, and Herman Redd  
NEGATIVE: None  
ABSTENTION: None  
ABSENT: Ben Caviglia

**PRESENTATION OF 2015 AUDIT**

Mr. Colvelle reported that the Authority's realized net income was \$289,477 in 2015 and \$333,684 in 2014. The 2015 gross revenues remained stable from 2014. The Authority's lower net income in 2015 was due to overall increase in expenses from the 2014 levels. The largest expense increase in 2015 was for professional service which was up \$23,298 from 2014. With credit from TRWRA, the Authority will possibly generate a healthy net income in 2016.

The Government Accounting Standards Board requires the Authority to include a new disclosure, Net Pension Liability, into the audit report effective for the 2015 audit. The State reported a net pension liability of \$1,098,337 for the Authority's proportionate share of the total net pension liability. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. For the year ended December 31, 2015, the State recognized an actuarially determined pension expense of \$108,300 for the Authority's proportionate share of the total pension expense. The Division of Pensions and Benefits actuarially determines employer's contributions annually. The Authority's actual pension contribution for 2015 was \$38,947.

In the 2015 audit report, Mr. Oliwa had no comments and recommendations. The Authority has no violations of laws, no complaints, and other liabilities. However, Mr. Oliwa suggested segregation of duties and timely review of general ledger to the members. Mr. Lewis and Mrs. Andrus will establish a written schedule between the authority accountant and the auditor firm for the 2016 audit.

In addition, for the Board's information, Mr. Colvelle mentioned that many municipalities and authorities his firm works with are now using Edmunds software.

## **APPROVAL OF MINUTES**

Mr. Charnick moved to approve the minutes of the regular monthly meeting held on December 13, 2016 as submitted. The motion was seconded by Mr. Berkley and adopted on a unanimous voice vote.

## **REPORTS OF COMMITTEES, MEMBERS, & ENGINEER**

### **Engineering Committee**

There was no Committee's Report.

### **Executive Director's Report \***

Mr. Lewis presented his report with the following addition:

- **Annual Bills**

Due to a high quote submitted by Jamm Printing for printing and stuffing 2017 annual bills and the office staff believing they can complete the work at a lesser cost, Mr. Lewis suggested having the work done on an overtime basis on a Saturday without any interruptions. The board members discussed it and agreed to have the office staff get the bills done on a Saturday. Mr. Berkley recommended putting a notice of non-flushable items with the annual bill together and sending it to Eatontown residences and businesses, and the notice should also be posted on the Authority's website as well.

### **Superintendent's Report \***

Mr. Johnson offered his report with the following addition:

- **Monmouth Auto Diagnostics, 59 Main Street**

An environmental company discovered a tank buried next to Monmouth Auto's garage door. The company has removed the underground tank and filled the area with stones. Mrs. Andrus reported that there is a floor drain in the shop. The owner of the shop says, if they wash the floor, water goes down through the floor drain and comes out in the pit where the tank used to be. The owner of the shop thinks the tank was connected to the oil separator. However, Mr. Django Weigers from the Building Department did the inspection and said the tank was not connected to the oil separator. Although Mrs. Andrus told the owner of the shop that the grease trap charge is for annual administrative and inspection fees for the oil separator, the owner requested we remove the charge since they think the water has not been discharging into the Authority's sanitary sewer system. Mr. Johnson will perform a dye test to find out if the tank was connected to the oil separator.

### **Engineer's Report \***

Mr. McKelvey presented his report with no additions.

## **UNFINISHED BUSINESS**

- **Additional Space Issue**

There is no update on the office space issue.

- **Year 3 Capital Improvement Manhole Rehabilitation Project**

National Water Main Company provided a quote of \$24,316 for lining of a section of severely deteriorated pipe between manhole 119 and 119-A on Route 35 for inclusion under their current contract. The cost for the lining is \$72.00 per foot and there will be two days of traffic control on Route 35 at \$3,050.00 per day. The first day is for cleaning and televising the sewer and a second day for the actual lining which probably has to be done during the night. Mr. McKelvey explained that the cost for lining on the last project was \$55.00 per foot because it was a larger project, but this is only one line, and the traffic control cost is expensive as well. Mr. McKelvey thought the quote is reasonable and suggested the Board approve it. Mr. Bonello confirmed that the cost can be added into the existing contract and requested a change order from the engineer.

***Based on Mr. McKelvey's recommendation, Mr. Charnick offered a Resolution authorizing the authority engineer to prepare a change order to the existing contract based on the quote of \$24,316 submitted by National Water Main Company. The Resolution was seconded by Mr. Berkley and adopted on the following roll call vote:***

ROLL CALL

AFFIRMATIVE: Brian Charnick, Anthony Gaetano, Peter Berkley, and Herman Redd

NEGATIVE: None

ABSTENTION: None

ABSENT: Ben Caviglia

- **Brookwood Pump Station Project**

T&M Associates is working on the preparation of construction plans and specifications for the Brookwood Pump Station Project, and it should be completed within the next two weeks. Mr. McKelvey will review it with the authority members and possibly bid shortly after.

- **Discussion of Software Systems**

Mr. Lewis reported that after Edmunds & Associates, Inc. provided a demonstration to the office staff, the other two companies in the field also would like to give presentations to the Authority. Mrs. Aderton did some research and discovered that INSYNC software is not as sophisticated as Edmunds', and the third company's price is about twice the cost of Edmunds. Based on the research, Mr. Lewis recommended the office software be upgraded with Edmunds' applications. Because the ESA's office and the Borough are in the same building and to save the Authority's money, Mr. Charnick suggested Mr. Lewis negotiate with Edmunds & Associates for four (4) additional licenses with the Borough to see if they can reduce the cost if the license goes with the same location. Mr. Bonello indicated that if the Authority is able to get additional licenses with the Borough, the Authority and the Borough of Eatontown shall enter into a Shared Service Agreement/Interlocal Government Agreement whereby the Borough will

provide the license. Mr. Lewis will contact Edmunds to clarify if the Borough license works for the building or the entity and also verify if the notes transfers come with the conversion with no additional charges.

## NEW BUSINESS

- **Resolution #2017-01-01, Group Affidavit for 2015 Audit**

The board members certified that they have personally reviewed and are familiar with the contents of the Eatontown Sewerage Authority's 2015 Audit and executed the Group Affidavit for 2015 Audit at the January 10, 2017 meeting.

## BILLS

***Resolution to authorize paying the bills in the amount of \$57,409.93 as submitted from the operating account in Kearny Bank was offered by Mr. Charnick, seconded by Mr. Berkley, and adopted on the following roll call vote:***

### ROLL CALL

AFFIRMATIVE: Brian Charnick, Anthony Gaetano, Peter Berkley, and Herman Redd  
NEGATIVE: None  
ABSTENTION: None  
ABSENT: Ben Caviglia

## APPROVAL OF TRANSFERS FROM THE FOLLOWING ACCOUNTS

TD Revenue Trust to Kearny Bank Operating Account and Payroll Account:

(January, 2017 Operating Expenses)	\$ 57,409.93
(February, 2017 Salaries)	\$ 35,486.74
(2017 Annual Employer Appropriation to PERS)	\$ 44,817.00

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Total Transfers: \$137,713.67

***Resolution to authorize the monthly transfers from TD revenue trust account to Kearny Bank operating account to pay the bills in the amount of \$57,409.93, to Kearny Bank payroll account for the payroll of February, 2017 in the amount of \$35,486.74 and for 2017 annual employer appropriation to PERS in the amount of \$44,817.00 was offered by Mr. Charnick, seconded by Mr. Gaetano, and adopted on the following roll call vote:***

### ROLL CALL

AFFIRMATIVE: Brian Charnick, Anthony Gaetano, Peter Berkley, and Herman Redd  
NEGATIVE: None  
ABSTENTION: None  
ABSENT: Ben Caviglia

***Resolution to authorize payments for capital improvements from Kearny Bank operating account to T&M Associates for the Year 3 Sanitary Sewer Manhole Rehabilitation work in the amount of \$1,415.37, and for the Brookwood Pump Station Upgrades Design in the amount of \$3,851.54 was offered by Mr. Charnick, seconded by Mr. Gaetano, and adopted on the following roll call vote:***

**ROLL CALL**

**AFFIRMATIVE:** Brian Charnick, Anthony Gaetano, Peter Berkley, and Herman Redd

**NEGATIVE:** None

**ABSTENTION:** None

**ABSENT:** Ben Caviglia

**ADJOURNMENT**

With no further business to address, Mr. Charnick moved to adjourn the meeting at 5:45 p.m.

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Assistant Treasurer

***\* All reports of Committees, Members & Engineer are available for the public to review in the Authority's office and can also be reviewed online.***