

A Public Hearing for the adoption of the 2018 Budget of the Eatontown Sewerage Authority was held at 5:00 P.M. on January 9, 2018 in the Borough Hall, 47 Broad Street, Eatontown, New Jersey. No public attended the Hearing.

The regular meeting of the Eatontown Sewerage Authority was held at 5:25 P.M. on January 9, 2018 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
 Ben Caviglia
 Anthony Gaetano
 Peter Berkley

MEMBERS ABSENT: Herman Redd

ALSO PRESENT: Robert Oliwa, Auditor
 Steve Colvelle, Auditor's Assistant
 Ted Lewis, Executive Director
 John Bonello, Attorney
 Christine Ballard, Authority Engineer
 Richard Johnson, Superintendent
 Anita Andrus, Treasurer
 Michelle Hu, Assistant Treasurer

CITIZENS PRESENT No One

ADOPTION OF 2018 BUDGET

Mr. Oliwa reported that the 2018 budget has been formulated through worksheets and discussed with the Authority staff. The Budget was submitted to the State of New Jersey Bureau of Financial and Authority Regulations. Mr. Paul Ewert, the Supervising Municipal Finance Auditor, reviewed the submitted budget and compared the 2016 audit report to the amounts and disclosures in the 2018 budget document. He recommended a \$367 change in the final audit of the net assets. The change has been made by Mr. Oliwa's office. When the 2018 budget was submitted to the Division of Local Government Services for approval, the 2016 audit was not completed yet, so Mr. Ewert suggested that the audit report be submitted to the Division by the statutory deadline.

The Operating Budget as presented for adoption was \$3,410,106 with no unrestricted net position utilized. One of the positives was that the unrestricted surplus was over \$2 million dollars, which was not even utilized to balance the budget. The service fee of \$3,352,106 was balanced for the most part of the Operating Budget of \$3,410,106.

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 2018 capital program.

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, 2018, and ending December 31, 2018. 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. Caviglia and adopted on the following roll call vote:

ROLL CALL

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

PRESENTATION OF 2016 AUDIT

Mr. Oliwa reported that the 2016 audit report has also been reviewed by Mr. Paul Ewert of State of New Jersey Bureau of Financial and Authority Regulations in conjunction with the 2018 Budget. The Authority realized a higher net income of \$1,226,363 in 2016 due to overall decreases in expenses from 2016. The largest expense decrease was regional sewerage charge, which was down \$1,014,425 from 2015. The majority of the reduction of the regional sewerage charge was from a lawsuit settlement credit.

Mr. Oliwa has two (2) recommendations for the Authority: timely review of general ledger and segregation of duties. He suggested the Authority submit books and records for the 2017 audit earlier than that in the past several years. With regard to segregation of duties, Mr. Berkley asked Mr. Oliwa's opinion about using a bank lockbox service to process payments. Mr. Oliwa explained that there are lockboxes used in some of the municipal entities. The service has to be reviewed with a bank to find the cost for the service. It may help with collections for the office staff. The Authority needs to inform his office if the Board decides to move in that direction.

Mr. Charnick offered a Resolution to accept the 2016 audit. The Resolution was seconded by Mr. Caviglia and adopted on the following roll call vote:

ROLL CALL

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

APPROVAL OF MINUTES

Mr. Caviglia moved to approve the minutes of the regular meeting held on December 12, 2017 as submitted. The motion was seconded by Mr. Charnick 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 additions:

- **Implementation of Edmunds' Finance Application**

The final data was scheduled to be pulled from Peachtree on January 4th. However, it was completed on January 5th due to the snow storm. The application went live on January 8, 2018. The office staff has been working on the new application, and it will get easier once they adjust to it.

- **Geographic Information System Proposal**

Mr. Lewis and Mr. Johnson will follow up with Ms. Ballard regarding the GIS proposal from their account manager of ESRI. Ms. Ballard indicated that the GIS system can be tied into the Edmunds' system.

Superintendent's Report *

Mr. Johnson offered his report with the following addition.

- **Maintenance Building Repairs**

Mr. Johnson has been trying to obtain three quotes for removal and trimming of the trees at the maintenance yard. One of the tree contractors has never responded to him. Becker Tree Services is the lower bidder of the two with a price at \$7,500. Becker worked with the Authority in the past and their performance was satisfactory. The Board gave consensus to approve Becker Tree Services to perform the preventative tree work.

Engineer's Report *

Ms. Ballard presented her report with the following additions:

- **Follow-Up Tasks**

1) Sewer Connection for the County DPW and Future Property of Borough DPW
The County Department of Public Works, located in Fort Monmouth, is still connected to the military sewer system. Mr. Lewis reported that Fort Monmouth Economic Revitalization Authority (FMERA) is paying disposal fees to Two River Water Reclamation Authority (TRWRA) for providing sewer service for the County DPW. The Borough is looking to purchase a FMERA

property next to the County DPW and move the Borough DPW there, which requires a new sewer connection to the ESA's sanitary sewer system. The two properties are both geographically located in Eatontown. Mr. Charnick asked the Board how the ESA will take over the two properties since FMERA is in the process of selling the property. Mr. Bonello pointed out that if the two properties will be connecting to the ESA's sewer system in the future, the property owners will contact the Authority to request sewer connection information and also submit applications to the Board for approval. The Board suggested postponing the sewer connection issue temporarily and waiting for their applications come in.

2) Engineering Design for Eatontown Sewer System

Mr. Charnick recalled that at the FMERA meeting, they mentioned they were starting a sewer infrastructure design for Eatontown, so he had asked the Authority's former engineer, Mr. John McKelvey, to check with Mr. Bruce Steadman, the Executive Director of FMERA to see if FMERA has started working on the engineering design for Eatontown's sanitary sewer system. Maser Consulting had a contract with the TRWRA to perform engineering design for Oceanport's sanitary sewer system. The ESA has never authorized an engineering firm to create a sewer plan for Eatontown.

- **2018 Pipe Lining Program**

Ms. Ballard obtained the map Mr. Johnson had put together. She totaled up about 40,000 LF of pipes that need to be lined and estimated \$3,000,000 for televising inspection and lining all the ACP sewers. She recommended that the Authority create a phasing for this project to spread costs over several years similar to what the Authority did with the last capital improvement project. To reduce the overall cost, Ms. Ballard suggested that Mr. Johnson and his crew perform some televising work. Ms. Ballard will provide a proposal to the Board for her cost to review the pipes and determine what has to be done.

Ms. Ballard reported that under the new rules of NJ Environmental Infrastructure Trust, if a project costs over \$1 million, the applicant has to complete some financial analysis to determine whether or not it is more feasible to finance through the Trust based on the applicant's bond rating. An administrative fee and a cost for an asset management plan can be included in the total project cost funded with the NJEIT.

To continuously maintain an over 50-year old sewer system near its life expectancy, Mr. Caviglia would like to set up a meeting with Mr. Lewis, Ms. Ballard, and Mr. Johnson to discuss further and provide a suggestion to the Board for a capital improvement program.

Mr. Caviglia offered a Resolution authorizing the Authority Engineer to review the existing videos performed by Mr. Johnson and get back to the Board as to whether there is more work to be done. The Resolution was seconded by Mr. Charnick and adopted on the following roll call vote:

ROLL CALL

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

UNFINISHED BUSINESS

- **Additional Space Issue**

The Borough of Eatontown adopted a bond ordinance to finance a portion of the costs for the renovations of the Municipal Building and the purchase of police radios.

- **Brookwood Pump Station Project**

The contractor has advised that the generator is scheduled for arrival in mid-January.

- **Emergency Contracts**

The Authority's emergency contracts have expired, so Ms. Ballard provided a proposal to update bid documents for the contracts of emergency repairs of sewer connections and mains, emergency cured in place pipelining, and pump station maintenance for an estimated fee of \$12,500. The Board discussed the proposal and authorized T&M to proceed in this manner.

Mr. Caviglia offered a Resolution authorizing T&M to prepare specifications for the three emergency contracts along with advertising and receiving bids and preparing recommendations for award for a fee not to exceed of \$12,500. The Resolution was seconded by Mr. Gaetano and adopted on the following roll call vote:

ROLL CALL

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

NEW BUSINESS

- **Resolution # 2018-01-01: Closing out Park Estates Project, Block 2803, Lots 19 to 22.09 and Releasing the Performance Bond**

Park Estates had submitted plans for the construction of nine new residential homes and one storm water basin with the two existing lots (Lots 19 and 22). The improvements would include a new 8" sanitary sewer main extension with a 4" sanitary sewer lateral for each of the nine new homes and two existing homes on lots 20 and 21. The applicant had submitted the appropriate site plans, architectural plans, and engineering specifications for the connection of their premises to the sewer system. It has been determined that the construction of the sewers has been completed in accordance with the terms and conditions of said plans. The Authority

Engineer responsible for supervising this project, Christine Ballard, P.E., has conducted a final inspection and advised that the applicant has satisfactorily completed all improvements.

Based on the Authority Engineer's recommendation, Mr. Charnick offered a Resolution closing out the Park Estates project and releasing the performance bond upon payment of any outstanding fees and the submission of as-built plans as indicated in the Authority Engineer's project closeout letter dated January 2, 2018. The Resolution was seconded by Mr. Gaetano and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Peter Berkley

NEGATIVE: None

ABSTENTION: None

ABSENT: Herman Redd

- **Resolution #2018-01-02: Group Affidavit for 2016 Audit**

The board members certified that they have personally reviewed and are familiar with the contents of the Eatontown Sewerage Authority's 2016 Audit and executed the Group Affidavit for 2016 Audit at the January 9, 2018 meeting.

Mr. Charnick offered a Resolution approving the Group Affidavit for the 2016 Audit. The Resolution was seconded by Mr. Gaetano and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Peter Berkley

NEGATIVE: None

ABSTENTION: None

ABSENT: Herman Redd

- **Resolution #2018-01-03: Approving the 2016 Audit**

Mr. Charnick offered a Resolution approving the 2016 Audit. The Resolution was seconded by Mr. Gaetano and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Peter Berkley

NEGATIVE: None

ABSTENTION: None

ABSENT: Herman Redd

BILLS

Resolution to authorize paying the bills in the amount of \$172,009.35 from the operating account in Kearny Bank was offered by Mr. Charnick, seconded by Mr. Gaetano, and adopted on the following roll call vote:

ROLL CALL

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

APPROVAL OF TRANSFERS FROM THE FOLLOWING ACCOUNTS

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

(January, 2018 Operating Expenses)	\$172,009.35
(February, 2018 Salaries)	+ \$ 36,472.72
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Total Transfers:	\$208,482.07

Resolution to authorize the monthly transfers from the TD Bank revenue trust account to Kearny Bank operating account to pay the bills in the amount of \$172,009.35, to Kearny Bank payroll account for the payroll of February, 2018 in the amount of \$36,472.72 was offered by Mr. Charnick, seconded by Mr. Gaetano, and adopted on the following roll call vote:

ROLL CALL

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

Resolution to authorize payments for capital improvements from the Kearny Bank operating account to TR Weniger, Inc. for Brookwood Pump Station upgrades work, payment certificate #2, in the amount of \$93,682.61, to Oswald Enterprises, Inc. for relining a sewer main at Highway 35 and Kremer Avenue in the amount of \$24,817.07, and to T&M Associates for Brookwood Pump Station upgrades contract administration and inspection in the amount of \$3,791.73, and for paving at the Sewerage Authority garage in the amount of \$10,400.00 was offered by Mr. Charnick, seconded by Mr. Gaetano, and adopted on the following roll call vote:

ROLL CALL

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

ADJOURNMENT

With no further business to address, Mr. Charnick moved to adjourn the meeting at 6:20 p.m.

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.***