

# **LEBANON BOROUGH SEWERAGE AUTHORITY**

## **MINUTES**

**NOVEMBER 4<sup>TH</sup>, 2010**

The meeting of the LEBANON BOROUGH SEWERAGE AUTHORITY was called to order by Chairman Edward Cichone 7:30 PM at the Boro Hall, 6 High Street, Lebanon NJ.

MEMBERS PRESENT: Edward Cichone, Richard Burton, Leona Burton and John Saharic

Also present: Attorney Joseph Novak, Auditor William Colantano and Secretary Susan Woods

The meeting was convened in compliance with the Open Public Meetings Act

### **OCTOBER MINUTES**

Mr. Burton moved and Mrs. Burton seconded the motion approving the minutes of the 10/7/10 meeting. Motion carried.

Mr. Burton moved and Mr. Saharic seconded the motion approving the Closed Session Minutes of 10/7/10. The minutes will not to be released to the public at this time. Motion carried.

Mr. Saharic moved and Mr. Burton seconded the motion approving the corrected page 3 of the 9/16/10 minutes. Correction to the list of expenditures. Motion carried on roll call vote: AYES: Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Saharic

### **ENGINEER'S REPORT**

Mr. Hill had submitted a written report dated 11/4/10.

Mr. Cichone reviewed the report with the members.

### **HUNTERDON PLAZA BLK 2 LOT 2**

Mrs. Burton moved and Mr. Burton seconded the motion approving the Engineer's recommendation that Hunterdon Plaza has sufficient sewer capacity for a beauty salon with 3 hair washing sinks and an anticipated 6 employees. Motion carried.

### **NITZER AVENUE EXTENSION OF SEWER LINE**

Ed Cichone and Rich Burton met with Mike Rieno, the Mayor elect, to discuss Nitzer Avenue. The work is projected to start in the Spring of 2011; LBSA will possibly be the lead agency and coordinate the work between the Boro road repair and the installation of the sewer line; this will help move things along and in a timely fashion.

Nitzer Av Sub-Committee ---Ed Cichone, Rich Burton, Mike Reino, Jim Hill and Paul Ferriero.

## **MAGLIO ELECTRIC CONTRACT**

Maglio Electric will install the back- up tape to the Heat Tape meter; the work is deemed an emergency as Winter is fast approaching.

Mrs. Burton moved and Mr. Saharic seconded the motion approving the Maglio Electric, LLC contract as set forth below and authorized Mr. Cichone to sign the contract. Motion carried on roll call vote : AYES – Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Lachenmayr

### CONTRACT BETWEEN LEBANON BOROUGH SEWERAGE AUTHORITY AND MAGLIO ELECTRIC LLC

This Contract is made on this \_\_\_\_ day of November, 2010 by and between Maglio Electric LLC, located at 25 Route 173 E, Hampton, New Jersey 08827, hereinafter referred to as the "Contractor",

And the LEBANON BOROUGH SEWERAGE AUTHORITY, a public corporation of the State of New Jersey, located at 6 High Street, Lebanon, Hunterdon County, New Jersey, hereinafter referred to as "LBSA".

For good and valuable consideration as hereinafter set forth, the parties agree as follows:

1. The Contractor agrees to provide all equipment, material and labor to the LBSA in connection with the installation of the back-up tape on a new thermostat on the Heat Tape Meter originally installed for KB Toys for the sewer line in Cokesbury Road over Hwy 78 as specified by the LBSA Engineer.

2. The Contractor shall complete all of the work, labor and provide materials and shall be compensated \$1,620.00 as stated in the quote of September 2, 2010 which is attached hereto and made a part hereof.

3. The Contractor shall abide by all of the employer/employee laws of the State of New Jersey, and provide proof of Workers Compensation Insurance for its employees, and a liability insurance policy with an endorsement or certificate of liability of insurance naming the LBSA as an additional insured.

4. The following shall be submitted to the LBSA prior to the commencement of any work:

- Proof of Workers Compensation Insurance
- A Certificate of Liability Insurance naming LBSA as additionally insured
- A current Business Registration Certificate
- A current NJ Dept of Labor Employee Certificate
- A signed Business Entity Disclosure Certification
- A signed Americans with Disability Act Agreement
- A signed Mandatory Affirmative Action Agreement

5. Payment shall be subject to the inspection and approval by the LBSA Engineer, and his written report and recommendation for payment by the LBSA at its next regular meeting subsequent to completion.

**RLSA REPORT**

Mr. Burton reported that the budget was increased by less than 1%, salaries were raised 2%.

**EXPENDITURES**

Mr. Burton moved and Mr. Saharic seconded the motion approving the following expenditures as listed. Motion carried on roll call vote – AYES: Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Saharic

GENERAL ACCT		EXPENSES
10-118 LBSA	PAYROLL	\$4,202.16
10-119 NJSHBP	HEALTH INS	\$1,463.01
10-120 RLSA	SEWER PLANT	\$22,443.50
10-121 LEBANON BORO	RENT	\$1,300.00
10-122 L BURTON	CONSULTANT	\$396.50
10-123 TL YAGER & ASSOCS	ENGINEERING	\$5,650.75
10-124 RICHARD BURTON	REIMBURSE	\$ 91.95
10-125 GRAMCO	DIGITAL RECORDER	\$899.00
10-126 TL YAGER & ASSOCS	KBT ESCROW	<u>\$3,110.00</u>
	TOTAL	\$39,556.87
ESCROW ACCT		
E10-36 TL YAGER & ASSOCS	BNK OF AMERICA	\$692.50
E10-37 TL YAGER & ASSOCS.	KAPLAN	\$570.00
E10-38 TL YAGER & ASSOCS	<u>PIZZO</u>	<u>\$262.50</u>
	TOTAL	\$1,525.00

**CLOSED SESSION ~ RESOLUTION 10-18**

Ms. Burton moved and Mr. Saharic seconded the motion as follows. Motion carried.

**CLOSED SESSION**

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 23, PL 1975 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Lebanon Borough Sewerage Authority as follows:

The public shall not be permitted to attend this meeting.

The general nature of the subject matter to be discussed is as follows:

➤ POTENTIAL LITIGATION

It is anticipated at this time that the above subject matter will be made public as soon as the members deem it wise to relay the information to the public.

Formal action may/will not be taken on the subject matter when the regular meeting is reconvened.

## **REOPEN MEETING**

Mr. Saharic moved and Mr. Burton seconded the motion to reopen the regular meeting. Motion carried – all ayes.

## **K-B TOYS**

Mr. Novak reported that we are pursuing our claim under the Performance Bond guarantee for repair of the Heat Tape Meter.

## **2011 BUDGET**

Discussion held on stabilizing surplus, etc.

Rates will have to be increased.

The mailing of the 2011 sewer bills will have to be delayed to February; after the rate change.

## **CLOSED SESSION ~ resolution 10-19**

Mr. Burton moved and Mrs. Burton seconded the motion approving the following resolution. Motion carried.

### RESOLUTION NO. 10-19 CLOSED SESSION

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 23, PL 1975 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Lebanon Borough Sewerage Authority as follows:

The public shall not be permitted to attend this meeting.

The general nature of the subject matter to be discussed is as follows:

➤ *CONTRACTURAL MATTERS*

It is anticipated at this time that the above subject matter will be made public as soon as the members deem it wise to relay the information to the public.

Formal action may/will not be taken on the subject matter when the regular meeting is reconvened.

## **MEETING REOPENED**

Mr. Burton moved and Mr. Saharic seconded the motion to reopen the meeting. Motion carried – all ayes

**RESOLUTION 10-20 ~ DELAY OF INTRODUCING THE BUDGET**

Mr. Burton moved and Mr. Saharic seconded the motion approving the following resolution for the delay in the budget introduction which was necessary as LBSA had to wait for the RLSA budget information. Motion carried on roll call vote: AYES – Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Saharic

RESOLUTION NO. 10-20  
2011 BUDGET  
LATE INTRODUCTION

WHEREAS, the Lebanon Borough Sewerage Authority will introduce its 2011 Operating Budget on November 4th, 2010; and

WHEREAS, the Lebanon Borough Sewerage Authority is aware that the budget is delinquent in accordance with the rules and regulations of the Division of Local government Services; and

WHEREAS, the Lebanon Borough Sewerage Authority has deemed it necessary to delay the Budget Introduction as all required information was not available for a timely introduction; and

NOW, THEREFORE, BE IT RESOLVED by the Lebanon Borough Sewerage Authority that permission is hereby requested to introduce the 2011 Operating Budget on the 4<sup>th</sup> day of November, 2010.

**RESOLUTION 10-21 INTRODUCTION OF 2011 BUDGET**

Mr. Burton moved and Mrs. Burton seconded the motion approving the following resolution. Motion carried on roll call vote: AYES – Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Saharic.

RESOLUTION NO. 10-21  
INTRODUCTION OF THE 2011 BUDGET  
Fiscal year: from January 1 to December 31, 2011

WHEREAS, the Annual Budget and Capital Budget/Program for the Sewerage Authority for the fiscal year beginning January 1, 2011 and ending December 31, 2011 has been presented for adoption before the governing body of the Lebanon Borough Sewerage Authority at its open public meeting of November 4<sup>th</sup>, 2010; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$620,083.00, Total Appropriations, including Accumulated Deficit if any, of \$665,033.00 and Total Unreserved Retained Earnings utilized of \$44,950.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$45,000.00 and Renewal and Replacement Reserve planned to be utilized as funding thereof, \$45,000.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements,

and to provide for such services, all as may be required by law, regulations or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C.5:31-2 does not confer any authorization to raise funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Lebanon Borough Sewerage Authority, at an open public meeting held on November 4<sup>th</sup>, 2010 that the Annual Budget including Supplemental Schedules and the Capital Budget/Program of the Lebanon Borough Sewerage Authority for the fiscal year beginning January 1, 2011 and ending December 31, 2011 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, services contracts and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Lebanon Borough Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on December 2<sup>nd</sup>, 2010.

### **SPECIAL PROJECT**

The back-up tape for the Heat Tape Meter on Cokesbury Road for the sewer line serving KBT building and Presidential Place has to be installed before winter; Mr. Novak is attempting to involve KB Toys and Travellers' Insurance but KB Toys is in bankruptcy and there are no escrow funds. Therefore the Authority will approve Special Project for the installation of the back-up tape.

Mrs. Burton moved and Mr. Burton seconded the motion approving the Heat Tape Special Project for the Attorney.....\$1,500.00. Motion carried on roll call vote: AYES – Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Saharic

Mr. Burton moved and Mr. Saharic seconded the motion approving the Heat Tape Special Project for the Engineer.....\$5,000.00 (includes the existing invoice. Motion carried on roll call vote: AYES – Mr. Cichone, Mr. Burton, Mrs. Burton and Mr. Saharic.

### **2011 RATE AND CONNECTION FEES**

Hearing for the 2011 Rates and Connection fees will be in February 2011.

**PUBLIC COMMENTS** – NONE

**ADJOURN**

Mr. Burton moved and Mr. Saharic seconded the motion to adjourn the meeting there being no further business to come before the Board. Motion carried.

Respectfully submitted by,

*Susan J. Woods,*  
Secretary/Treasurer

CERTIFICATION: I hereby certify these to be true and correct copies of minutes as approved by the Commissioners at the meeting of \_\_\_\_\_.

\_\_\_\_\_

**LEBANON BOROUGH SEWERAGE AUTHORITY**  
**1<sup>ST</sup> CLOSED SESSION MINUTES**  
**NOVEMBER 4, 2010**

Members present: Edward Cichone, Richard Burton, John Saharic and Leona Burton  
Also – Attorney Joseph Novak, Auditor Bill Colantano and Secretary Susan Woods.

POTENTIAL LITIGATION:

**KB TOYS**

LBSA activating the back-up tape on the Heat Tape Meter; we cannot wait for KB Toys or Traveler’s Insurance to come through with the funds, it is an emergency situation.

**KAPLAN COMPANIES – THE HEIGHTS AT LEBANON**

Mr. Kaplan has requested a subcommittee meeting prior to the December meeting. The escrow fund is already insufficient to cover existing invoices, it must be replenished.

Respectfully submitted by

*Susan J. Woods,*  
Secretary/Treasurer

CERTIFICATION: I hereby certify these to be true and correct copies of minutes as approved by the Commissioners at the meeting of \_\_\_\_\_.

\_\_\_\_\_

**LEBANON BOROUGH SEWERAGE AUTHORITY**  
**2<sup>ND</sup> CLOSED SESSION MINUTES**  
**NOVEMBER 4, 2010**

Members present: Edward Cichone, Richard Burton, John Saharic and Leona Burton  
Also – Attorney Joseph Novak, Auditor Bill Colantano and Secretary Susan Woods.

Contractual matters:

Engineer's budget – already going over the 2010 budget amount. The Maintenance Line Item must be kept within the approved budget amount.

Further discussion on professional budgets.

The rate will have to be increased next year – estimating an additional \$8.00 per quarter per unit.

Respectfully submitted by

*Susan J. Woods,*  
Secretary/Treasurer

CERTIFICATION: I hereby certify these to be true and correct copies of minutes as approved by the Commissioners at the meeting of \_\_\_\_\_.

\_\_\_\_\_