

JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
OPEN MINUTES
May 23, 2019
5:30 PM

The Public Meeting of May 23, 2019 was called to order by William Allmann, Chairman

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

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

ROLL CALL OF THE BOARD OF COMMISSIONERS:

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

PROFESSIONALS:

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

AUTHORITY STAFF:

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

QUESTIONS/COMMENTS FROM THE PUBLIC: At this time, Chairman Allmann noted that the representative from Holman Frenia Allison, PC is running late so the 2018 Audit presentation will be held until the end of the meeting. Chairman Allmann also noted, if there are any questions from the public, please raise your hand and we will try to answer during the timeframe as we go through the agenda. Present from the public was Mr. Nick Vinciguerra, Mr. Anthony Vinciguerra, Mr. W. Cordts and Mr. Christopher Parks.

Approval of the Minutes of the Open Session Public Meeting of April 25, 2019

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

REPORTS:

EXECUTIVE DIRECTOR'S REPORT:

Mr. Harpell reviewed the following items from the Executive Director's report:

RESOLUTION AUTHORIZING AWARD OF THE NPS-5 FLOW STUDY, CONTRACT NO. CT-19059, TO CSL SERVICES, INC., IN AN AMOUNT NOT TO EXCEED \$9,000.00 - The Authority still has concerns with the Ocean County Utilities Authority's (OCUA's) metering at NPS-5. The Authority and OCUA have been utilizing a ratio of the Jackson flows to the NPS-5 meter readings which was developed during a flow study in 2013. The ratio does not appear to be valid anymore with the wet weather over the last few years. The Authority is recommending a flow study which should take approximately a month. Quotes were obtained from CSL Services, Inc. and Flow Assessment Services. The pricing ranged from \$9,000.00 to \$9,160.00. The Authority is requesting approval this evening to award CSL Services, Inc., in an amount not to exceed \$9,000.00 to conduct this flow study. The Engineering and Finance Committees have reviewed and are recommending approval this evening. It was noted that by 2020, OCUA will have a new metering station constructed in accordance with the 2015 Settlement Agreement, which should improve the metering accuracy. Chairman Allmann noted that the proposed flow study is well worth the money.

RESOLUTION REGARDING THE JACKSON BOARD OF EDUCATION TRANSPORTATION FACILITY, BLOCK 13801, LOT 1.01, ON THE TAX MAP OF THE TOWNSHIP OF JACKSON - The Board of Education approached the Authority to inquire if the water and sewer connection fee waivers for Liberty High School would address the above referenced facility. The Board of Education was informed that the 2008 Agreement did not envision connection fee waivers for additional facilities at the Liberty High School site but Liberty High School is using much less water than anticipated. As such, the staff believes it would make sense to waive the water and sewer connection fees for the Transportation Facility because of the lower than projected usage at Liberty High School. This was discussed with the Engineering and Finance Committees and both committees are recommending approval this evening.

ENGINEERING COMMITTEE REPORT:

There were no action items to report this month. Mr. Quijano updated the Board on the following:

Mr. Quijano updated the Board on the progress of the Six Flags Great Adventure Water Treatment Plant Replacement, noting that the building and roof are complete. Work is now being conducted on the inside of the building trying to put all the filter media inside the vessels. The contractor is still ahead of schedule and looking at completion by October 2019. The second update is on the Manhattan Street Improvements - Warehouse, noting there has been a slight delay on receiving the trusses, which should be delivered next week so the contractor can begin installing the roof.

CONSULTING ENGINEER'S REPORT:

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

RESOLUTION GRANTING FINAL SEWER APPROVAL TO LIBERTY COMMONS SHOPPING CENTER, BLOCK 21202, LOTS 6.01 AND 7, ON THE TAX MAP OF THE TOWNSHIP OF JACKSON - The applicant, 528, LLC, is proposing to construct a shopping center consisting of three (3) retail buildings, totaling 52,000 square feet at the intersection of East Veterans Highway and North Hope Chapel Road in the northeast corner. The site contains 7.48 acres. The applicant proposes to connect to an existing manhole located in East Veterans Highway and install 8" PVC sewer main on site to service the buildings on the site. The applicant also proposes upgrades to the force main along North Hope Chapel Road and Brewers Bridge Road. We recommended this approval in our May 6, 2019 letter to the Board.

RESOLUTION GRANTING A PERFORMANCE BOND RELEASE FOR JACKSON SQUARE, BLOCK 5301, LOT 17 (F/K/A BLOCK 135.01, LOT 34.01) – The applicant, Gjonbalaj Realty at Jackson Square, LLC, has requested a Sewer and Water Performance Guarantee release for the referenced project. The improvements have been completed and we recommended this release in our May 2, 2019 letter to the Board. In addition, it has been recommended by the Authority's staff and the Engineering Committee that no maintenance bonds be required, as the project has been completed for more than ten (10) years. Remington & Vernick Engineers are in agreement with this recommendation.

RESOLUTION GRANTING PRELIMINARY SEWER AND WATER APPROVAL TO ADVENTURE CROSSING ON-SITE, BLOCK 3001, LOTS 2, 3, AND 4, ON THE TAX MAP OF THE TOWNSHIP OF JACKSON – The applicant, Cardinale & Jackson Crossing #2, is proposing to construct a commercial, recreational, and hotel facility consisting of fifteen (15) separate structures comprising of a total of 329,875 square feet on the South side of Ocean County Route 537. The applicant proposes to install several water main extensions and water services to service the buildings. Sewer service will be provided by the construction of a gravity sewer system flowing to a proposed pump station and force main. The proposed force main shall connect to the existing 16" force main servicing the Six Flags Great Adventure site. We recommended this in our May 6, 2019 letter to the Board.

At this time, Mr. Nick Vinciguerra was present from the public and had some questions with regard to this approval and how it affects future plans for their property. First, will the sewer line be extended out to Route 537 for access and betterment of the township and available for other adjacent properties. Mr. Harpell mentioned that the Engineer recommended that the gravity sewer system be extended to Route 537 and the pump station will be sized accordingly. Chairman Allmann stated that it will be a regional pump station and there may have to be some upgrades. Mr. Harpell noted that the intention is to have the sewer main in the right of way to potentially make this a regional pump station which will save the Developer Operation and Maintenance Fees. It was noted at this point, this is a preliminary approval and the developers will have to come back with a tentative set of plans, which the Authority will review, which will be followed by tentative and final approvals. Also noted, the wet well sizing includes provisions for the Vinciguerra's property. Chairman Allmann noted that at this time, the Authority does not have the sewer capacity. Once the Authority takes over the system from Six Flags Great Adventure, we will have additional capacity. Mr. Harpell noted that Lennar is proposing to build a new pump station to replace the Six Flags Great Adventure pump station, which should benefit all parties. Mr. Vinciguerra thanked the Board for their time.

PUBLIC RELATIONS COMMITTEE REPORT:

None

ADMINISTRATIVE COMMITTEE REPORT:

None

ASSISTANT EXECUTIVE DIRECTOR/DIRECTOR OF FINANCE REPORT:

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

FINANCE COMMITTEE REPORT:

RESOLUTION ACCEPTING CASH MANAGEMENT REPORT FOR MONTH ENDING APRIL 30, 2019 – There was a minor correction on the Cash Management Report of \$6.00, which has been updated and will be attached to the authorizing resolution. The April Cash Management Report has been reviewed by the Finance Committee and is being recommended for approval this month.

RESOLUTION AUTHORIZING PAYMENT OF VOUCHERS, DEPOSIT REFUNDS AND PAYROLL FOR MAY 2019 - The May Bill List was presented this month for approval totaling \$2,057,988.56. The Finance Committee has reviewed and is recommending approval this evening. It was noted that the majority of the bill list totaling a little over \$1,400,000.00 is attributed to the current capital projects. Mr. Harpell mentioned that he spoke to another utility today that closed on NJ I-Bank loans in May with a blended rate of 0.6% and we would be pleased with a blended rate anywhere below 1%.

RESOLUTION AMENDING AWARD OF THE McAULIFFE LIFT STATION FLYGT PUMP NO. 1 REHABILITATION, CONTRACT NO. CT-19054, PURSUANT TO OCEAN COUNTY COOPERATIVE CONTRACT PRICING SYSTEM B2017-74, TO KRS SERVICES, INC., IN AN AMOUNT NOT TO EXCEED \$13,088.97 – The Authority awarded the McAuliffe Lift Station Flygt Pump No. 1 Rehabilitation in an amount not to exceed \$7,449.49 via Resolution No. 2019-065 on April 25, 2019. After removing the pump, KRS Services Inc., found that there was critical damage to the pump, which was not repairable and a new pump is required. The resolution on the agenda this evening is to amend the award of the McAuliffe Lift Station Flygt Pump No. 1 Rehabilitation with KRS Services, Inc., from the amount of \$7,449.49 to the new amount of \$13,088.97 to include the purchase of a new pump and to adjust labor costs under Contact No. CT-19054, utilizing the Ocean County Cooperative Contract No. B2017-74. The Finance Committee has reviewed and is recommending approval this evening. Mr. Harpell noted that the Authority did evaluate whether we could avoid this purchase as new pumps are proposed for the McAuliffe Pump Station with the Liberty Commons Project but a second pump is necessary. Chairman Allmann also noted and agreed that having a spare pump makes sense.

PERSONNEL COMMITTEE REPORT:

PROMOTIONS: There are two (2) budgeted promotions on the agenda this evening. The first promotion is for Ms. Lindsay Brown who holds the Civil Service Commission title of Account Clerk/Clerk 2. Ms. Brown has acquired the requisite experience and education to qualify for a promotion to Senior Account Clerk. The second promotion is for Mr. Jason Goodrich who holds the Civil Service Commission title of Laborer 1. Mr. Goodrich has acquired the requisite experience to qualify for a promotion to Water Repairer 1. Both of these employees are doing well and have been recommended by for a promotion by their Supervisors. The Personnel Committee has reviewed and is recommending approval this evening.

CONSENT RESOLUTIONS:

- 2019-069 Resolution Accepting the Cash Management for Month Ending April 30, 2019
- 2019-070 Resolution Granting Preliminary Sewer and Water Approval to Adventure Crossing On-Site, Block 3001, Lots 2, 3 and 4, on the Tax Map of the Township of Jackson
- 2019-071 Resolution Granting Final Sewer Approval to Liberty Commons Shopping Center, Block 21202, Lots 6.01 and 7, on the Tax Map of the Township of Jackson
- Moved: Commissioner Rickabaugh
Second: Commissioner Blake
Vote: Unanimous
Abstain: None

RESOLUTIONS OFFERED:

- 2019-072 Resolution Authorizing Payment of Vouchers, Deposit Refunds and Payroll for May 2019
- Moved: Commissioner Clayton
Second: Commissioner Blake
Vote: Unanimous
Abstain: Commissioner Rickabaugh abstained on check #25668
- 2019-073 Resolution Granting a Performance Bond Release for Jackson Square, Block 5301, Lot 17 (f/k/a Block 135.01, Lot 34.01)
- Moved: Commissioner Rickabaugh
Second: Commissioner Glory
Vote: Unanimous
Abstain: None
- 2019-074 Resolution Authorizing Award of the NPS-5 Flow Study, Contract No. CT-19059, to CSL Services, Inc., in an Amount Not to Exceed \$9,000.00
- Moved: Commissioner Blake
Second: Commissioner Rickabaugh
Vote: Unanimous
Abstain: None
- 2019-075 Resolution Amending Award of the McAuliffe Lift Station Flygt Pump No. 1 Rehabilitation, Contract No. CT-19054, Pursuant to Ocean County Cooperative Contract Pricing System B2017-74, to KRS Services, Inc., in an Amount Not to Exceed \$13,088.97
- Moved: Commissioner Clayton
Second: Commissioner Rickabaugh

Vote: Unanimous
Abstain: None

2019-076 Resolution Regarding the Jackson Township Board of Education Transportation Facility, Block 13801, Lot 1.01, on the Tax Map of the Township of Jackson

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

2019-077 Resolution Authorizing the Promotion of Lindsay Brown to the Civil Service Title of Senior Account Clerk

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

2019-078 Resolution Authorizing the Promotion of Jason Goodrich to the Civil Service Title of Water Repairer 1

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

There was no closed session.

At this time, Ms. Lauren Holman from Holman Frenia Allison, PC, began the 2018 Audit review. Ms. Holman distributed the financial statement package, noting that information related to the Governmental Accounting Standards Board (GASB) 68 and new for 2018 GASB 75 are highlighted in yellow on the financials as the information was not readily available to incorporate as of the date of the draft audit. Ms. Holman continued by explaining that the State has implemented GASB 75, which addresses post-employment benefits. The Authority offers medical benefits, after 25 years of service which includes a minimum of 15 years with the Authority, and the audit now needs to include an actuarial calculation of what those benefits will cost the Authority. That liability will now have to be included in the financial statements. Since the Authority is in the State Health Benefits Program, the State has to provide the GASB 75 figures but they have not yet released the figures to date and the audit cannot be finalized. It was also noted that due to 2018 being the first year for the inclusion of GASB 75 on an audited financial statement and not included on the prior year, the audit will not be comparative. It will just reflect 2018. Next year will have both years with GASB 75 and it will go back to being comparative.

Ms. Holman next reviewed the Statement of Net Position or Balance Sheet, which reflected a slight decrease in Total Current Unrestricted Assets. There was an increase in Total Current Assets mostly attributable to an increase in receivables related to Authority capital projects funded by the New Jersey Infrastructure Bank (NJIB) currently under construction. Next discussed were the Non-Current Restricted Assets – which includes the Closure Account, related to Six Flags Great Adventure (SFGA). Ms. Holman explained that the Closure Account was set up with SFGA in the 1990's per an agreement with the Authority. This year funds

were released back to SFGA and the remaining balance remained in a cash account. The balance of the Closure Account will be released back to SFGA upon Initiation of Service of the replacement SFGA pump station which will be constructed by Lennar and anticipated to be completed in 2020. Next reviewed were Capital Assets including Non-Depreciable, Depreciable and Accumulated Depreciation. The Non-Depreciable assets, related to Construction in Progress (CIP), had a large increase primarily due to the NJIB projects still under construction as of end of December 2018. Depreciable Assets increased from prior year due to accepted assets during the year. Accumulated Depreciation increased by the Authority's total annual depreciable assets for the year. Accumulated Depreciation will continue to increase as the Construction in Progress projects are accepted.

Next discussed was the Liabilities section. Total Liabilities increased due partly to an increase in Accounts Payables but mostly attributed to the NJIB Loans. Reviewing the last page on the worksheet, Reconciliation of Unrestricted Net Position, states that if there was no GASB 68 or GASB 75, the Authority would be looking at a positive unrestricted net position. Mr. Harpell stated that most people went negative after GASB 68, but the Authority stayed positive. GASB 75 put the Authority in negative territory.

Overall, financially the Authority is doing well. The Authority operated at a net positive income which includes depreciation expense. Total operating expenses are very stable, with an operating gain. Ms. Holman concluded that this is a clean independent Audit Report, with an unmodified opinion, the best opinion, given meaning that the Authority's records are accordingly accepted by general accounting principles. There are no material weaknesses and no significant deficiencies found in the audit. Ms. Holman thanked the Authority for their hospitality during the audit process. Mr. Diaz thanked the entire staff for their involvement which is a testament to everyone's work. Lastly, it was noted that the 2018 Audit cannot be approved until the final numbers referring to GASB 75 are reported from the State. There is no specific date at this time.

Chairman Allmann noted that the next Public Meeting will take place June 27, 2019 at 5:30 PM.

OTHER MATTERS:

With no further matters to discuss, Commissioner Rickabaugh made a motion to adjourn. Commissioner Clayton seconded the motion and it was passed unanimously. Chairman Allmann declared the May 23, 2019 Public Meeting adjourned.

End of Minutes