Township of Vernon

TOWNSHIP COUNCIL MEETING

JUNE 22, 2015

The Meeting of the Township Council of the Township of Vernon was convened at 7:30 p.m. on Monday, June 22, 2015 in the Vernon Municipal Center, 21 Church Street, Vernon, New Jersey with Council President Patrick Rizzuto presiding.

STATEMENT OF COMPLIANCE

Adequate notice of this meeting had been provided to the public and the press on January 4, 2015, and was posted on the bulletin board in the Municipal Building in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-7.

ROLL CALL OF MEMBERS

Present were Council Members Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel and Council President Patrick Rizzuto. Also present were Administrator Bill Zuckerman, CFO Elke Yetter, Township Auditor Bud Jones, MUA Chairperson Vincent Zinno, MUA Executive Director John Scerbo and Township Attorney John Ursin.

SALUTE TO THE FLAG

Council President Rizzuto led the assemblage in the salute to the flag.

Council President Rizzuto asked for moment of silence for the nine members of the congregation of Emanuel AME church who were shot and killed over the weekend in Atlanta.

PRESENTATIONS:

Vernon Municipal Utilities Authority: Council President Rizzuto asked that Chairman Vincent Zinno come to the podium. Chairman Zinno offered the following report to the Council.

The Vernon Township Municipal Utility Authority (VTMUA) consists of five regular board members and two alternate members. Currently, we have two seats open on the Board; they are the seats of the two alternates.

In 2011, the VTMUA developed the Rules and Regulations for all aspects of operating the sewer utility. The Rules and Regulations were developed with guidance from the Board professionals and have been updated as needed. The Authority's website is continually updated and it carries the Rules and Regulations, Meeting Notices, Agendas, Minutes and other information required to keep the public properly informed including an "Alert Message Board". The website is fully compliant with all audit requirements.

As of February 26th, 2015 the VTMUA has begun its third full year of operation. The recent Rate Hearing established the sewer service rates for 2015. The sewer service rate is based on Equivalent Dwelling Unit or EDU Rate. The rate was established at \$900.00 per EDU per year. This results in the following charges:

UNIT	EDU	QTRLY	ANNUALLY	PRIOR RATE
Studio- 1 Bedroom	.6	\$135	\$540	\$512
2- Bedroom	.8	\$180	\$720	\$628
3 or more Bedrooms & Single Family Home	1	\$225	\$900	\$840

The connection fee for 2015 is \$4,665.00 per EDU, the same as it was for 2014.

The VTMUA continues to employ the Inter-Local Service Agreements as a means of obtaining the professional services and manpower it requires from the Township of Vernon. The agreements cover CFO Services for financial management and oversight, DPW Services for daily field operations in maintaining the sewer infrastructure and an Administrative Services agreement for office support. The Professional Staff of the Authority currently consists of:

Attorney: Richard Wenner, Esq. Auditor: Charles Ferraioli Engineer: Ceren Arlap Risk Manager: Wayne Dietz Licensed Operator: Michael Furrey Recording Secretary: Jessi Paladini Executive Director: John Scerbo

Currently, VTMUA serves 1,732 residential and commercial accounts. There currently are only a handful of accounts yet to be connected to the sewer and who are delayed for various reasons. It is expected that good weather in the spring will go a long way to help getting this group connected. In June of 2012, the County of Sussex Planning Department and the New Jersey DEP sent a revised Sewer Service Area Map to the Township that proposed to reduce the sewer service area in Vernon Township. This map was reviewed by Mayor Marotta and the Township Planner for reductions to the sewer service area. Mayor Marotta expressed to the County and DEP that a reduction of these areas would put an undue burden on the present VTMUA customers and the Vernon taxpayers as a whole. Also, significant reductions to the sewer service area would have a significant impact on the build-out of the sewer service area and possibly threaten existing approved projects. Upon review of the comments from the Mayor, the County and NJDEP revised the Sewer Service Area Map to one that was acceptable to the Township. This map was presented to the VTMUA in December 2012. The revised sewer service area map removed properties that were wetlands, environmentally sensitive or unbuildable areas. The lots being removed from the 2008 map will not create an economic loss to the community because they were unbuildable parcels.

Once again in 2015, the County is updating the Sewer Service Area Map and we have included areas for consideration where there are currently failing septic systems and areas which are natural extensions from existing infrastructure. We look forward to receiving the appropriate approvals.

From the time that the VTMUA took ownership of the sewer system to the present, the VTMUA has made all contractual payments to SCMUA and continues to receive excellent audits. In fact, our latest audit for 2014 had no Comments and no Recommendations.

In early October of 2012, Section 4.3 of the VTMUA Rules and Regulations were amended to indicate that all residential structures that are classified as a studio or one bedroom units shall be billed at .6 of an EDU, two bedroom units shall be billed at .8 of an EDU and all residential structures that are classified as three bedrooms or more shall be billed one (1) full EDU. This has resulted in a perceived fairer method of allocating sewer fees.

From fall of 2012 to present, the VTMUA has received many requests from commercial property owners who would like to hook up to the sewer system. These properties currently have no sewer infrastructure near their location. The VTMUA Engineer has responded to the property owners and directed them on how they can contact the State of NJ to receive the proper approvals to expand the current infrastructure for their connection. Consideration has been given to these areas in the Sewer Service Area Map mentioned above.

Financial Hardship has occurred to some businesses as a result of the requirement to hook up to the sewer. The VTMUA has created a low interest loan program, paid over a five year period as a vehicle to assist these businesses. To date we have had four businesses take advantage of this program. One of them has since paid the loan off in advance and the other three are currently paid up to date. Furthermore the VTMUA was successful in getting SCUMA to offer a similar program to ease the financial burden of those businesses that had hardships. We are in receipt of reports from our Engineer and Operator regarding operational concerns with our three pump stations. Pump Station 1, behind Master Plumbing, has minimal concerns because it is relatively new and is running well at this time, except for an electrical problem that is being corrected by JCP&L. Pump Station 2 on Sand Hill Rd. is getting close to the end of its life span and replacement of this facility is being addressed, with Mountain Creek bearing the cost of the rebuild. This was pursuant to a prior agreement reached between Vernon Township and Mountain Creek. Pump Station 3 is currently in good running order after some minor repairs, which were completed in 2014. The areas needing attention within the sewer system infrastructure are the lift stations, which are currently being addressed by the Board.

The VTMUA is currently working with our Engineer to review the maintenance schedule to assure proper system maintenance and to keep the cost of breakdowns to a minimum. On behalf of myself and the members of the Board; Commissioners Gloria Gallo, Tom Buchney, Ed Snook, and James Kensek, we wish to thank you for providing us with the opportunity to serve our community as Commissioners of the VTMUA.

Council Member Kadish questioned if any commercial entities were requesting service, whether they were in or out of the service area. Chairman Zinno indicated that there were some requests outside the

service area, particularly McAfee, Towncenter /Mt. Creek link, Vernon Inn Area, and Hidden Valley Condominiums. Chariman Zinno requested the report from the Health Department of failing septics, which are at 53%, so there are areas that are struggling due to septic issues. Chairman Zinno stated previously he had been advised that the link between Town Center and Mountain Creek was removed as per State's request. Council Member Lynch questioned the likelihood of building out in those areas. Chairman Zinno stated they are investigating the cost factor in relation to this issue at this time. Attorney Ursin noted that a reviewed wastewater management plan would have to be approved by DEP and this could not be completed in a matter of months. Council Member Kadish expressed concern about the expenses of the Vernon Inn and the need for a pump station. Chairman Zinno advised that the MUA had not received information on the costs at that time. Chairman Zinno stated whether a lift is required has not been determined at this time. Council President Rizzuto questioned if DEP would approve lines in McAfee area. Chairman Zinno stated they were waiting for water quality results and noted there had not been a determination made at this time.

PUBLIC COMMENT:

Council President Rizzuto asked for a motion to open the meeting for Public Comments.

MOTION: Brian Lynch SECOND: Jean Murphy All members were in favor.

Bob Gerry, Vernon, stated he had moved to in 1972 and that he and his neighbors had requested that the Township take over the road because there were many craters and holes in the road. Mr. Gerry stated the neighbors signed a petition and the Township built the road and charged the residents of the street for it. Mr. Gerry stated he did not think it was right that another road was being built and everyone had to pay the bill for it. Mr. Gerry stated the Council should be making policy and telling the Mayor to implement it. Mr. Gerry stated one should never fly off the handle and leave. Mr. Gerry stated that some people like to put others down because they are afraid that person knows more than they do.

Scott Gussell, Barry Lakes, stated there was gypsy moth problem on top of the hill. Mr. Gussell stated he called the Department of Agriculture and they did not determine that the Township needed treatment but that the Township could request it. Mr. Gussell said it was too late for this year but requested that it be done for next year. Council Member Kadish asked if there was a spraying or traps or soaking the webs with kerosene. Mr. Gussell said he was only aware of spraying. Council President Rizzuto stated that Mr. Zuckerman had contacted the State regarding this issue. Council President Rizzuto indicated the Township has not had a problem since 2009 with this issue. Administrator Zuckerman stated he would discuss the issue in the Mayor's report. Council President Rizzuto also noted that the Township cannot simply spray as we are required to provide adequate notifications and the spray is ineffective at this time. Council Member Lynch stated he had also reviewed the issue and had been advised the trees would recover, the damage was not permanent. Mr. Gussell stated that NJ Forestry may also be responsible because the Township is surrounded by Wawayanda State Park. Mr. Gussell stated he was advised that gypsy moths were in part blown in from NY and PA due to the weather this spring.

Krista Gerry, Vernon, stated that the Mayor had requested a raise and she did not think he should get it. Ms. Gerry stated the Mayor is elected and not badly off and has full health care. Ms. Gerry said the Mayor could get a second job if he needs more money. Ms. Gerry stated she did not think that someone who she claimed bullies others should be rewarded, specifically stating she was referring to a cyber attack against Sally Rinker.

Gary Martinsen, Vernon stated that the MUA should notify everybody about the possibility of sewer. Mr. Martinsen said people are not ready or prepared for it and businesses need to know about it. Mr. Martinsen stated he was happy to see the fireworks resolution. Mr. Martinsen objected to the solicitor's permit resolution, stating that this may drive more people from town.

Michael Rubin expressed concern about the expansion of the sewer system and whether hook up is mandatory. Attorney Ursin explained that any expansion is years away, they have not even completed an initial investigation to see if it is feasible at this time. Mr. Rubin questioned whether the council punched in and out. Council President Rizzuto explained this was not a question and answer period and invited Mr. Rubin to make additional comments. Mr. Rubin declined further comment.

Sally Rinker, Vernon stated she found it interesting that each time she talked about the Township's finances there was a personal attack. Ms. Rinker questioned why the Township needed to bond for Lake Wallkill road. Ms. Rinker proclaimed Administrator Zuckerman as the luckiest employee in Vernon and discussed that he was CFO and then 4-day Administrator. Ms. Rinker claimed that based on a five day work week Mr. Zuckerman would be earning as much as he did as CFO. Ms. Rinker stated that when she was Mayor, Mr. Zuckerman called Vernon the Titanic and caused the then manager much grief. Council President Rizzuto asked Ms. Rinker please address her comments to the Council and not to individuals. Ms. Rinker stated it was disgraceful of the Mayor to force professionals into a dog and pony show. Ms. Rinker stated that the Auditor's duties do not include reviewing invoices for the trust fund. Ms. Rinker further stated that when CFO Yetter was questioned whether the Township spent bonded money for operating costs that her truthful answer was no. However, Ms. Rinker stated, that bonding allowed more money to balance the budget. Council President Rizzuto indicated he believed that the erroneous comments would be addressed by the Auditor.

CLOSED TO PUBLIC COMMENTS

Seeing no more members of the public wishing to speak, Council President Rizzuto asked for a motion to close the public portion of the meeting.

MOTION: Brian Lynch SECOND: Dan Kadish All Members were in favor.

MAYOR'S REPORT

- o Mayor Marotta was not present. Administrator Zuckerman discussed that the Township was requesting an egg mass survey for the Township with regard to the Gypsy Moth issue.
- Administrator Zuckerman asked CFO Yetter to give a status on the Township's debt. Ms. Yetter explained the Township had paid down debt over \$1 million since the beginning of the year. Ms. Yetter also explained that the Township's bonding ratio was 1.18%. Ms. Yetter explained that of the Township's debt, over \$9 million was the debt of others. Ms. Yetter discussed the capital projects and temporary debt for equipment replacement. Ms. Yetter stated the debt service averaged about \$3 million per year. Ms. Yetter also explained the Township has, in the past 3 years, paid down principal of \$6 million and added money to a bond sinking fund for future debt. Ms. Yetter discussed the interest rate and the availability of BANS. Council President Rizzuto noted the last BANS were less than half a percent. CFO Yetter explained that the Township could borrow up to \$89 million. Council Member Murphy questioned if the debt of Mountain Creek goes with Mountain Creek or with the owner. Administrator Zuckerman stated the debt is against the property. Council Member Murphy questioned the cost analysis for the Health department. Administrator Zuckerman stated that would be on the agenda in July. Council Member Murphy questioned the mileage expense for the zoning officer.

APPROVAL OF MINUTES

It was moved and seconded as noted below to approve the following minutes:

Regular Meeting Minutes of May 11, 2015

MOVED: Dan Kadish SECONDED: Dick Wetzel

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel, Patrick Rizzuto

NAYES: None ABSTAIN: None

Motion carried to approve minutes.

ITEM FOR DISCUSSION -

ORDINANCE NO. 15-23 - AN ORDINANCE AMENDING CHAPTER 142 OF THE CODE OF THE TOWNSHIP OF VERNON ENTITLED "ALCOHOLIC BEVERAGES"

Council President Rizzuto asked that the Township Attorney explain this. Attorney Ursin said that NJ statute says that this ordinance gives immunity to persons who call the police if someone underage is

drinking and gives the police the opportunity to investigate. Council Member Kadish questioned an exception for religious or secular ceremonies. Attorney Ursin explained the exception. Council Member Murphy questioned if the police would address this with the school as it is important for the students to know. Council President Rizzuto asked the council if they would like to see this developed into an ordinance. Council Members Kadish, Lynch, Murphy and Rizzuto stated they would like to see this developed into an ordinance and placed on a future agenda. Council Member Wetzel stated he would not.

CONSENT AGENDA

Council President Rizzuto gave a brief explanation of Resolutions #15-102 - #15-108.

Council President Rizzuto asked for a motion to adopt Resolutions #15-104, #15-105, #15-107 and #15-108, removing #15-102, #15-103 and #15-106 for separate vote.

MOVED: Dan Kadish SECONDED: Jean Murphy

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel, Patrick Rizzuto

NAYES: None ABSTAIN: None

Resolutions #15-104 - #15-108 were adopted, removing 15-102, 15-103 and 15-106 for separate vote.

RESOLUTION #15-104

CHAPTER 159 RESOLUTION REQUESTING APPROVAL OF REVENUE AND APPROPRIATION AMENDING THE 2015 BUDGET AS A REVENUE AND APPROPRIATION OF \$1,414.40

WHEREAS, N.J.S.A. 40A:4-87 provides that the Director of the Division of Local Government Services may approve the insertion of any special item of revenue in the budget of any county or municipality when such item shall have been made available by law and the amount thereof was not determined at the time of the adoption of the budget; and

WHEREAS, said Director may also approve the insertion of an item of appropriation for an equal amount; and

WHEREAS, the Township has been awarded a \$1,414.40 Municipal Court Alcohol Education Rehabilitation and Enforcement Fund from the New Jersey Courts; and wishes to amend its 2015 budget for this amount as a revenue.

NOW, THEREFORE, BE IT RESOLVED that the Township Council of the Township of Vernon hereby requests the Director of the Division of Local Government Services to approve the insertion of an item of revenue in the budget of the year 2015 in the sum of \$1,414.40 which is now available as a revenue from the New Jersey Courts and;

BE IT FURTHER RESOLVED that a like sum of \$1,414.40 is hereby appropriated under the caption Alcohol Ed Rehab Fund Grant.

RESOLUTION #15-105

ACCEPTANCE OF PERFORMANCE BOND FROM UNITED WATER NEW JERSEY FOR WATERMAIN REPLACEMENT FOR ASPEN WOODS

WHEREAS, United Water, NJ has submitted plans to Vernon Township for a water main replacement project on Nimbus Drive from Cumulus Drive to the east and then south to Cedar Terrace within the Aspen Woods section of Vernon Township; and

WHEREAS, the Township Engineer, Cory Stoner has reviewed and approved the final plans, prepared by George Lavatelli, P.E. with a requirement of a performance bond be posted per the a letter dated May 6, 2015; and

WHEREAS, based on the estimated cost of the project, the Township Engineer is requiring a performance bond in the amount of \$136,592.04 submitted to Vernon Township prior to the start of the project by United Water NJ.

WHEREAS, the Township Engineer and Township Attorney have reviewed and approved the said performance bond submitted by United Water and recommends acceptance by the Township Council.

NOW THEREFORE BE IT RESOLVED, by the Council of the Township of Vernon, authorization to accept a performance bond in the amount of \$136,592.04 submitted by United Water, NJ for water main replacement project in the Aspen Woods section of Vernon Township; and

BE IT FURTHER RESOLVED, the performance bond can be formally released when construction has been completed and approved by the Township Engineer and further accepted by the Township Council by way of Resolution; and

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Department of Public Works for their records.

This Resolution will take effect immediately according to law.

RESOLUTION #15-107

AUTHORIZING TAX SALE PREMIUMS TO ESCHEAT TO THE TOWNSHIP PURSUANT TO N.J.S.A. 54-5-33 (2010)

WHEREAS, The 2010 Tax Sale took place on June 15, 2010; and

WHEREAS, the Tax Sale Law requires that after five years if a redemption has not occurred, that the Premium be escheated to the Treasurer of the municipality.

Tax Sale Certificate #10/054, issued 06/16/10 on Block 200.08 Lot 11 &12 Premium in the amount of \$6,500.00 and

Tax Sale Certificate #10/055, issued 06/16/10 on Block 200.16 Lot 1.01 Premium in the amount of \$2,400.00 and

WHEREAS Royal Tax Lien Service LLC foreclosed Tax Sale Certificate #10/054 and #10/055 dated 6/18/10

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Vernon, County of Sussex and State of New Jersey, that all premiums remaining on Tax Title Liens sold at or prior to the 2010 Tax Sale be hereby Escheated to the Township of Vernon Treasurer, in accordance with N.J.S.A. 54:5-33.

RESOLUTION #15-108

AUTHORIZING TAX SALE PREMIUMS TO ESCHEAT TO THE TOWNSHIP PURSUANT TO N.J.S.A. 54-5-33 (2011)

WHEREAS, The 2011 Tax Sale took place on September 11, 2011; and

WHEREAS, the Tax Sale Law requires that after five years if a redemption has not occurred, that the Premium be escheated to the Treasurer of the municipality.

Tax Sale Certificate #11/033, issued 09/14/11 on Block 230.16 Lot 5 Premium in the amount of \$7,200.00 and

Tax Sale Certificate #11/029, issued 09/14/11 on Block 203.01 Lot 14 Premium in the amount of \$9,100.00 and

WHEREAS Tower DBW REO LLC foreclosed Tax Sale Certificate #11/033 dated 11/05/14 and PCIREO-28 LLC foreclosed Tax Sale Certificate #11/029 dated 2/24/15

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Vernon, County of Sussex and State of New Jersey, that all premiums remaining on Tax Title Liens sold at or prior to the 2010 Tax Sale be hereby Escheated to the Township of Vernon Treasurer, in accordance with N.J.S.A. 54:5-33.

RESOLUTIONS FOR SEPARATE VOTE:

Council President Rizzuto asked for a motion to approve Resolution #15-102.

MOVED: Dan Kadish SECONDED: Dick Wetzel

Council Member Kadish questioned where the event was to be held. Council Member Lynch indicated it was Sammis Road.

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel, Patrick Rizzuto

NAYES: None ABSTAIN: None

Motion carried to adopt resolution #15-102.

RESOLUTION #15-102

RESOLUTION AUTHORIZING FIREWORKS TO BE DISPLAYED ON JULY 4, 2015, WITHIN THE TOWNSHIP OF VERNON

WHEREAS, N.J.S.A.21:3-1et seq. Explosive and Fireworks, provides that a Municipal Governing Body must authorize the display of fireworks within its boundaries as a pre-condition to such display in accordance with the New Jersey Fire Prevention Code; and

WHEREAS, Highland Lakes and Vernon Fire Departments have submitted an application to Vernon Township to conduct a fireworks display on July 4, 2015 with a rain date of July 5, 2015; and

WHEREAS, the proposed fireworks display will take place at the Lounsberry Hollow Middle School grounds at dusk; and

WHEREAS, the Highland Lakes and Vernon Fire Departments have engaged in a contract with Garden State Fireworks, Inc., to perform the public fireworks and special effects display and has provided the required certificate of liability insurance.

NOW THEREFORE BE IT RESOLVED, that the Council of the Township of Vernon, in the County of Sussex, hereby authorizes the fireworks display, performed by Garden State Fireworks, Inc. and sponsored by the Highland Lakes and Vernon Fire Departments on July 4, 2015, with a rain date of July 5, 2015 upon satisfaction of all statutory and departmental requirements.

Resolution #15-103

Council President Rizzuto asked for a motion to approve Resolution #15-103.

MOVED: Brian Lynch SECONDED: Jean Murphy

Council Member Murphy questioned if there had been any reported incidents about information being stolen. Administrator Zuckerman stated that they would be reported to the person directly not the Township. Council Member Rizzuto stated that he had gotten a notice of someone else applying on his behalf for credit. Council Member Murphy stated a similar situation occurred in Sparta and they just filed a police report at no cost and expressed dissatisfaction that the Township was paying for this cost.

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Dick Wetzel, Patrick Rizzuto

NAYES: Jean Murphy

ABSTAIN: None

Motion carried to adopt Resolution #15-103

RESOLUTION #15-103

AUTHORIZING PROFESSIONAL SERVICE CONTRACT WITH LIFELOCK, INC. FOR RENEWAL OF IDENTITY THEFT PROTECTION FOR ELIGIBLE MUNICIPAL EMPLOYEES

WHEREAS, there exists a need of a Professional Service Contract for the Township of Vernon for the renewal of Identity Theft Protection for previously registered Municipal Employees; and

WHEREAS, N.J.S.A. 40A:11-5 specifically exempts professional services from provisions of public bidding as provided in the Local Public Contracts Law; and

WHEREAS, the Township has determined that LifeLock, Inc. 60 E. Rio Salado Parkway, Suite 400, Tempe, Arizona 85281, the Township's current contractor providing these services, is qualified to continue providing the Township with such services; and

WHEREAS, the Chief Financial Officer has certified that funds are available for this purpose in Account#10570196; and that the value of the contract will exceed \$17,500.00; and

WHEREAS, the term of the contract is from June 1, 2015 to May 31, 2016, with a contract price not to exceed \$19,375.00; and

WHEREAS, LifeLock, Inc. has completed and submitted a Business Entity Disclosure Certification in compliance with applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Township of Vernon that they hereby authorize and approve the award of contract to Lifelock, Inc., pursuant to a non-fair and open contract pursuant to the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. to provide Identity Theft Protection in accordance with the attached contract for Professional Services.

BE IT FURTHER RESOLVED, that the award of contract shall be contingent upon the completion and receipt of the following:

- (a) A fully-executed professional services contract detailing the scope of services, established fees for said professional services, mandatory Equal Opportunity Language and Affirmative Action Certificate; and
- (b) Receipt of all statutorily mandated "pay to play" political contribution forms pursuant to N.J.S.A. 19:44A-20.4 et seq.; and
- (c) New Jersey Business Registration Certificate; and
- (d) Upon the aforementioned professional being a member in good standing in his respective profession.

Resolution #15-106

Council President Rizzuto asked for a motion to approve Resolution #15-106.

MOVED: Dan Kadish SECONDED: Dick Wetzel

Council Member Murphy indicated individuals could email the Clerk rather than send a letter. Council President Rizzuto asked if this was a unique request. Clerk Kirkman explained this was similar to other organizations and explained the process for application.

A roll call vote was taken:

AYES: Jean Murphy, Patrick Rizzuto

NAYES: Dan Kadish, Brian Lynch, Dick Wetzel

ABSTAIN: None

Motion failed to adopt resolution #15-106.

Resolution #15-106

APPROVING A SOLICITOR'S PERMIT: SLOMIN'S

AUDITIOR PRESENTATION OF 2014 MUNICIPAL AUDIT

Mr. Jones made a presentation of the Township's Annual Audit along with Man Lee of the firm indicating that the Township's finances had improved. Mr. Jones stated the Township had only one recommendation for improvement this year.

TOWNSHIP OF VERNON SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a Summary or Synopsis of the Audit Report together with the recommendations is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary or Synopsis 2014 Audit report of the Township of Vernon as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

	December 31,			
<u>ASSETS</u>	2014	2013		
Cash and Cash Equivalents	\$ 11,633,625.06	\$ 10,429,046.90		
Investments	619,103.04	617,540.96		
Taxes, Assessments, Utility, and Liens Receivable	5,983,948.81	6,098,504.89		
Property Acquired for Taxes Assessed Valuation	3,334,700.00	2,764,600.00		
Accounts and Grants Receivable	1,388,538.42	1,163,695.03		
Deferred Charges to Future Taxation Deferred	31,092,867.00	30,891,815.10		
Charges	602,000.00	638,063.00		
Fixed Assets	22,472,978.00	21,106,020.95		
TOTAL ASSETS	\$ 77,127,760.33	\$ 73,709,286.83		
LIABILITIES, RESERVES AND FUND BALANCE				
Bonds, Loans and Notes Payable	\$ 31,098,914.03	\$ 30,665,730.83		
Improvement Authorizations	2,787,957.46	2,182,665.95		
Other Liabilities and Special Funds	8,004,857.93	6,729,144.74		
Reserve for Certain Assets Receivable	9,728,305.86	9,373,114.01		

Reserve for Fixed Assets	22,472,978.00	21,106,020.95
Fund Balances	3,034,747.05	3,652,610.35
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	\$ 77,127,760.33	\$ 73,709,286.83

TOWNSHIP OF VERNON SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION (Continued)

Comparative Schedule of Operations and Change in Fund Balance - Current Fund

		Year Ended Decembe	r 31
	Ref.	2014	2013
Revenue and Other Income Realized			
Fund Balance Utilized		\$ 1,200,000.00	\$ 943,000.00
Miscellaneous Revenue Anticipated		6,573,485.57	5,354,066.28
Receipts from:			
Delinquent Taxes		1,754,709.84	1,653,825.11
Current Taxes		67,580,208.44	68,401,826.25
Nonbudget Revenue		186,389.88	396,936.12
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		484,121.64	492,007.00
Cancellation of Accounts Payable			476.00
Cancellation of Appropriated Grant Reserves			2,518.35
Reserve for Tax Appeals			300,000.00
Interfunds and Other Receivables Returned		210,382.03	1,461.38
Total Income		77,989,297.40	77,546,116.49
Expenditures			
Budget Appropriations		22,150,779.92	20,737,440.50
County Taxes		13,146,968.49	13,138,160.57
Local School District Taxes		41,632,441.00	42,251,468.00
Prior Year Taxes Applied to Prepaid Taxes		3,108.33	
Prior Year Taxes Applied to 2013 Taxes		1,059.20	
Prior Year Taxes Applied to Current Year Taxes		241,761.98	1,881.50
Prior Year Taxes Applied to Overpayment		272,846.59	
Refund of Prior Year Taxes		61,501.49	2,452.01
Refund of Prior Year Taxes - Encumbrance Payable		249.76	
Prior Year Senior Citizens' Deductions Disallowed		250.00	
Cancellation of Federal and State Grant Fund Receivables			2,518.35
To set up Receivable Fully Offset by Reserves:			
Due from PVL Dam Association			12,164.06
Interfunds and Other Receivables Advanced		22.10	4,300.00
Total Expenditures		77,510,988.86	76,150,384.99
Excess/(Deficit) in Revenue		478,308.54	1,395,731.50
A directments hefere Fund Belencer			
Adjustments before Fund Balance:			
Expenditures Included Above Which are by Statute		202 000 00	38.063.00
Deferred Charges to Budget of Succeeding Year		202,000.00	38,063.00
Statutory Excess to Fund Balance		680,308.54	1,433,794.50
Fund Balance			
Balance January 1		3,352,766.60	2,861,972.10
,		4,033,075.14	4,295,766.60
Decreased by:		1,000,070.14	1,275,100.00
Utilized as Anticipated Revenue		1,200,000.00	943,000.00
•		,	
Balance December 31	A	\$ 2,833,075.14	\$ 3,352,766.60

TOWNSHIP OF VERNON SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

(Continued)

RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties be maintained with respect to the recording and treasury functions.

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A Corrective Action Plan, which outlines actions the Township of Vernon will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the office of the Municipal Clerk in the Township of Vernon within 45 days of this notice.

The above summary or synopsis was prepared from the Report of Audit of the Township of Vernon, County of Sussex, for the calendar year 2014. This Report of Audit, submitted by Francis Jones, Registered Municipal Accountant, of Nisivoccia LLP, is on file at the Township Clerk's office and may be inspected by any interested person.

Council President Rizzuto questioned if Mr. Jones was present earlier in the meeting and heard the public comment section of the meeting. Mr. Jones indicated he was. Council President Rizzuto asked Mr. Jones to characterize the Township's finances. Auditor Jones stated he felt the finances were good and that they had reviewed the fund balances and found that the Township was in good financial condition. Auditor Jones noted the tax collection rate has been steady and the Township has been foreclosing on properties when possible to get properties back on the tax paying rolls. Council President Rizzuto asked if Auditor Jones had found any evidence of debt financing to fund current expenses. Auditor Jones indicated that he had not and neither his firm nor Bond Counsel would allow this. Council President Rizzuto asked if there was an issue with the Township's debt. Auditor Jones said he did not have a concern at this time. Council President Rizzuto questioned the use of BANS to support and fund projects and asked if this was advisable. Auditor Jones said yes, noting the 10 year window with BANS. Council President Rizzuto questioned with increased interest rates, will that be a problem with the BANS. Auditor Jones said no, not with respect to permanent financing. Council President Rizzuto asked Auditor Jones if he had reviewed the Township trust funds and had they been reviewed properly. Auditor Jones stated they did review the funds and were tested and they are acceptable. Auditor Jones explained the testing and noted no anomalies were found. Council Member Kadish questioned the bond sinking fund and thought that was not legal. Auditor Jones stated he was not aware of same. Auditor Jones stated that at the beginning, years ago, the Township had a few recommendations but now they were eliminated. The Council discussed the Township's bond rating of Aa3. Council Member Murphy questioned the repayment process. Auditor Jones discussed the repayment process.

Council President Rizzuto requested a motion to adopt resolution #15-109.

MOVED: Brian Lynch SECONDED: Dan Kadish

A roll call vote was taken:

AYES: Dan Kadish, Jean Murphy, Brian Lynch, Dick Wetzel, Patrick Rizzuto

NAYES: None ABSTAN: None

Motion carried to adopt Resolution #15-109.

RESOLUTION #15-109

2014 ANNUAL AUDIT

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2014 has been filed by a Registered Municipal Accountant with the Municipal Clerk pursuant to N.J.S.A. 40A:5-6, and a copy has been received by each member of the governing body; and

WHEREAS, <u>R.S.</u> 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and

WHEREAS, the Local Finance Board has promulgated <u>N.J.A.C.</u> 5:30-6.5, a regulation requiring that the governing body of each municipality shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled "Comments and Recommendations"; and

WHEREAS, the members of the governing body have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations," as evidenced by the group affidavit form of the governing body attached hereto; and

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to <u>N.J.A.C.</u> 5:30-6.5; and

WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of <u>R.S.</u> 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE, BE IT RESOLVED, that the Township Council of the Township of Vernon, hereby states that is has complied with <u>N.J.A.C.</u> 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

Council President Rizzuto requested a motion to adopt resolution #15-110.

MOVED: Brian Lynch SECONDED: Dick Wetzel

A roll call vote was taken:

AYES: Dan Kadish, Jean Murphy, Brian Lynch, Dick Wetzel, Patrick Rizzuto

NAYES: None ABSTAN: None

Motion carried to adopt Resolution #15-110

RESOLUTION #15-110

CORRECTIVE ACTION PLAN 2014 AUDIT

WHEREAS, the 2014 Annual Audit Report was delivered in May 2014 and regulations promulgated by the Local Fiscal Affairs Law, N.J.S.A. 40A:5 requires that the Chief Financial Officer prepare a Corrective Action Plan covering all findings and recommendations in the audit report; and

WHEREAS, N.J.S.A. 40A:5 further requires approval of the Corrective Action Plan within 60 days of audit receipt by the Township Council;

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Vernon that the Corrective Action Plan for the 2014 Annual Audit Report prepared by the Township Chief Financial Officer and attached hereto as "Appendix A" be approved.

APPENDIX "A" TOWNSHIP OF VERNON

Corrective Action Plan for the 2014 Audit Report

1. Findings:

The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, utility charges, and permit and license fees; and recording of collections.

Recommendation:

Adequate segregation of duties be maintained with respect to the recording and treasury functions.

Corrective Action:

The Township has reviewed the Cost/Benefit of having a separate Cashier function, where residents would have to go to make payments. At this time, the benefits and logistics of having a central cashier do not outweigh the costs. Management will continue to investigate other alternatives.

Implementation Date: Fall 2015

INTRODUCTION/1st READING OF ORDINANCES

None

PUBLIC HEARING/2nd READING OF ORDINANCES

Council President Rizzuto read Ordinance #15-14 by title only.

<u>Ordinance #15-14:</u> An Ordinance to Authorize Acquisition of An Easement Relating To Existing Sewer Mains From The New York Susquehanna And Western Railway Corporation.

Council President Rizzuto asked for a motion to open the public hearing on Ordinance #15-14.

MOVED: Brian Lynch SECONDED: Dan Kadish All Members were in favor.

There was no comment from the public.

Council President Rizzuto asked for a Motion to close the public hearing.

MOVED: Brian Lynch SECONDED: Dan Kadish All Members were in favor.

Council President Rizzuto asked for a Motion to adopt ordinance #15-15.

MOVED: Brian Lynch SECONDED: Dan Kadish

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel, Patrick Rizzuto

NAYS: None ABSTAIN: None

Motion carried to pass Ordinance 15-14.

Council President Rizzuto read Ordinance #15-19 by title only.

Ordinance #15-19: Ordinance To Provide And Determine The Salary For The Mayor Of The Township Of Vernon

Council President Rizzuto asked for a motion to open the public hearing on Ordinance #15-19.

MOVED: Brian Lynch SECONDED: Dick Wetzel All Members were in favor. Bonnie Rubin, Highland Lakes, stated this was the 3rd attempt to raise the Mayor's salary. Ms. Rubin stated this is the same ordinance and states the post is a full time one. Ms. Rubin stated that whether Mayor Marotta works 80 hours a week or not is irrelevant, he is an elected official. Ms. Rubin stated that Mayor Marotta had previously stated he did not know if this was a full time job; and he must have changed his mind. Ms. Rubin stated this was just to validate that the Mayor is full-time and this could dissuade eligible candidates. Ms. Rubin stated all reference to the Mayor being full-time should be struck.

Gary Martinsen, Vernon, stated the Mayor is not full time and this is trying to re-write the law and declare the Mayor full-time. Mr. Martinsen said that Mayor Marotta no longer attends meetings and that a clerk can do his job. Mr. Martinsen said that things are settling down and it is now not a full time position. Mr. Martinsen stated that just because he chose to work full time does not make it so. Mr. Martinsen stated the ordinance was misleading as written and should not be geared towards an individual but to the position. Mr. Martinsen stated you can give the Mayor a \$6,000 raise but nothing else.

Council President Rizzuto asked for a Motion to close the public hearing.

MOVED: Brian Lynch SECONDED: Dick Wetzel All Members were in favor.

Council President Rizzuto asked for a Motion to adopt ordinance #15-19.

MOVED: Brian Lynch SECONDED: Dick Wetzel

Council Member Murphy stated that she agreed with Gary Martinsen that the ordinance was written for an individual, not a position. Ms. Murphy stated she was not sure who wrote this ordinance and if you want to give him a raise, give him a raise, but all the other information should be taken out. Council Member Murphy stated the rate of compensation should be compared to all of New Jersey, not just Sussex County. Council Member Murphy stated this ordinance should be written for a job and not an employee. Council Member Murphy questioned whether an ordinance was for an individual and stated all the nonsense was negligent.

A roll call vote was taken:

AYES: Brian Lynch, Dick Wetzel, Patrick Rizzuto

NAYS: Dan Kadish, Jean Murphy

ABSTAIN: None

Motion carried to adopt Ordinance #15-19.

Council President Rizzuto read Ordinance #15-20 by title only.

Ordinance #15-20: Ordinance Amending The Salary Ordinance For "Non-Union" Employees

Council President Rizzuto asked for a motion to open the public hearing on Ordinance #15-20.

MOVED: Brian Lynch SECONDED: Dick Wetzel All Members were in favor.

Gary Martinsen, Vernon, stated that with the current economy many had not recovered and in the private sector they are not getting raises. Mr. Martinsen stated that giving blanket movement to these positions is wrong and disrespectful to the struggling families.

Michael Rubin, Highland Lakes, questioned if non-union employees included the Council or the Mayor. Council President Rizzuto said no.

Sally Rinker, Vernon, stated this ordinance reflects increases in salary ranges and new employees. Ms. Rinker stated the number of employees and salaries have been increased with a declining population. Ms. Rinker stated there has been a \$300,000 increase in salaries since 2011. Ms. Rinker stated that the auditor should be changed as a best practice every two to three years.

Council President Rizzuto asked for a Motion to close the public hearing.

MOVED: Brian Lynch SECONDED: Dick Wetzel All Members were in favor.

Council President Rizzuto asked for a Motion to adopt ordinance #15-20.

MOVED: Brian Lynch SECONDED: Dick Wetzel

Council Member Kadish stated that Council Member Lynch excused himself when this was introduced. Council Member Lynch stated he was in error previously, he is not employed by the fire police so there was not a conflict. Council Member Murphy asked if there was a policy on the fire police. Council Member Murphy asked for a policy on this position. Administrator Zuckerman noted this is part of the police budget. Administrator Zuckerman stated the Fire Chief had information. Council Member Murphy stated this should be postponed until a policy was generated. Administrator Zuckerman explained no one was in the position of fire police.

Council Member Murphy made a motion to table.

MOVED: Jean Murphy SECONDED: Dan Kadish

AYES: Dan Kadish, Jean Murphy

NAYS: Brian Lynch, Dick Wetzel, Patrick Rizzuto

Motion did not carry.

Council President Rizzuto stated there was a motion on the floor to adopt Ordinance 15-20.

A roll call vote was taken:

AYES: Brian Lynch, Dick Wetzel, Patrick Rizzuto

NAYS: Dan Kadish, Jean Murphy

Motion carried to pass Ordinance 15-20.

Council Member Murphy stated she would like the record to reflect there was no policy in place.

Council President Rizzuto read Ordinance #15-21 by title only.

<u>Ordinance #15-21:</u> An Ordinance Amending Chapter 142 Of The Code Of The Township Of Vernon Entitled "Alcoholic Beverages" Regarding The Number Of Licenses

Council President Rizzuto asked for a motion to open the public hearing on Ordinance #15-21.

MOVED: Dan Kadish SECONDED: Brian Lynch All Members were in favor.

Gary Martinsen questioned if correcting the code was discriminatory as it was only for one specific type of license. Mr. Martinsen stated it may ruin a potential for businesses to come here.

Council President Rizzuto asked for a Motion to close the public hearing.

MOVED: Dan Kadish SECONDED: Brian Lynch All Members were in favor.

Council President Rizzuto asked for a Motion to adopt ordinance #15-21.

MOVED: Brian Lynch SECONDED: Dan Kadish

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel, Patrick Rizzuto

NAYS: None

Motion carried to pass Ordinance 15-21.

Ordinance #15-22: Ordinance Amending The Salary Ordinance For "Non-Union" Employee

Council President Rizzuto asked for a motion to open the public hearing on Ordinance #15-22.

MOVED: Brian Lynch SECONDED: Dick Wetzel All Members were in favor.

There were no comments from the public.

Council President Rizzuto asked for a Motion to close the public hearing.

MOVED: Dan Kadish SECONDED: Dick Wetzel All Members were in favor.

Council President Rizzuto asked for a Motion to adopt ordinance #15-22.

MOVED: Dan Kadish SECONDED: Jean Murphy

Council Member Murphy questioned if there will be a resolution in the future. Attorney Ursin stated there would be a resolution. Council Member Murphy asked if the Business Administrator received an increase, and asked that the Township look at increases from last year based on the budget; she did not see a resolution in the past. Attorney Ursin stated he could not speculate on last year and that he would have to review what was done. He also noted that there are alternate procedures implemented by rules and regulations, including those by the Local Finance Board.

A roll call vote was taken:

AYES: Dan Kadish, Jean Murphy

NAYS: Brian Lynch, Dick Wetzel, Patrick Rizzuto

Motion failed to adopt Ordinance 15-22.

MAYORAL APPOINTMENTS:

Council President Rizzuto asked for a Motion to adopt Resolution #15-111.

MOVED: Brian Lynch SECONDED: Dick Wetzel

A roll call vote was taken:

AYES: Dan Kadish, Brian Lynch, Jean Murphy, Dick Wetzel, Patrick Rizzuto

NAYS: None

Motion carried to pass Resolution #15-111.

RESOLUTION #15-111

APPOINTMENT TO ENVIRONMENTAL COMMISSION

BE IT RESOLVED BY THE COUNCIL OF THE TOWNSHIP OF VERNON, COUNTY OF SUSSEX, and STATE OF NEW JERSEY, as follows:

1. That the following individual is hereby appointed as members of the Vernon Township Environmental Commission pursuant to the Code of the Township of Vernon for a term specified as follows:

Dale Disney Expire 12.31.16

BE IT FURTHER RESOLVED THAT, the Township Clerk shall send a certified copy of this resolution to the following:

a. Chairperson of the Environmental Commission

COUNCIL COMMENTS

Council Member Lynch excused himself from the meeting.

Council Member Murphy commented about the bonding, noting that residents are concerned that the Township is bonding too much money. Council Member Murphy stated that she was concerned as well. Council Member Murphy stated that funds borrowed now would have to be paid back later and likely at higher interest rates. Council Member Murphy stated that borrowing money and bonding is one way Mayor Marotta is using to balance the budget. Council Member Murphy discussed that she would like to see the merit award program amended or repealed by the State to eliminate the award of cash. Council Member Murphy stated the Township was not in a position to be awarding cash. Council Member Lynch returned to the meeting. Council Member Murphy discussed NJSA 40A:9-18 and the awards program and again objected to the provisions about awarding cash. Council Member Murphy thanked Senator Oroho of the 24th district for providing this information. Council Member Murphy also discussed Andover's pay to play Ordinance, noting that the ordinance looks to ensure that employees and officials are not influenced by political contributions. Council Member Murphy asked that Vernon consider adopt a similar type ordinance for the Township.

Council Member Kadish noted the passing of two friends, one being Albert Compton whose mother taught at Prices Switch's School. Albert gave the children at the Historical Society a window into what his mother taught. Council Member Kadish also remarked on the passing of Ornette Coleman, who Council Member Kadish opined was the world's greatest jazz musician and very influential. Council Member Kadish encouraged residents to listen to his work.

Council Member Lynch echoed earlier comments that the fireworks are a wonderful event and noted that if you sit outside the viewing area you will miss an awful lot. Council Member Lynch stated that although he is not a member of the fire department now, when he was there were rides for the children and the event was a lot of fun.

Council Member Wetzel had no comment.

Council President Rizzuto stated that on July 16th of last year there was a decision from Judge Weisenbeck where the Judge said that in our Township the Mayor was a strong Mayor and as such was a full time Mayor. Council President Rizzuto quoted the decision "the court finds the Mayor is entitled to healthcare benefits, because he is a full-time employee in the Mayor-Council or "strong mayor" form of government." Council President Rizzuto continued quoting the decision where it stated that the Mayor "regularly performs specified duties each week for at least 35 hours or more... during oral argument plaintiffs conceded that when Ms. Rinker was the Township's mayor, she worked an average of forty-five (45) hours per week. Plaintiffs further conceded that since the Township had changed its form of government, the Mayor has more responsibilities than Ms. Rinker had and thus presumably works more hours each week. The Court is thus satisfied that the Mayor is a full-time employee pursuant to Article III." Council President Rizzuto continued that "... after completing a three (3) month probationary period ... the Mayor applied for health benefits and his probationary period had lapsed." Council President Rizzuto stated that based on 50 weeks per year the Mayor earns about \$12

per hour; if the Township moved to a salary of \$36,000 per year, that would provide a wage of \$14.40 per hour for the Mayor. Council President Rizzuto explained that even with the higher hourly rate, it is still less than the starting salary for a custodian in the school system with a paid vacation.

ADJOURNMENT

There being no further items of business to be conducted on the agenda, a motion for Adjournment was made by Council Member Lynch, seconded by Council Member Wetzel with members voting in favor.

The Regular Meeting of the Township Council of the Township of Vernon was adjourned at 9:41 p.m..

Respectfully submitted,	
Lauren Kirkman, RMC, CMR Municipal Clerk	
Patrick Rizzuto,	
Council President	