



**TOWNSHIP COMMITTEE
TOWNSHIP OF MENDHAM
August 10, 2015 - 7:30 p.m.**

1. ROLL CALL:

Mr. Cioppettini
Mrs. Orban Brown
Mrs. Thomas
Mr. Tolley
Mayor Baumann

2. SALUTE TO THE FLAG:

3. STATEMENT OF ADEQUATE NOTICE:

Adequate notice of this meeting of the Township Committee of the Township of Mendham was given as required by the Open Public Meetings Act as follows: Notice was given to the Daily Record, Observer Tribune and the Star Ledger on January 6, 2015. Notice was posted on the Bulletin Board in the Township Offices and Notice was filed with the Township Clerk. Official action may be taken.

4. RECOGNIZING NEW FIREFIGHTER

Patrick Comella, has applied to be a senior firefighter at the Ralston Engine Co. #1. He was a firefighter in Troy, Montana and we welcome him to Mendham.

5. HEARING PERSONS PRESENT

6. RECAP ON POST EXECUTIVE SESSION-Mayor Baumann

7. DISCUSSION

Cell phone use during meetings

8. APPROVAL OF MINUTES

July 13, 2015 Regular Meeting
Motion to adopt, second, discussion, roll call vote

July 28, 2015
Motion to adopt, second, discussion, roll call vote

9. NEW BUSINESS

ORDINANCES

ORDINANCE 9-2015

Ordinance for First reading

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS OF THE TOWNSHIP OF MENDHAM, IN THE COUNTY OF MORRIS, NEW JERSEY, APPROPRIATING THE AGGREGATE AMOUNT OF \$1,004,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$950,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF.

Motion to adopt, second, discussion, roll call vote

This ordinance will be on for second reading and public hearing at the August 25, 2015 Township Committee meeting

RESOLUTIONS

RESOLUTION 2015-112

APPROVAL OF CORRECTIVE ACTION PLAN

Motion to adopt, second, discussion, roll call vote

10. HEARING PERSONS PRESENT

11. RESOLUTION 2015-113

AUTHORIZING DISCUSSION WITHOUT THE PRESENCE OF THE PUBLIC

Motion to adopt, second, discussion, roll call vote

12. EXECUTIVE SESSION

Personnel

Contract negotiations- Phoenix Consulting Group

13. ADJOURNMENT

**TOWNSHIP OF MENDHAM
MORRIS COUNTY – NEW JERSEY
ORDINANCE -2015**

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS OF THE TOWNSHIP OF MENDHAM, IN THE COUNTY OF MORRIS, NEW JERSEY, APPROPRIATING THE AGGREGATE AMOUNT OF \$1,004,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$950,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF.

BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MENDHAM, IN THE COUNTY OF MORRIS, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The several improvements described in Section 3 of this bond ordinance are hereby respectively authorized to be undertaken by the Township of Mendham, in the County of Morris, New Jersey (the "Township") as general improvements. For the several improvements or purposes described in Section 3, there are hereby appropriated the respective sums of money therein stated as the appropriation made for each improvement or purpose, such sums amounting in the aggregate to \$1,004,000, including the aggregate sum of \$54,000 as the several down payments for the improvements or purposes required by the Local Bond Law. \$50,000 of the down payments has been made available by virtue of provision for down payment

or for capital improvement purposes in one or more previously adopted budgets, and \$4,000 of the down payments has been made available from the Recreation Trust.

Section 2. In order to finance the cost of the several improvements or purposes not covered by application of the several down payments, negotiable bonds are hereby authorized to be issued in the principal amount of \$950,000 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. The several improvements hereby authorized and the several purposes for which the bonds are to be issued, the estimated cost of each improvement and the appropriation therefor, the estimated maximum amount of bonds or notes to be issued for each improvement and the period of usefulness of each improvement are as follows:

<u>Purpose</u>	<u>Appropriation and Estimated Cost</u>	<u>Capital Improvement Fund (Down Payment)</u>	<u>Recreation Trust (Down Payment)</u>	<u>Estimated Maximum Amount of Bonds or Notes</u>	<u>Period of Usefulness</u>
a) Administration – Computer Replacement	\$3,000	\$150	\$0	\$2,850	7 years
b) Police Department – Upgrade Livescan (fingerprint); Patrol Lightbar and Upgrade Video Server	\$48,000	\$2,400	\$0	\$45,600	15 years
c) Brookside Fire Department – Hose Replacement; Radio Replacement; Personal Protective Gear and MSU Replacement	\$71,500	\$3,575	\$0	\$67,925	10 years
d) Ralston Fire Department – Turnout Gear; Equipment Replacement; Portable Gas Detectors; Apparatus Maintenance and Repairs and Communication Equipment	\$46,000	\$2,300	\$0	\$43,700	10 years

<u>Purpose</u>	<u>Appropriation and Estimated Cost</u>	<u>Capital Improvement Fund (Down Payment)</u>	<u>Recreation Trust (Down Payment)</u>	<u>Estimated Maximum Amount of Bonds or Notes</u>	<u>Period of Usefulness</u>
e) Department of Public Works – Replacement of a Mason Dump F550 (M-8); Replacement of a Ford F250 (M-1) and snow removal equipment	\$151,000	\$7,550	\$0	\$143,450	5 years
f) 2015 Road Overlay Program – Hub Hollow; Logan Court; Millstone Court; Mosle Road; Roxiticus Road (Rt. 24 to Union Schoolhouse); Roxiticus Road (ext); South Road and any Township owned property	\$591,500	\$29,575	\$0	\$561,925	10 years
g) Building and Grounds – DPW Garage Repairs; Repairs to Township Rental Properties; Repairs to Ralston Firehouse; Repairs to Town Hall and Library and New Doors at the DPW Facility	\$85,500	\$4,275	\$0	\$81,225	15 years
h) Resurfacing of the Mt. Pleasant Tennis Courts	<u>\$7,500</u>	<u>\$175</u>	<u>\$4,000</u>	<u>\$3,325</u>	10 years
TOTAL	\$1,004,000	\$50,000	\$4,000	\$950,000	

The excess of the appropriation made for each of the improvements or purposes aforesaid over the estimated maximum amount of bonds or notes to be issued therefor, as above stated, is the amount of the down payment for each purpose.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all

matters in connection with notes issued pursuant to this ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The chief financial officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The Township hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Township is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The purposes described in Section 3 of this bond ordinance are not current expenses. They are all improvements that the Township may lawfully undertake as general improvements, and no part of the costs thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) The average period of usefulness, computed on the basis of the respective amounts of obligations authorized for each purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 9.90 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$950,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$200,800 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated costs indicated herein for the purposes or improvements.

Section 7. The Township hereby makes the following covenants and declarations with respect to obligations determined to be issued by the Chief Financial Officer on a tax-exempt basis. The Township hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the obligations, including, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the obligations. The Chief Financial Officer is hereby authorized to act on behalf of the Township to deem the obligations authorized herein as bank qualified for the purposes of Section 265 of the Code, when appropriate. The Township hereby declares the intent of the Township to issue

bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use the proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3 of this bond ordinance. This Section 7 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

Section 8. Any grant moneys received for the purposes described in Section 3 hereof shall be applied either to direct payment of the cost of the improvements or to payment of the obligations issued pursuant to this ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 9. The chief financial officer of the Township is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the Township and to execute such disclosure document on behalf of the Township. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Township fails to comply with its undertaking, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 10. The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Township, and the Township shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

RESOLUTION 2015-112

**RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE
TOWNSHIP OF MENDHAM
AUTHORIZING THE
APPROVAL OF CORRECTIVE ACTION PLAN**

WHEREAS, the Division of Local Government Services requires preparation of a Corrective Action Plan in accordance with the Single Audit Act, U.S. Office of Management and Budget, and the New Jersey office of Management and Budget; and

WHEREAS, a Corrective Action Plan has been prepared as required and copies have been distributed to the governing body and filed with the Township Clerk.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Mendham that the said Corrective Action Plan is hereby approved as submitted.

BE IT FUTHER RESOLVED that the Township Clerk submit a copy of the Plan to the Division of Local Government Services as required.

ADOPTED:

Attest:

TOWNSHIP OF MENDHAM
COUNTY OF MORRIS

Mary Beth Zichelli
Township Clerk

Chris Baumann
Township Mayor

**TOWNSHIP OF MENDHAM
CORRECTIVE ACTION PLAN
2014
AUDIT**

As required by Local Finance Notice #92-15

General

Finding 2014-1: Description: It is recommended that segregation of duties within the treasury function be maintained during the year with existing staff.

Analysis: There is a reasonable balance between limited staffing in a small municipality and ideal internal controls. The administration understands this balance and will continue to seek opportunities for enhancing all internal controls.

Corrective Action/Implementation Date: The Township will continue to evaluate possible measures to improve internal controls over the collections in other departments.

Finance Department

Finding 2014-1: Description: Older capital grants and other grant receivables and appropriated reserves are reviewed for possible collection, cancellation and alternate funding.

Analysis: Older grants balances are still being investigated and will be collected, cancelled or funded as deemed appropriate.

Corrective Action/Implementation Date: The Township will review these outstanding items in 2015-2016 for disposition.

Finding 2014-2: Description: The remaining deficit cash balances on ordinances in excess of five years are funded by the issuance of bonds or by appropriation.

Analysis: Ordinances in excess of five years with deficit cash balances will be reviewed and properly funded by the issuance of bonds or by budget appropriation.

Corrective Action/Implementation Date: The Township will review these outstanding items in 2015-2016 for disposition..

Finding 2014-3: Description: The sewer rates for the Mendham East and West Utilities be reviewed for possible increases in order to generate additional revenue to support future operations.

Analysis: The Township has reviewed sewer rates for the Mendham East and West Sewer Utilities and is in the process of implementing increases.

Corrective Action/Implementation Date: The Township will review the sewer rates for increases in 2015.

RESOLUTION 2015-113

**RESOLUTION OF THE TOWNSHIP COMMITTEE OF
THE TOWNSHIP OF MENDHAM
AUTHORIZING DISCUSSION WITHOUT
THE PRESENCE OF THE PUBLIC**

WHEREAS, it is deemed appropriate that the Township Committee discuss the matters hereafter mentioned without the presence of the public, in accordance with the provisions of R.S. 10:412b, being section 7b of the Open Public Meetings Act;

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Mendham, in the County of Morris, New Jersey, as follows:

Matters pertaining to:
Personnel
Contract negotiations-Phoenix Consulting Group

Shall be discussed by the Township Committee without the presence of the public. It is anticipated that these matters can be disclosed to the public when further action is taken in connection with the discussion.

Adopted: August 10, 2015

Attest:

TOWNSHIP OF MENDHAM,
COUNTY OF MORRIS

Mary Beth Zichelli, RMC, CMR
Township Clerk

Christopher Baumann
Mayor