

Florence, New Jersey
July 9, 2014

The Florence Township Council held a regular/executive meeting on the above date in the Municipal Complex, 711 Broad Street, Florence, New Jersey.

The meeting was called to order by Council President Lovenduski at 8:00 PM. President Lovenduski led the Salute to the Flag.

The Opening Statement was read by the Township Clerk: Notice was sent to the Register News for information; posted on the municipal bulletin board; placed on the web-site on January 9, 2014; and advertised in the Burlington Co. Times on January 12, 2014.

Upon roll call the following were found to be present:

Frank Baldorossi
Paul Ostrander
Jerry Sandusky
David Woolston
Ted Lovenduski

Also present:

Mayor Craig H. Wilkie; Richard A. Brook, Township Administrator; Thomas A. Sahol, Assistant Municipal Administrator; Kelly Grant, Esq., Township Solicitor; James Biegen, Township Engineer; Joy M. Weiler, Township Clerk

EXECUTIVE SESSION ITEMS

Review of 2013 Audit – John J. Maley, Jr. Township Auditor

Mr. Maley directed attention to pages six and seven of the audit. These are the balance sheets for the year end of December 31, 2013. Page six shows the total assets of \$8,000,551.00, up from \$8,000,230.00 the year before. Once the assets are reduced by the liabilities, what remains is surplus. Page seven shows this fund balance. It is \$3,000,253.00. That is up from \$1,000,831 the year before. It is an increase of \$1.4 million. This shows a good year. Of that surplus, the township used \$1,000,700 in the 2014 budget to help balance it. That is about 53% of the surplus and is a pretty safe number. The question is how did the township get \$3.2 million at the end of 2013 when the year before there was only \$1.8 million? He directed the Mayor and Council to A1 on page eight, a profit and loss statement. In government it is called a Statement of Operations. It compares the revenues and expenses in order to arrive at the excess. The revenues were \$35,000,747.00, compared to \$34.9 million the year before. It is down slightly but that is because of presentation issues. Included in those two years is surplus. That number varies from year to year. When the adjustments for the surplus numbers were made the revenue was up by \$1,000,036.

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The expenses of \$33,000,497 are relatively flat compared to the year before. Contributing to surplus is profit. Revenues minus expenses showed an excess of \$2,250,000.

He referred to page 10 that showed where the revenue came from. There were primarily two items. There was \$388,065 that is the excess of Uniform Construction Code fees. The PILOT Programs generated an excess of \$743,000. Those two items combined with tax collections in excess of \$419,000 all contributed to the surplus at the end of the year.

The finances are divided into funds. They are the General Fund, the Current Fund and the Operating Fund. There is also a Water & Sewer Fund, a Capital Fund, and various trust funds. The primary concerns are the General Fund and the Water & Sewer Fund. The General Fund had a good year.

Mayor Wilkie said in 2012 Florence Township was looking at the PILOT Programs and the debt. 2013 was the last year for the PILOTs from Whitesell. 2014-2015 there will not be any more PILOT funds from Whitesell. The plan was to continue to budget at what was received in 2012, which was about \$700,000 in PILOT, knowing that the township would be getting more, in this case about double, so the taxes would be kept level. This year surplus was used. Next year the left over will be used to meet the debt service obligations that continue until 2015. In 2016 the debt goes from \$1 million to about \$600,000. That is one of the reasons the PILOT was budgeted the way it was. The township knew it would have more money but didn't want to spend it because it was needed to make it through 2014 and 2015.

Mr. Maley said that is why the surplus usage in the 2014 budget increased.

He moved on to discuss the Water & Sewer Fund. He referred to page twenty one. The Fund Balance at the end of the year was \$1,000,763. That is up from \$966,000 the year before. Of that \$1,000,763, the township used \$420,000 to balance the 2014 Water & Sewer Budget. It was not a large amount of surplus used; it is a good number. It is up so much because there were significant connection fees realized in 2013. He does not know if it will also be the case in 2014. The Water & Sewer utility finished well for the year. These were the numbers Mayor and Council need to be familiar with.

What is unique about a government audit is the need for the auditors to look at the governing body's compliance with laws and regulations. Each year this is done and any non-compliance is reported to the governing body. This year there was a non-compliance that he will discuss at the end of the report.

Mayor Wilkie said that regarding the Water & Sewer, it is a credit to Florence Township for being creative. Water & Sewer Director David Lebak came up with the idea of accepting septic and leachate. This was revenue that was not budgeted for. It added to the surplus.

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Ready-Pac is a major Water & Sewer customer. There needs to be some surplus available in case they start using less for some reason. Water & Sewer is purely a business operation. There is no guarantee.

Auditor Maley said the budget is the most important document there is to deal with. In the beginning of the year when the budget is being created, a lot of attention is paid to it until it is right. The management team monitors it all year. As long as the township can live within that budget the finances will be fine.

He referred to page ninety-four of the budget. He said criteria indicates that contracts awarded in excess of \$36,000.00 must be awarded after public advertising for bids unless otherwise exempt. The payment for maintenance, planting and removal of municipal trees amounted to \$44,175.00 without advertising for bids. The effect is non-compliance with laws and regulations and the cause is individual payments did not exceed the bid threshold but cumulative annual payments did exceed the bid threshold. The recommendation is that contracts in amounts in excess of the bid threshold should be awarded in accordance with the legal requirements.

Mayor Wilkie said one of the hardest things to figure out is what the costs are going to be. After Superstorm Sandy the township tried to make sure the roads were taken care of and not closed off. It was not easy to put a bid together while this was happening. The township will make every effort to comply with that and in 2014 Florence Township will be in compliance.

Auditor Maley said it is one of the things that needs to be looked at to get a handle on throughout the year. To avoid the finding, as the threshold approaches, stop the work or go out to bid. Mayor Wilkie said that each time a contract was given, three quotes were solicited. The lowest most qualified bidder was always used.

Auditor Maley explained that the auditors look very closely at the purchasing area, bidding area and quoting areas because they are important in government. These are public dollars being spent. To come up with one finding of this nature is not a big deal but it is something that had to be reported.

Administrator Brook said Florence Township faces this all through the year. An example was children using the park and trees not being safe. The township has to remove anything that is unsafe. If that is happening for twelve months a year, it is possible to go past the threshold number. The township knows that it needs to be diligent in keeping track with the amounts and it will be more cautious.

Auditor Maley said the township is now required to pass a Resolution that it accepts the audit and one that addresses a Corrective Action Plan. He sent the audit to the State of NJ so it is filed and copies were provided to the township. He said the township has a good management team and is doing well. The numbers are good and he stressed staying on top of the budget.

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Township Engineer's Recommendation: Payment No. 1 – CDBG Sidewalks

Engineer Biegen said this is the Hamilton Avenue and Hoffner Court project. The work has been finished and there are still some punch list items that need to be taken care of. The contractor has submitted for initial payment. He recommended approving the payment.

It was the MOTION of Sandusky, seconded by Baldorossi, to approve the recommendation. It was noted there would be a resolution approving the payment later in the meeting.

Engineer Biegen provided an update on the **Road Program**. He said there were some challenges with some starts and stops. Baird Drive was paved that day. Concrete work throughout the township is mostly complete. There were some add-ons at Fifth and Walnut Streets, Hornberger Avenue and in the police department lot where the trailer was. There was discussion about the scope of the work on Fifth Street. Curbing needs to be installed because the road is disappearing. Bids will be collected. Mayor Wilkie inquired about the catch basins on Fifth Street. Assistant Administrator Sahol said both basins will be addressed.

The bottom course was done at the Veteran's Park parking lot. There still needs to be some excavation and the top needs to be done.

The work at Knights and Kings Courts is finished. There is punch list work that needs to continue. There are areas where curbs were damaged and a light pole was hit. The contractor is working with the power company to get it repaired.

At Third and Riverside Avenues the contractor needs to cut into it a little further so it transitions better. Engineer Biegen asked Mayor and Council to advise him if they see anything, so it can be added to the punch list.

Mayor Wilkie referred to Kings and Knights Courts. He said he drove through and there are bushes on the islands at both locations. They are overrun. They were put in when the subdivision was built, and he is not sure why they were planted. They don't look nice. He recommended at some point removing them and planting grass. He advised that Assistant Administrator Sahol would send a letter to the residents asking their opinion. It would be easier to maintain and it is something to look into.

Engineer Biegen said Fifth Street will be milled and paved next week. Mayor Wilkie noted sidewalks will not be installed in the 200 block because of the many trees in the way. The tree work would have driven up the cost of the project.

Mayor Wilkie asked Engineer Biegen to provide an update on the bikeway. Engineer Biegen said this is the section running from Marter Park to the high school on Cedar Lane. He is in contact with the county and the DOT.

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There will be an application for soil conservation. Once the DOT completes its review, the project can be put out to bid. Hopefully the work will be done in the fall.

Engineer Biegen said the same contractor that is currently working on Boulevard will continue. There was a preconstruction meeting held. Phase I should be completed by September. Phase II will be part of the 2015 Road Program.

Administrator Brook distributed the **2015 Road Program** spreadsheet. Mayor Wilkie said what is different than what was seen before is that Main Street was removed from the list. If it was included, it would have made the project over the allowed amount. Engineer Biegen and Assistant Administrator Sahol updated a map that notes what roads have been done since about 1999. He believes 2015 is looking better financially for the road program, but there is no way to know for sure until the end of this year. Main Street will need to be put on the 2016 Road Program in order to stay within the fiscal constraints.

Administrator Brook said the amount of \$829,000 does not have any contingencies included. It does not include the extra costs such as engineering and legal bonding. The number will go up significantly. There will be a bit of a cushion just in case a problem arises. The number is a little deceptive. It will be over \$1million when all is said and done. By November or December there will be a clearer picture of what will be available for 2015. By that time discussions will have already started regarding the 2016 Road Program. For now, this gives the township the ability to have a bond ordinance and let the Township Engineer continue to proceed with surveying work and prepare the specifications and bid the job. If the numbers continue to come in well there is the possibility of expanding the Road Program in 2015 and 2016.

Mayor Wilkie said there are sections of Cedar Lane Extension that are in need of repair. There are sections of road that need attention throughout the entire town and as they are seen they can be added to the list and evaluated to see what is feasible to repair.

Assistant Administrator Sahol said once the numbers come in from the contractor it may be possible to add more roads to the program. Mayor Wilkie noted that there are issues at Hornberger and Delaware Avenues. Assistant Administrator Sahol said the township needs to work within what is permitted in the contract.

Council Member Sandusky said the area of Broad Street going into the subdivision needs repairs also. Assistant Administrator Sahol said that is one of the areas being considered. There was further discussion regarding areas in town that need to be added to the list.

Administrator Brook said he is encouraged with the road program. He feels almost certain that the road program will be expanded in the future. There has been a good amount of progress.

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MINUTES

Sandusky made a MOTION; seconded by Ostrander to approve the following minutes. Roll call vote – all ayes. Motion carried.

- Township Council Regular Session – May 21, 2014 & June 4, 2014

FINANCIAL CORRESPONDENCE

It was on the MOTION of Ostrander, seconded by Sandusky, to receive and file the Court Administrator and Township Clerk’s Reports for June. Roll call vote – all ayes. Motion carried.

It was on the MOTION of Woolston; seconded by Baldorossi to approve the **Treasurer’s Bill List**.

Upon roll call Council voted as follows:

YEAS: Baldorossi, Ostrander, Sandusky, Woolston, Lovenduski
NOES: None
ABSENT: None Motion carried. Unanimous approval.

APPLICATIONS

- A. Social Affair – American Legion Post 194, July 12, 2014
12:00pm – 2:00am
- B. Social Affair – Marconi Lodge, August 2, 2014 (rain date August 3, 2014)
Bocce Tournament, 9:00am – 9:00pm

It was the MOTION of Baldorossi, seconded by Woolston to approve the applications.

Upon roll call, Council voted as follows:

YEAS: Baldorossi, Ostrander, Sandusky, Woolston, Lovenduski
NOES: None
ABSENT: None Motion carried. Unanimously approved.

PUBLIC COMMENTS

Bill Bott, 64 Riverbank Drive, said the road is deteriorating near the stop sign coming into his development and there are drainage issues that need to be looked at. He understands it would not be done right away but wanted to bring it to Mayor and Council’s attention.

It was the MOTION of Ostrander, seconded by Baldorossi to close the public comments. Roll call vote - All ayes.

RESOLUTIONS

RESOLUTION NO. 2014-146

**Authorize Approval of Renewal of
Plenary Retail License for 2014-2015
as per Special Ruling
(*Murphy's Tavern, Inc.*)**

RESOLUTION NO. 2014-147

**Authorize Tax Settlement Refund
1500 John Galt Way
Block 158, Lot 1.01**

RESOLUTION NO. 2014-148

Resolution to Remove Properties from Tax Sale

RESOLUTION NO. 2014-149

**Appointing Deputy Animal Control Officer
(*George Gareis*)**

RESOLUTION NO. 2014-150

Approve Annual Audit

RESOLUTION NO. 2014-151

**Water & Sewer Payment Plan for
Block 167.13, Lot 3
97 Ridgway Drive**

RESOLUTION NO. 2014-152

**Approve Payment of Partial Payment Request No. 1
for the 2013 Community Development Block Grant Program
Sidewalk Improvements for Hamilton Avenue and
Hoffner Court**

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It was the MOTION of Sandusky, seconded by Baldorossi to approve Resolution Nos. 2014-146 through 2014-152.

Upon roll call, Council voted as follows:

YEAS: Baldorossi, Ostrander, Sandusky, Woolston, Lovenduski

NOES: None

ABSENT: None Motion carried. Unanimously approved.

ORDINANCES

None at this time.

REPORTS

Committees, Boards and Officers

Council Member Baldorossi inquired about the construction of the **bridge at Hornberger Avenue** on Route 130. Assistant Administrator Sahol said the timeline was pushed to August. A “cast in place beam” was installed three weeks ago and it needs thirty days to set. That should be finishing up in the next few weeks and at that point the paving will begin. He said they hope to be complete by August 8th or 9th. He noted the website has been updated.

Mayor:

Mayor Wilkie said Saturday is the **Patriotic Day Celebration**. He spoke to Assistant Administrator Sahol and Recreation Director Martin Eckert, Jr. about the event and got an update. The Flag Raising Ceremony is at 11:00am at Oak and Fifth Streets. The parade starts at noon. The Florence Township Memorial High School Band will be performing the National Anthem and the flag will be raised by the Boy Scouts. The concert begins at 6:00pm and the fireworks will be set off at dusk.

Next Wednesday there is a reception at **NFI** at 5:00pm and the Mayor and Council were invited. It is to promote the new location.

The **Destination Maternity** site is moving along nicely.

Administrator:

Administrator Brook said the municipal building is aged. Assistant Administrator Sahol has been getting prices to begin to replace carpet, tiles and things of that nature. The funds were included in a recent ordinance. In order to work within the confines of the comments of the auditor there will be a resolution at the next meeting. This covers almost everything throughout the building that needs to be replaced.

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Township Planner Barbara Fegley is working with the Township Administration and Professionals on a **Redevelopment Study** for the properties in the area of Hornberger Avenue in and around the steel mill to Route 130. He is going to advise her to proceed and hopefully there will be an ordinance in September.

Assistant Municipal Administrator: Nothing at this time.

Division of Law: Nothing at this time.

Division of Engineering: Nothing at this time.

Division of W & S Utilities: Nothing at this time.

Unfinished Business: Nothing at this time.

New Business: Nothing at this time.

Board of Health: Nothing at this time.

Miscellaneous: Nothing at this time.

Public Comments: Open to the Public

Seeing no one wishing to be heard, it was the MOTION of Ostrander, seconded by Sandusky, to close the public portion of the meeting. All ayes.

Mayor Wilkie wished **Jack Ulmer** a belated **Happy Birthday** and welcomed him back. He had been quite ill for a while and it was good to see him.

Mayor Wilkie said when the fence is removed at Seventh and Eighth Avenues near the slag area there may be parking issues. There may need to be improvements. There was discussion regarding the parking ordinance and the possibility that the area is actually “no parking”.

8:45 PM MOTION by Baldorossi; seconded by Sandusky to adjourn the Regular/Executive Session and return to the Closed Session. Roll call vote – all ayes. Motion carried.

ADJOURNMENT:

8:45 PM: Meeting adjourned.

Respectfully submitted,

JOY M. WEILER, RMC/MMC
Township Clerk

/aek