



Berkeley Township
MUNICIPAL UTILITIES AUTHORITY

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A Caucus Meeting of the Berkeley Township Municipal Utilities Authority was held on **Thursday, July 12, 2012** at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721. Presided by Chairman Pizzi-present, Mr. Mullikin-present, Mr. Thiemer-present, Mrs. Davis-present, Mr. Sudia-present.

Also present: Mr. Koutsouris-Attorney, Mr. Conaty-Accountant, Mr. Chiaravallo-Engineer, and Mrs. Nugent-Executive Director.

Motion to approve the minutes from the Regular Meeting on June 28, 2012: Mr. Thiemer, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Sudia abstained.

Motion to approve the minutes from the Executive Session on June 28, 2012: Mr. Mullikin, second, Mr. Thiemer. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Sudia abstained.

Motion to approve the minutes from the Executive Session on June 13, 2012: Mr. Sudia, second, Mr. Thiemer. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Treasurer's Report:

Mrs. Davis stated that she and Mr. Thiemer reviewed the payroll and operating expenses for (06/30/12-07/13/12) two weeks. The payroll expenses were in the amount of \$16,127.53. The operating expenses were in the amount of \$17,753.27.

Mrs. Davis stated that she and Mr. Thiemer authorized \$155,000.00 wire transfer from the Ocean First Revenue Account into the TD Bank Bond Service Account.

Motion to approve the Treasurer's Report: Mr. Mullikin, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Executive Director's Report:

Authorization of the issuance of refunding bonds, series 2012:

Mrs. Nugent requested of the Board authorization for the issuance of refunding bonds series 2012. Mrs. Nugent stated that this resolution amends the general bonds which allows the Authority to raise funds or spend money to conduct business. It spells out the conditions and provisions of the issuance and appoints the professionals to help the Authority through the process. This includes four main exhibits: A) giving the authority to the underwriter to sell the Authority's bonds, B) is a draft public offering statement which will be going out to the public and includes financial and general information regarding the Authority, C) the escrow account agreement giving TD Bank the authority to act as our escrow trustee agent, and D) is the continuing disclosure agreement between the Authority and TD Bank spelling out the financial disclosure requirements because this is going to be a public bond sale.

This resolution has been reviewed and recommended for approval by Gluck & Walrath, the Authority's Bond Counsel.

Motion to approve the resolution for the refinancing: Mr. Thiemer, second, Mrs. Davis. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Chairman Pizzi-yes. Motion Carried.

Mr. Pizzi thanked Mrs. Nugent and the Finance Committee for their diligence in the many hours they devoted in reviewing the different models in regard to this matter.

Progress Report:

Operational Vehicle:

Mrs. Nugent stated that the delivery date for the Chief of Operations' vehicle is delayed until September 2012.

Acquisition of School Board Property:

Mrs. Nugent stated the Authority has received verbal confirmation from the Berkeley Township School Board (BTSD) of its approval for the turnover of the adjacent property next to the Authority. The School Board will not be charging the Authority for this land, but the Authority will assume all of the acquisition costs. The Authority Attorney and Engineer have received authorization to progress with this project.

Insurance Review:

Mrs. Nugent stated that Mr. Hill from the John Hill Insurance Agency, the Authority's Insurance Broker, has reviewed the Authority's insurance coverage and premium costs. Mr. Hill had no recommendation for any type of adjustment. Mrs. Nugent stated that Mr. Hill did recommend continued membership with the New Jersey Utility Authority Joint Insurance Fund.

Mr. Pizzi stated that the audit report shows insurance property coverage of \$150,000,000. There was a concern that the Authority was over insured and therefore, paying too much of a premium. Mr. Pizzi stated that it turned out that the \$150,000,000 is representative of the coverage for all the JIF members. The Authority is paying its proportional share for the premium.

Key Largo Performance Bond:

Mrs. Nugent stated the Township, Berkeley Township Sewerage Authority, and the Water Authority met with representatives from the Key Largo Performance Bond Company today (7/12/12). In 2011 all of the township entities made performance bond claims against this 13 single family home development due to inactivity.

Mrs. Nugent reported to the Board that the Surety Company has no issue with the Authority's punch list. It is relatively a minor punch list. The Surety Company informed the Authority that it anticipates completion of the punch list in coordination with the Township and the BTSA construction. The delay has been related to the Township and the BTSA negotiations regarding how to handle the remaining improvements.

Engineer's Report:

Additional Allocation:

Mr. Chiaravallo stated that the additional allocation project is progressing. Mr. Chiaravallo stated that he contacted the Township Engineer to check on the status of the Station Road improvements.

Mr. Chiaravallo stated that there have been discussions with the NJDEP as it relates to the information they have provided to show aquifer drawdown which will help to determine the location for the new well.

Public Offering Statement:

Mr. Chiaravallo stated that CME has completed a review of the Public Offering Statement. This was in regard to the water system descriptions to provide suggestions for Mrs. Nugent.

Acquisition of School Board Property:

Mr. Chiaravallo stated that a survey for the BTSD property has been scheduled for early next week (week of 07/16/12).

AT&T Antenna Modifications for Station Road Tank:

Mr. Chiaravallo stated that a submittal has been received from AT&T for modifications to the antennas on the Station Road Tank. AT&T is planning on upgrading nine existing antennas on the Station Road Tank and will be adding three new antennas to the tank. CME will review those and provide comments to the Authority.

Mr. Pizzi questioned if this will be a total of 12 antennas for AT&T. Mr. Chiaravallo confirmed that was correct.

Mr. Pizzi questioned if AT&T is planning on doing any welding to the tank. Mr. Chiaravallo stated that after a preliminary review it appears that AT&T has stud welds to the ball of the tank.

Mr. Sudia questioned if adding more antennas to the Station Road Tank would change the lease in any way. Mrs. Nugent replied that this could be one of the Board's considerations because AT&T may require more space. An adjustment to the lease could be requested.

Mr. Sudia questioned if this is already in the lease. Mrs. Nugent replied that the lease states a specific number of antennas that are on the original lease. AT&T has the right to modify or exchange their equipment. Mrs. Nugent stated that if AT&T is adding more this may infer an opportunity to adjust the lease.

Mr. Koutsouris stated that he has not seen the AT&T proposal or the lease. Mr. Koutsouris stated that he has seen other leases of the Authorities. Mr. Koutsouris added that the Authority's prior professionals and executive staff have done an excellent job ensuring that the leases are very favorable in keeping with the Authority's ability to maintain control over the site. A material change is needed to re-negotiate the lease. This is something that is not done automatically which is why this has to be done in the form of a proposal. Mr. Koutsouris stated that there may be a change in the terms of the conditions of the lease. This will require at least an addendum or an amendment if the Authority agrees to allow AT&T to make modifications.

Mr. Pizzi questioned if AT&T provided a time frame for when they want to begin the work. Mr. Chiaravallo stated that he was unsure, but that he would check into it.

Mr. Pizzi requested that Mr. Koutsouris receive a copy of everything that has been sent in regarding this matter.

Mr. Pizzi questioned Mr. Koutsouris if the Authority should send AT&T a preliminary letter informing them that we are their reviewing their plans and possible negotiations. Mr. Koutsouris stated that the Authority should send them a receipt letter acknowledging that their requests have been submitted to the Authority's professionals for their review and that a response will be forthcoming.

Accountant's Report:

Mr. Conaty stated in his report:

Cash Position Report for June 2012:

Total all Cash Fund Balance:	\$3,772,149.59
Total Restricted Balances:	\$2,608,349.08
Total Fund Available for Disbursement:	\$1,163,800.51

Mr. Conaty referred to the cash position report and stated that \$420,916.00 is restricted in the 1108/1128 Bond Service Fund account. This is what the debt service payment will be on November 1, 2012. Mr. Conaty stated that Mrs. Davis had recommended the transfer of \$155,000.00 to that account. This will enable the Authority to make the full debt service payment from this account.

Mr. Conaty stated that he reviewed the budget to actual for the month and the expenses were good. Mr. Conaty stated that he has reviewed the user fees. The user fees are down approximately 8% through June 2012 as compared to where they were last year. The Authority did have this financially in mind while doing the budgeting. The Authority actually budgeted less in user fees for this year versus last year in anticipation of this trend continuing. As of now, the Authority has realized 48% of its budget. With the hottest part of the season coming up the Authority should be on par to finish at approximately 100% by the end of the year.

Mr. Conaty stated that he has reviewed the Public Offering Statement.

Mr. Pizzi questioned the Bond Service Fund in regard to the transfer of the monies in November 2012. Mrs. Nugent stated that it will be a regular wire transfer. Mr. Pizzi questioned how this will affect the refinancing. Mrs. Davis stated the November payment will not have to be paid. Mrs. Nugent agreed, but referred the Board to the 1109 General Ledger. The August payment will need to be paid for the NJEIT Bond Service. The 1109 Account is subordinate to the 1108 Bond Service Account. Therefore, the 1108 G/L account has to be funded before money can be flowed into the 1109 account. The 1108 balance must be paid in full and must be fully funded. This will allow the bank to flow money from the general fund down to the NJEIT. The refunding

will be done in August, therefore the 1108 November payment will not have to be made. This means that this money will be at the end of the year an excess line item.

Attorney's Report:

Mr. Koutsouris stated that he, the Executive Director, and the Authority Engineer are working on acquiring the strip of property adjoining the Authority property. It has been requested of the Engineer to provide a survey and a legal description. The legal description will be included in a contract which will be presented to the Board of Education for signing. The Authority will then appear before the Planning or the Zoning Board for a courtesy application to begin the process. The law also requires the Authority to give notice to the surrounding area residents as to what it intends to do. Mr. Koutsouris stated that what the Authority intends is to subdivide the property so that the portion of that School Board lot will no longer belong to them and become part of the Authority's property. The Township Board is going to ask the Authority to variably state what it intends to do with that property. This needs to be on the application that Mr. Chiaravallo is going to prepare after the contract is put together. The Board should consider solidifying some general ideas of what needs to be done. If it is to allow the property to exist in its current state, then it is fine and it will be subdivided. But, if there is an intention of how the property is to be used it needs to be made clear at this time. Theoretically, there is no case that exists in the State of New Jersey that has been challenged. The Township will more than likely not deny the courtesy application.

Mr. Koutsouris stated that he has received information from CME regarding the Performance Bond for The Grand at Berkeley Estates. The amount is noted in a letter and indicates that the American Southern Performance Bond Company would like to resolve this matter. The punch list amounts and anticipated soft costs have been presented. Mr. Koutsouris stated that typically a bonding company will not reimburse soft costs, but they will be saving litigation expenses in lieu of that. They may very well choose to settle with the Authority for that amount. This will be placed in escrow until such time that the Township can complete the project requirements. This information has been forwarded to the performance company and hopefully the matter will be resolved and the project completed.

Mr. Koutsouris stated that he has not heard anything back from Amboy Bank or GS Realty regarding the escrow topic discussed at prior meetings.

Committee Reports:

Old Business:

Mr. Pizzi stated that at a previous meeting the Ramos family asked for an exemption to connect due to a hardship claim. That request was denied. The Ramos family has come in and made application to get the work started for water service.

New Business:

Mrs. Davis presented the idea of reducing the BTMUA meetings down to once per month rather than the twice monthly meetings. Mrs. Davis stated that she has found as a relative newcomer that quite a bit of the meetings are somewhat repetitious. The business that is covered could probably be accomplished in one meeting per month. Mrs. Davis added that the Executive Director does not have an Assistant Executive Director to rely upon to help her compile all the information that is necessary for the meetings. Mrs. Davis added that it takes quite a bit of her resources to put the meetings together.

Mr. Mullikin stated that there should be no problem with meeting once per month. Mr. Pizzi stated that the Board could always call a special meeting as long as it is posted in the newspaper three days prior to the meeting.

Mr. Pizzi asked the Board Members to hold their comments on this topic for now. Mr. Pizzi added that this suggestion is on the table and requested each commissioner to consider this matter further. After each member has given this some thought and it has been discussed further with Mrs. Nugent then it will be open for discussion at the next meeting (07/26/12). Mr. Pizzi requested this matter to be put on the next meeting's agenda.

Mr. Mullikin questioned if this meant that the Authority's professionals would meet at all of these meetings. Mr. Pizzi replied yes.

Motion to open the public portion: Mr. Sudia, second, Mrs. Davis. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to close the public portion: Mrs. Davis, second, Mr. Thiemer. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to adjourn: Mrs. Davis, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Respectfully Submitted,

Sandra J Walker

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The next meeting of the Berkeley Township Municipal Utilities Authority will be held on Thursday, July 26, 2012 at 7:00 pm located at 42 Station Road, Bayville, NJ 08721.