

A special meeting of the East Amwell Township Committee came to order at 7:30 PM. Present were Mayor Dart Sageser, Deputy Mayor David Wang-Iverson, and Committee members Tim Mathews, Charles Van Horn, and Peter Miller. Township Administrator Timothy Matheny was also in attendance.

In compliance with the Open Public Meetings Act, a copy of notice of this meeting was published in the October 16, 2014 issue of the Hunterdon County Democrat, filed in the Clerk's Office, posted on the bulletin board, and sent to the Hunterdon County Democrat, Times of Trenton, and Star Ledger on October 20, 2014. The purpose of this meeting is to meet with the CFO for an update on the finance office, to discuss and address office procedures/policies and assistance in the office, and to award the bid for Clawson House Rehabilitation.

The public is invited to attend and comment. Action may or may not be taken.

The meeting opened with the Pledge of Allegiance.

Margaret Pasqua was present at this time. She listed some of her activities in the past few weeks: she met with the payroll company (with the Clerk) for a "crash course"; she had one phone conference and will have another one tomorrow with Edmunds; she met the auditors, and they will be getting an expert who knows Edmunds to spend one or two days with her. Mayor Sageser commented on the system not being properly integrated; Ms. Pasqua said her beginning balance is set to match the audit and is "pretty close." She is unfamiliar with the Edmunds system, and she wants to "make sure we are on the right page." Deputy Mayor Wang-Iverson mentioned that previous CFOs indicated that the chart of accounts was not set up properly.

Ms. Pasqua noted another matter of having no cash receipts journal to post entries. She is creating a journal and has gotten records through January, and she wants to make sure that she is doing it right; she is trying to get records caught up.

Mr. Mathews asked if the help was from Edmunds or the auditor; the help will be from a retired CFO who is versed in Edmunds and works for the auditing firm.

Ms. Pasqua mentioned another issue with losing her assistant, Christine Rosikiewicz, after two weeks, and now she is spending a lot of time just keeping day-to-day operations going. She asked to get some help in the office to focus on other issues. Mayor Sageser said that the position was advertised, and Mr. Matheny will comment tonight.

Ms. Pasqua mentioned that the fixed asset list was updated and completed as of today. Additionally, there is a new requirement to participate in bond market access, which is a nationwide system, and all municipalities and counties have to have items posted on a national website. She checked the website and the township bonds are posted, but she cannot find budgets or financial statements. She will have to update it by December 1 to be in compliance. Ms. Pasqua also spoke at length with bond counsel to review township bonds, including the 2010 refunding bond and some older bonds; the bond counsel will assist with what needs to be on the site, and some comments were exchanged between governing body members on the site's possible use.

Ms. Pasqua said that she was learning the office as quickly as possible, but since she now has to handle purchase orders, deposits, and daily issues, it is time consuming. Mayor Sageser hoped that someone could be found quickly. On a question from Mr. Mathews, it was acknowledged that Christine Rosikiewicz did not receive a Rice Notice for tonight's meeting. Ms. Pasqua commented on the help Ms. Rosikiewicz provided, adding that it now takes her the good part of three days to keep operations running and one day to look at the bigger problems, adding that she may be slower since all is new and she may not need as much assistance in the future. On a question from Mr. Mathews, Ms. Pasqua said that having an assistant for two days would be a big help; the previous Assistant Treasurer worked 17.5 hours or the equivalent of three days.

Mr. Miller asked about the cash receipts journal, which had to be set up since it was non-existent. Ms. Pasqua said that there were records from 2011, adding that someone logged on to the computer but she did not know what was done prior and nothing was done last year, other than what Ms. Rosikiewicz transferred for medical and employee reimbursements. She mentioned that taxes are put into one big account in finance and needs to be recorded, not just through

deposit slips without references. Mr. Miller concluded that information is in the system as a repository, but the CFO was looking for records of what was collected – he asked how to do this as an on-going practice. Ms. Pasqua recommended using Excel spreadsheets for accounts, and when deposits are made, the Assistant Treasurer would log them in without receipts. The intent is to tie the money back to the deposit. Ms. Pasqua said that she has some ideas, but she is not in the position to implement them yet. Mr. Mathews asked if this was an additional spreadsheet for the deposit or does Edmunds have the ability to create them; Ms. Pasqua said that she likes to keep paper and computer records to check one another. Mr. Mathews said that this sounded like what was done when CFO Jane Luhrs was here; Mr. Matheny said that while it sounded redundant, it really was a checks and balances solution so that Ms. Pasqua could see where the money came from and the account postings. Ms. Pasqua mentioned that it was hard to enter daily receipts in Edmunds. She also noted that, as good business practice, the same person should not write the checks and reconcile.

Mr. Mathews asked about payroll being behind. Ms. Pasqua mentioned that she just did the quarterly pension, and there were two employees without proper deductions and two were at the old rate, which was not changed in July. She is waiting to hear back from the payroll company about differences in classifications in the system, i.e., some have PT-PERS and some have PERS classifications. She also learned about printing reports from the payroll website; she also noted that while Ms. Rosikiewicz did monthly payroll remittance, the CFO did quarterly, but Ms. Pasqua can do both now.

Ms. Pasqua is waiting for on-line banking, which will be available to her as soon as the signature cards are returned to the bank tomorrow.

Mr. Mathews asked about training for the Edmunds system; Ms. Pasqua said they were helpful with the phone calls, which is a free service, but training costs \$150 per hour. She spoke about the company helping her through a cash receipt entry. Ms. Pasqua listed her experience with multiple programs through the years, including Munidex, First Byte, and Vital. On a question from Mr. Mathews, Mr. Matheny said that previous CFO Steinberg wanted to have MSI installed. Mayor Sageser was hopeful that Edmunds would be set up to everyone's satisfaction, with Ms. Pasqua making the recommendation that no more changes be made now and to wait until a CFO stayed two or more years before changing a system.

Mr. Mathews asked about a bond update; Ms. Pasqua will get information emailed from the bond counsel.

On a question about the fixed assets list, Ms. Pasqua said that it had not been updated since 2010 so the auditor did not know about the backhoe and two other items. DPW Superintendent Silverthorn reviewed the list today and removed some items. She commented on a separate list kept for insurance purposes, and she will match up the two lists.

Some comments were made about the Township's annual bond anticipation note, which is due in May. Deputy Mayor Wang-Iverson also asked Ms. Pasqua to check with the new bond counsel about refunding the older Township bond for better rates and to reduce debt service.

Mr. Miller said that he appreciated the lack of resources slowing Ms. Pasqua down, but he asked what next steps she envisioned. Deputy Mayor Wang-Iverson felt that this was a difficult question to answer. Ms. Pasqua wanted to get the cash receipts journal up and running and reconcile accounts to see what was in them. She mentioned getting a new starting figure from the auditor in the current fund. Mr. Miller commented on her continuance of reconciliation to get to the basis; Ms. Pasqua mentioned that she wanted to be caught up to close out the year as a goal. Deputy Mayor Wang-Iverson said that it was the same as last year, i.e., no routine record keeping done until Ms. Pasqua got here, "and it is a tough job to do it."

Mayor Sageser mentioned that the auditor has an Edmunds' expert, who will temporarily assist. Deputy Mayor Wang-Iverson explained that the firm cannot recommend a long term assistant from their firm since it would be a conflict. Mr. Matheny read the proposal he received from Suplee, Clooney, and Company: "We will train and assist the Township's finance office with entering and reconciling of the Edmunds Computer System; we will review and suggest changes to be made to the Edmunds General Ledger so that the Township's financial reports will generate more accurate records on a timely basis" at a rate not to exceed \$1500 at a rate of \$100 per hour.

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RESOLUTION #120 -14

BE IT RESOLVED by the Township Committee of the Township of East Amwell that they hereby accept the proposal from Suplee, Clooney, and Company, 308 East Broad Street, Westfield, NJ 07090 dated October 22, 2014, to provide services from their firm to assist with the Edmunds System in the finance office at a rate of \$100 per hour, not to exceed \$1500.

By Order of the Township Committee,

Dart Sageser, Mayor

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Motion by Mr. Van Horn, seconded by Mr. Miller, and carried unanimously.

Mr. Mathews asked about the implications of not having a capital budget from an accounting and bookkeeping perspective. Ms. Pasqua cautioned that the Township could not do any more capital work without debt. She mentioned finding the money for the recent ordinance through the capital improvement fund but funding would have to be addressed as to where to go next year. Mayor Sageser commented on keeping 10% in the fund for down payments; Ms. Pasqua mentioned moving money to the capital fund for future needs.

Mr. Mathews commented on two capital projects approved last year for the barn and heating. Mr. Matheny explained the dilemma of finding a contractor that will do the reconstruction work, i.e., frame work within an existing pole barn, because the work will cost over \$15,444 and is subject to prevailing wage. Once the interior work is done, the heating will be done separately. Some discussion took place, including the following: Mayor Sageser asked if radiant heat was being considered and whether it was possible to install heat now without the framing to keep the place warm and protect machinery – Mr. Miller commented on a different price to heat the building to an adequate level as being another factor to consider with this type of installation; some comments were made about building another pole barn as a cheaper proposal. Mr. Matheny commented that the project “is not dead, just stuck.”

Mr. Miller spoke about the resources for the finance office, including getting the consultant but focusing on process and control. Mr. Matheny explained that there were about 6 – 7 applications for the Assistant Treasurer position, and it is still being advertised. Many have good skills, but it would depend on availability and salary requirements, which Mr. Matheny discussed with the Deputy Mayor. The previous Assistant Treasurer worked 17.5 hours, but this may not be necessary now that the CFO is in place; the position may be about 15 hours per week to compliment the CFO hours. Mr. Mathews asked who did the interviewing; Mr. Matheny said that he would do it along with the Department Head, Ms. Pasqua.

Mayor Sageser commented on having a recommendation for the position for the next Township Committee meeting, and interviews are being scheduled next week. Mr. Miller suggested that if a reasonable candidate is not selected from this pool, getting a temporary, skilled person with Edmunds background would be a good alternative; Mayor Sageser said, hopefully, this would not be necessary. Further comments were exchanged between the governing body and Ms. Pasqua, with the intent not to train a temporary worker and then have to train an employee. Ms. Pasqua acknowledged that she is also just learning the system.

Ms. Pasqua was in favor of waiting to train a permanent employee, and Mr. Matheny commented favorably on receipt of the applications to date but would discuss hours and salary with the candidates. Mr. Van Horn commented about his attendance at past meetings with former CFOs, commenting on the frugality of the township and paying the appropriate wages for the correct number of hours for assistance needed in the office “for the right candidate or for more of Margaret’s hours, if she wanted.” Mayor Sageser asked about flexibility of hours; Mr. Matheny said that this would be vetted in the interviews with Mr. Van Horn adding that the employee should be required to work during regular business hours. On a question from Mr. Mathews, Mr. Matheny said that there was one internal application.

Mayor Sageser thanked Ms. Pasqua for attending tonight's meeting and for all her extra effort in the Assistant Treasurer's work too.

CLAWSON HOUSE EXTERIOR REHABILITATION PROJECT

Mayor Sageser commented on receipt of bids, which he had tabulated, adding that Unlimited Builders was the low bidder with alternate I, replacement windows. He explained that the bid included alternates on the window repair or replacement, adding that the Historic Preservation Committee and resident Ilona English were supportive of new windows for better insulation and more energy efficient. NJ State Historic Preservation Office wanted rehabilitated windows, if practical.

Mr. Matheny said that the Township Attorney is satisfied with the bid, and Mr. Matheny checked the state's disbarment list (i.e., Unlimited Builders is not listed). The low bid is \$107,250, and the Hunterdon County grant for the work is \$61,000, \$30,900 of which was already received. The difference would be \$44,550 from the Open Space Trust Fund.

Mr. Mathews asked about the phases of the work. Mayor Sageser explained that the second phase was for basement waterproofing and foundation work with a Hunterdon County grant award of \$19,000. Architect Pickell is doing documentation for that work. One possibility considered was to have this work done as a change order for the contractor doing the exterior work, or just bid that portion of the work. The next phase will be an addition to the back of the building with a bathroom and kitchen on the existing foundation on the porch in the back to fully enclose the house. Mr. Mathews asked if there was grant funding for that portion of the work; Mayor Sageser said no, that would be for next year. Mr. Mathews asked about finished plans; Mayor Sageser said that he didn't know if finished plans were needed for grants, but he understood that "the lion's share" of the exterior work would be done with the first grant, and the addition piece would complete the envelope.

Mayor Sageser continued by saying that he and the Planning Board Chair met with Planner Banisch about the Ringoes study and discussed the possibility of a non-profit group taking on the house project. Mr. Banisch noted that there were a number of towns that utilize 501(c) (3) organizations for various projects. The Mayor also mentioned the Cider Mill project in Mendham with property owned by the municipality but given over to the non-profit organization for work, alleviating the need to adhere to public bidding. He mentioned grant assistance available from Hunterdon Land Trust and other private entities. Mr. Matheny cautioned that this is a Green Acres property with specific regulations. Mayor Sageser spoke again of the conversation with Mr. Banisch, who advised that these groups can volunteer and make private donations. He mentioned an example of Kirkpatrick Church holding a lawn clean up day in Ringoes last spring. He suggested that the Historic Preservation Committee look into methodology to complete the house rehabilitation, stating that the Open Space Trust Fund money could be used but the Committee could look at ways to fund raise separately.

Mr. Miller asked about the Township's portion of the \$107,250, understanding that three-fourths of the work would be done. Mayor Sageser explained that this would not include the side where the addition would be placed. Mr. Miller asked about the additional work in the basement; Mayor Sageser said that there was money for that. The Mayor added that the Historic Preservation Committee has a master plan from the architect about the work, adding that an older design from years ago included an elevator for the second floor/caretaker quarters. Design revisions have access for the public on the ground floor only; the second floor will be for storage or study areas for non-public access. Mr. Miller surmised that the plans and drawings are used for piecemeal funding; Mayor Sageser reiterated that there was grant funding to close the outside and work on the basement with undefined long term plans for the addition and how to pay for it. He added that the Historic Preservation Committee applies for annual grants through Hunterdon County, commenting on applying for a larger amount than is received and dwindling County funding for many projects. Deputy Mayor Wang-Iverson asked for a sense of the cost for the rest of the project; Mayor Sageser thought about \$65,000 for the back addition and \$100,000 for interior fit-out and the possibility of involving non-profits and other fund raising efforts going forth. Mr. Mathew asked about using other sources beyond the Open Space Trust Fund; Mayor Sageser said that there was no commitment to fund or underwrite all the work, but it was valuable to augment the grant. He reminded the Township Committee that the original

application for this work was for \$100,000, with Hunterdon County granting only \$60,000 and wanting local contributions. Some comments were exchanged about the existing slate roof, which is in good shape, and NJ State recommendations to keep the property in the proper historic period.

A copy of the spreadsheet showing the names of the five bidders and their proposals is attached to the original set of minutes.

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RESOLUTION #121-14

RESOLUTION OF AWARD

BE IT RESOLVED by the Township Committee of the Township of East Amwell, based upon the recommendation of the Township Administrator/QPA with review by the Township Attorney that bid documents are satisfactory and certification of funds from the CFO, the bid for the Clawson House Exterior Rehabilitation Project is awarded, as follows:

UNLIMITED BUILDERS CONSTRUCTION LLC
8 Cullen Way
Hamilton, NJ 08620
For Clawson House Exterior Rehabilitation with
Alt. 1 Window Restoration
Amount of \$107,250.00
Contract Length of Time: 120 Days from Notice
To Proceed

By Order of the Township Committee,

Dart Sageser, Mayor

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Motion by Mr. Van Horn, seconded by Deputy Mayor Wang-Iverson, and carried unanimously by roll call vote to approve the resolution awarding the contract: Mr. Van Horn, yes; Mr. Wang-Iverson, yes; Mr. Mathews, yes; Mr. Miller, yes; Mr. Sageser, yes.

Motion by Mr. Van Horn and seconded by Deputy Mayor Wang-Iverson to open to the public for comment.

Frances Gavigan, 123 Wertsville Road, asked if the audit was here or not, adding that the internet says it was here; Deputy Mayor Wang-Iverson said it was not and only a preliminary document was received. He further stated that it was a document in progress, and it would be here in a few days. Ms. Gavigan spoke about past audits, finance office staff and salaries, a competitive CFO market, etc., suggesting that the Township offer Margaret Pasqua a full time position and supplement office support internally, i.e., a past Assistant Treasurer familiar with spreadsheets may be willing to help, and "Pam or Maria will step up in a pinch." Ms. Gavigan said that she wants to see the audit and wanted more audit documents on the webpage.

Deputy Mayor Wang-Iverson said that the Township is looking at budget implications for 2015 when considering the employment considerations.

Ms. Gavigan spoke about a "Friends of Clawson Park" years ago and money set aside to build a barn, which may be applied to the house repairs. She also said that a more mature 501(c)(3) group should be sought for assistance.

Motion by Mr. Van Horn, seconded by Mr. Mathews, and carried unanimously to close to the public.

Mr. Mathews asked about the comment on the audit, noting a letter from the Mayor in the Hunterdon County Democrat about having the audit and “being in good shape”; Deputy Mayor Wang-Iverson reiterated that only a draft audit was reviewed by the CFO, the Administrator, and he, as finance liaison. On a question from Mr. Mathews, the Mayor said that he got his information on the audit from the Deputy Mayor.

ADJOURNMENT

There being no further business, motion by Mr. Van Horn, seconded by Deputy Mayor Wang-Iverson, and carried unanimously to adjourn the meeting at 8:35 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk