

A special meeting of the East Amwell Township Committee was called to order at 5:35 p.m. Present were Mayor David Wang-Iverson, Deputy Mayor Dart Sageser, and Committee members Tim Mathews (arriving at 6:35 p.m.), Charles Van Horn, and Peter Miller. Township Administrator Timothy Matheny was also in attendance.

In compliance with the Open Public Meetings Act, Municipal Clerk Teresa R. Stahl announced that notice of this meeting was sent to the Hunterdon County Democrat, Times of Trenton, and Star Ledger on September 3, 2015, published in the September 10, 2015, issue of the Hunterdon County Democrat, posted on the bulletin board and filed in the Clerk's Office on September 3, 2015. The purpose of this meeting is to make an award for the Clawson House Basement Rehabilitation project and to discuss the 2016 budget. The public is invited to attend, and action may or may not be taken.

CFO Margaret Pasqua was present during this meeting.

The meeting opened with the Pledge of Allegiance to the American Flag.

Mayor Wang-Iverson acknowledged Ms. Pasqua's one-year anniversary of working for East Amwell Township, adding that she "is doing a great job, and we really appreciate it ... looking forward to many more years from you!"

AWARD OF CONTRACT FOR CLAWSON HOUSE BASEMENT WORK

Jim Davidson, President of the East Amwell Historical Society (EAHS), was present to give an update on Clawson House since his last report two months ago.

Mr. Davidson circulated some pictures of the house, identifying one of them as an older picture from the Quick Collection. He commented on the possibility of getting rid of the second door in the front of the house, indicating that the State Historic Preservation Office (SHPO) advised that if old pictures could be located of previous house conditions, those conditions could be replicated. Other pictures showed the house at the beginning of the summer and what it looks like now.

Mr. Davidson highlighted a lot of activity in the past two months: Brian's Tree Service did about \$2,000 worth of work with dead tree removal and tree trimming; at least 20 hours were spent by volunteers cleaning out the house and basement, pulling out the furnace and cutting pipes; the next phase is to do the basement work and install new electric service; a "very big" open house is planned on October 24 and 25; one of their members is involved with publicity in NY and is assisting – there will be an 18 foot banner hanging from the second floor of the house, and the intent of the open house is to let the public see it and ask them for donations; a donation of \$2500 was obtained from JCP&L; Rutgers Nursery donated a free landscaping plan, with their cost for installation at \$16,000 – EAHS will fund this part of the project; after the open house, EAHS intends to solicit funding from bigger firms, such as Texas Eastern, PSE&G, Comcast, and others with Mr. Davidson indicating that many of these companies have foundations that contribute to 501c3 entities.

Mayor Wang-Iverson asked how the public would get in and out of the house. Mr. Davidson built a set of steps, but a better set will be built. He added that Architect Chris Pickell would be providing drawings for the addition and the front porch. He mentioned grants from the state and county with one being a matching grant for the steps.

Mr. Van Horn asked about replacing the current door with something like the one in the original picture. Mr. Davidson said that the door and window sashes would be replaced "down the line," adding that the architect thought that the current door could be used on the addition in the back of the house. Shutters will also be installed, with Deputy Mayor Sageser mentioning a recent Clawson reunion at the park where shutters were recalled by family members.

Mr. Davidson mentioned archeological digs at Clawson Park several years ago, and the artifacts will be displayed at the open house, along with the floor design and landscaping designs. A three-fold brochure with a donation card is being prepared for this and all events. There was

already an emailing to 450 people about the open house, and another one with pictures will be sent again before the event.

Mr. Matheny explained that quotes for the basement work were sent to a number of vendors since the anticipated work was hoped to be under \$40,000 and under the bid threshold. The specs were written with the help of Jim Davidson, and four quotes were received in the amount of \$66,170, \$63,823, \$42,455, and \$38,600. The lowest price vendor did the previous work on the house. (FOR THE RECORD, quotes were received from the following: None from Hahr Construction; Desapio Construction \$42,455, Electric, \$11,835, additional work \$8,110; Charles Mann General Contracting, \$66,170, electric \$10,335, additional work \$7,865; Cypreco Industries, \$63,823; electrical, \$13,000; additional, \$12,500; Unlimited Builders, \$38,600, electrical, \$10,500, additional, \$6,200; Rowe Electric, electric only \$7,900, additional, no bid; MTB, electrical, \$4900, additional, no bid.)

Deputy Mayor Sageser believed that the lowest vendor "was outstanding," and he believed that the amount was under the pay-to-play threshold.

Mr. Matheny spoke about the electric work being part of the quote as a separate piece and legitimate attempts to keep the amount under the bid threshold. He reminded the governing body that East Amwell is a member of the Middlesex Regional Educational Services Commission Cooperative. The Cooperative went out for bid for time and material from an electrician, and Mr. Matheny contacted the electrician for a quote, which he received by email last night for items 11 – 14 on the quote sheet (electrical). MTB's quote was \$4,900.

On a question from Mr. Miller regarding keeping the project under \$40,000 to avoid the need to go out for bid, Mr. Matheny explained that the first phase went out to bid at a cost of over \$107,000. The intent is to award the second phase under \$40,000 (the quote threshold), and the electrician with the lowest quote was already bid by another entity (\$4,900). He added that the regulations state that the project in the aggregate for a calendar or contract year should really go out to bid.

The resolution submitted by the Clerk will be broken into two separate resolutions.

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RESOLUTION #139-15

BE IT RESOLVED by the Township Committee of the Township of East Amwell, based upon the recommendation of the Township Administrator/QPA, the quote for a project to complete the basement of an historic structure owned by the Township at 1053 Old York Road, Ringoes, NJ (The Clawson House) is awarded, as follows, for work according to Pickell Architecture drawings and specifications, revised 9/3/15:

Part A: Basement Work

UNLIMITED BUILDERS CONSTRUCTION LLC
8 Cullen Way
Hamilton, NJ 08620
Amount of \$38,600
Contract Term: To be Completed by December 31, 2015

By Order of the Township Committee,

David Wang-Iverson, Mayor

+++++ Motion by Mr. Van Horn, seconded by Deputy Mayor Sageser, and carried unanimously to approve the resolution.

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RESOLUTION #140-15

BE IT RESOLVED by the Township Committee of the Township of East Amwell, based upon the recommendation of the Township Administrator/QPA, the quote for a project to complete the basement of an historic structure owned by the Township at 1053 Old York Road, Ringoes, NJ (The Clawson House) is awarded, as follows, for work according to Pickell Architecture drawings and specifications, revised 9/3/15:

Part B: Separate Electric Work Quote

Via the Middlesex Regional Educational Services
Commission Cooperative
Electrical Services – Time and Material
Bid # MRESC 15/16 – 24.
MTB Electric, LLC
366 Fairview Avenue
Long Valley, NJ
Amount \$4900.00

Contract Length of Time: Work to Be Completed by
December 31, 2015

By Order of the Township Committee,

David Wang-Iverson, Mayor

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Motion by Mr. Van Horn, seconded by Mr. Miller, and carried unanimously to approve the resolution.

Deputy Mayor Sageser mentioned the nature of the project in phases with bid and quote difficulties. He asked if a resolution could be passed to identify the work as phases and not one project, stating that there were elements of historic design of the property. He added that the intent is to get matching grants for some of the work, e.g., porch, heating, which will be done at intervals. He would like to avoid the need to rebid if the work is above the quote limit. Deputy Mayor Sageser would like to see SHPO’s opinion on how they have handled other historic rehabilitations by grants in phases, adding that their goal is to preserve historic houses and structures, and they must have an opinion.

Mayor Wang-Iverson agreed that this would be a good idea, adding that he and Mr. Davidson spoke about the overall plan for progress in the building and identifying each of the phases as individual projects. Mr. Matheny mentioned the issue being an aggregate expense in a year. Deputy Mayor Sageser said that spending the money in the year is a limiting factor. Mr. Matheny agreed that this was a “complicated” issue, adding that he spoke with Attorney Cushing about the matter since many laws are involved. The issue is that a project cannot be broken up to avoid the bidding process. He agreed that advice from SHPO may help since they would have direct experience with this type of work.

DISCUSSION WITH CFO PASQUA ON THE 2016 BUDGET

Mayor Wang-Iverson explained that the focus tonight would be on the capital budget, adding that there hasn’t been an in-depth discussion on the capital budget in years. He added that Ms. Pasqua was being proactive and working on the operating budget.

Ms. Pasqua agreed that there wasn’t much she could do with the operating budget until state numbers were available. She is doing preliminary work with departments, asking for their budgets and issues and has heard back from half of them already.

Ms. Pasqua provided a package of budget sheets for the Township Committee. The first page showed the Capital Improvement Fund, Capital Surplus, Capital Projects, and Capital Debt.

The capital improvement fund has around \$29,000 in it - this fund can be used for bond down payment or to fully fund an ordinance. This fund can be funded by the operating budget and by cancelled ordinances.

Surplus is at about \$100,000, and this fund was used for two years to balance the budget. This fund also was used for the purchase of the lawn mower and roller and \$75,000 was used for roadwork. Ms. Pasqua will be preparing an ordinance for the October meeting to use \$75,000 more for roads.

On a question from Deputy Mayor Sageser, Ms. Pasqua explained that the capital improvement fund can be raised in the operating budget as a line item, i.e., last year it was \$35,000, and next year it will be \$50,000. This fund can be used for the 5% down payments on bonds. If funds are not used, they remain in the capital improvement fund, and the fund is built up that way.

Ms. Pasqua further explained that if a capital or bond ordinance is only partially used, the balance could go into surplus to increase that fund.

Ms. Pasqua mentioned the importance of having a capital plan for structures, buildings, and roads, adding that roads were especially important and "not just patch work, but it will cost money and taking on more debt." She added that the plan should include potential projects so that they are listed, but they do not have to be completed, i.e., just part of a plan.

Ms. Pasqua had a sheet outlining the bond anticipation notes that the Township had, stating \$1,000,000 was added to them. Bond anticipation notes can roll over for ten years and then must become permanent debt. Two parts of the notes are due in 2018. There are also two parts for which no payments, except interest, were due for the first three years and now principal will be due next year. Ms. Pasqua said that she would like to add some road projects to a bond that would have to be created. She would also like to increase payments on some of the notes to avoid permanent debt. The due date on some of the notes is May 2018, and she anticipated a bond ordinance in 2017. She also noted that 92% of the current bonds are for farmland projects.

Mayor Wang-Iverson spoke about attending 3-4 meetings regarding preservation of the Higgins property, with \$1,000,000 in the capital plan (as open space) for this project. The property includes 450 acres of a \$6,500,000 preservation effort in multiple jurisdictions. Mayor Wang-Iverson said that the Township would be limited to what they would be able to contribute, adding that he personally did not want to accept more debt for this project and that the \$1,000,000 commitment came from a previous Township Committee. He added that "it doesn't make sense here." Ms. Pasqua said that the \$1,000,000 line was in the budget, and there was no downside to leaving it in the budget; the Mayor agreed to letting it remain as long as it was noted that there was no intent to spend it on the property. Mr. Van Horn agreed that there was not enough money in the open space trust fund to support such a purchase. Mayor Wang-Iverson said that it would be appropriate for non-profits, such as New Jersey Conservation Foundation and D & R Greenways to pool their money, with the possibility of East Amwell adding their Green Acres funding of \$300,000 as their contribution. Further comments were exchanged by the governing body members about a majority of the property being in Somerset County, with specific land features mentioned. There was a consensus that the Township would not be contributing \$1,000,000 for the property.

Additional items on the capital plan list were reviewed, including \$175,000 for the salt barn replacement. Ms. Pasqua also commented on paying off \$166,000 of the bond anticipation notes. She added that road projects were a priority. Mr. Van Horn questioned purchasing a chipper since the DPW only did roadside chipping last year to pick up storm related brush; he asked about the possibility of renting such equipment, if needed. Mr. Matheny explained that rental would be costly and the equipment was subject to lots of wear, including blade replacement. Mr. Van Horn also suggested hiring a chipper service instead of the investment in equipment.

Ms. Pasqua asked the governing body to review the capital list and let her know if there was anything that may not belong. Deputy Mayor Sageser asked about the \$90,000 for Clawson Park Maintenance; Mr. Matheny suggested the replacement of playground ground covering material or replacing a tennis court as the type of things that would come out of this line.

Mayor Wang-Iverson spoke with Ms. Pasqua about Clawson House expenses earlier in the day. Ms. Pasqua mentioned using funds from the Open Space Trust Fund for purchase or passing a capital ordinance for expenses. The auditor says that using the Open Space Trust Fund is “perfectly fine but it is easier to track expenses in a capital ordinance.”

A sheet entitled East Amwell Township 2016 Road Program was reviewed. The DPW Superintendent worked with the engineer on this list in 2014, and since there was no money in the budget to redo the list, Mr. Silverthorn increased the amount by a percentage to anticipate current costs. Mr. Silverthorn will prioritize the roads. Mr. Matheny explained reclamation of roads, i.e., grinding the road material and mixing with Portland cement, and then overlaying. Milling involved taking off the top of the road and mixing with macadam. Ms. Pasqua referenced notes from Mr. Silverthorn about possible cost recalculations for some of the work.

Mayor Wang-Iverson spoke about the work on Zion Road, where a cost of reclaiming a road was calculated at \$200,000 for one half of a mile. Mr. Matheny spoke about the DPW Superintendent coming up with the idea to repair the road in this manner and cutting \$100,000 off the projected cost of \$300,000.

Ms. Pasqua said that the Township didn't have \$100,000 as a down payment for a \$2,000,000 bond to fund the entire project list, but she recommended leaving \$500,000 in the budget for road projects. Mayor Wang-Iverson felt that correct numbers should be obtained from the engineer; Deputy Mayor Sageser felt that the estimates were sufficient. The Deputy Mayor noted that if the NJ DOT grant was received for Ridge Road, that road would come off the list; Mayor Wang-Iverson explained that the current year grant application was for half of the work (\$200,000), and the actual cost for Ridge Road was \$400,000 with another grant application being made the following year. The Mayor again said that the calculations may be off by a factor of 2, and having the actual numbers would “paint a different picture.” Deputy Mayor Sageser spoke about the cost of having the engineer redo the road program, i.e., \$6,000-8,000.

The Road Program List was reviewed, with the following comments: Mr. Van Horn said that the real problem area was Mountain to Mountain Church (not Snyderstown to Mountain Church), adding that the gravel is already coming out of the holes. Mr. Miller asked if Mr. Silverthorn believed the list was accurate. Mr. Matheny explained that the DPW Superintendent usually looks at the amount of money he has in the budget and decides what projects that can be done with the allocated funds. Mayor Wang-Iverson reiterated the importance of accurate numbers. Deputy Mayor Sageser spoke about a recent discussion on some road conditions with the possibility of using Portland cement or calcium chloride on dirt portions of roads. Committee members made further comments about having Mr. Silverthorn determine what he could be able to accomplish with \$500,000. Ms. Pasqua agreed that funding this amount would be available in next year's budget, but she could not comment on finding this type of funding in future budgets. Mayor Wang-Iverson again commented on the numbers not being accurate and off by a factor of 2 in some cases.

Deputy Mayor Sageser asked if the figures on the sheet represented work to be done by the DPW; Mr. Matheny said no. The DPW does not have the equipment for overlay or reclamation. The \$75,000 that will come out of the capital budget will be used for sections and pieces of work, e.g., if a company is hired for road work, the DPW may do the edges of the road and thus be a cost savings to the Township. It was concluded that DPW Superintendent Silverthorn be asked to determine what work he can do with \$500,000 and to make sure that all the projects are on the list.

Ms. Pasqua said that the next page in the handout was information on the two capital requests from the DPW, i.e., the salt barn and the chipper.

A sheet entitled Bond Anticipation Note Projections was discussed next. Ms. Pasqua explained that the oldest notes were \$550,000, which would have to be permanently financed in 2018. There is also a farmland bond in the amount of \$190,000 that has to be paid down or rolled

together with the \$550,000. Ms. Pasqua would like to pay off the notes for the tractor/boom mower and the dump truck within the seven year notes without going into permanent debt. The payment for the notes will be \$58,000 per year rather than \$40,000 a year, plus interest costs, to increase the amount to \$65,000 per year.

On a question from Mr. Van Horn regarding \$42,000 for payment for farmland notes, Ms. Pasqua reiterated that 92% of the permanent bonds are for open space; she added that \$400,000 was used to pay for open space bonds last year with \$360,000 covered by the operating budget. Some discussion took place about the amount in the Open Space Trust Fund, noting that it took a hit with the revaluation. Mayor Wang-Iverson said that this would be a discussion for next year and the possibility of a ballot question for an increase. On a question from Deputy Mayor Sageser, Ms. Pasqua thought that an extra cent would be equivalent to \$50,000-60,000. Mr. Van Horn noted that Hopewell tried to pass a question for a one cent increase last year, which was defeated.

The final page of the handouts showed the long term financing. Mr. Miller asked about the interest rates on the bond anticipation notes; Ms. Pasqua said it was 1.25 the year before, .65 this year, and she estimated 1.25 next year. This page also showed the debt with the current bonds and with the refunding bond to be issued, with an anticipated reduction in debt.

Ms. Pasqua also noted that a new bond ordinance may be introduced in 2017 or 2018 to combine farmland debt, roads, and the truck. Deputy Mayor Sageser asked about "co-mingling" land and equipment in a bond; Ms. Pasqua provided information on life expectancy of 40 years for land and 20 years for roads.

Ms. Pasqua again stated that she would be preparing an ordinance for road work for the October meeting. She also mentioned a pension problem with one of the employees that will affect the budget. Fines will be assessed for the late enrollment (7 years), and Ms. Pasqua explained the issues with the employee being in the DCRP program as part-time, going into PERS, then having to leave PERS when she went back to part-time again. Ms. Pasqua has been working for a year on this problem, and it is unclear whether the fines will be levied this year or next; it may be a \$5,000-10,000 expense.

Mr. Mathews arrived at 6:35 p.m.

Ms. Pasqua made some comments and answered some questions from the Township Committee, as follows: the current debt service for 2016 without the refunding bond is \$557,474; with the refunding bond, it will be \$539,178 with an annual savings of \$18,296. There will be a Moody's rating conference on Friday; the current rating is AA2. Mr. Miller asked if there were any more ordinances to cancel; Ms. Pasqua detailed some of them, including \$14.00 on the radar sign, \$5,000 on the roller; \$600 on the mower, and some others which she will cancel when the final bills come in (i.e., barn renovations, dump truck, etc. Committee members agreed that new sources of revenue were needed.

Mayor Wang-Iverson thanked Ms. Pasqua "for a great job!"

OPEN TO THE PUBLIC

Frances Gavigan, 123 Wertsville Road, spoke about living in East Amwell for 20 years and unique circumstances and local conditions, including dirt roads with giant boulders and challenges in paving or stabilizing the roads. She mentioned underground water on Rocktown near Russells with Hunterdon County providing pipe work. She believed that there were similar conditions on Zion and Ridge Roads.

Rather than paying the Township Engineer for assistance on the road projects, Ms Gavigan suggested going to the Hunterdon County Roads and Bridges Department for design and review, which she believed that they may do as a shared service. She added that an engineer, Jim Martin, lives in East Amwell, and Hunterdon County engineered a section of the Village area. She believed that they would provide more cost effective ideas for the Township, including Stony Brook Road assistance.

Ms. Gavigan mentioned three properties within 1000 feet of hers that were auctioned. She thought that information on property value trends and income to be projected should be factors to consider when planning the budget for next year. She recommended talking with the Tax Assessor and others.

Ms. Gavigan asked where the Township planned to get money for budget items, asking about a property tax increase. Mayor Wang-Iverson said that it was too soon to say, adding that Ms. Pasqua is just starting to work on the operating budget.

Ms. Gavigan asked about mowing at Clawson Park with money coming from the Open Space Trust fund; Mayor Wang-Iverson said that the DPW does the work but the work is charged to the Open Space Trust Fund. Ms. Gavigan commented on a "pea under the shell" with respect to the Open Space Trust Fund money going to open space or other areas. She asked for transparency and candor.

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

ADJOURNMENT

There being no further business, motion by Mr. Van Horn, seconded by Mr. Mathews, and carried unanimously to adjourn the meeting at 6:50 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk