

**CALL TO ORDER**

**SALUTE TO THE FLAG**

**Sunshine Statement:** Be advised that proper notice has been given by the Township Council in accordance with the sunshine law in the following manner. Notice advertised in the Burlington County Times and Camden Courier Post on December 23, 2010 and posted on the bulletin board on the same date.

**ROLL CALL:** Mrs. Kolodi, Mr. Schwartz., Mrs. Reed, Mr. Catrambone and Mr. Morrow were present.

**ALSO, PRESENT:** Mr. Paris, Mayor, Mr. Coluzzi, Solicitor, Mr. Hatcher, Administrator and Ms. Eggers, Municipal Clerk.

Mr. Schwartz made a motion seconded by Mr. Schwartz to approve the minutes for April 6, 2011, April 20, 2011 and April 26, 2011.

There being no questions, the roll was called.

Mrs. Kolodi, Mr. Schwartz., Mrs. Reed, Mr. Catrambone and Mr. Morrow voted aye.

Ayes: 5  
Nays: None

**RESOLUTIONS ON CONSENT AGENDA**

Resolution 2011-63 Releasing Zoning Board Escrows

Resolution 2011-64 Cancelling Sewer Service Charges for 109 Foxglove Drive

Resolution 2011-65 Authorizing the Public Works Department to take the necessary actions to have the grass cut at various properties

Mrs. Reed made a motion, seconded by Mr. Catrambone to adopt the resolutions.

There being no questions, the roll was called.

Mrs. Kolodi, Mr. Schwartz., Mrs. Reed, Mr. Catrambone and Mr. Morrow voted aye.

Ayes: 5  
Nays: None

Motion Approved

**MOTIONS**

Mrs. Reed made a motion authorizing the payment of bills including all purchases made under the Cooperative Purchasing Agreement. The motion was seconded by Mrs. Kolodi.

There being no questions, the roll was called.

Mrs. Kolodi, Mr. Schwartz., Mr. Mrs. Reed, Mr. Catrambone and Mr. Morrow voted aye.

Ayes: 5  
Nays: None

Motion Approved

Mr. Schwartz made a motion, seconded by Mrs. Reed to accept the report of the Tax Collector/CFO and the Township Clerk.

There being no questions, the roll was called.

Mrs. Kolodi, Mr. Schwartz., Mrs. Reed, Mr. Catrambone and Mr. Morrow voted aye.

Ayes: 5  
Nays: None

Motion Approved

Mrs. Reed made a motion granting the mercantile licenses listed below. The motion was seconded by Mrs. Kolodi.

1. Rob's Garage, 150 A-1 Carriage Lane
2. Advanced Logistics Concepts, 1812 Underwood Blvd., Unit 2

There being no questions, the roll was called.

Mrs. Kolodi, Mr. Schwartz., Mrs. Reed, Mr. Catrambone and Mr. Morrow voted aye.

Ayes: 5  
Nays: None

Motion Approved

## **REPORTS**

**Mr. Hatcher** – Mr. Hatcher reported that one of the resolutions tonight was to approve Public Works to begin to arrange getting the grass cut at certain properties. There are also thirty other properties we are monitoring. The contractor believes it will take about a week for them to work on the properties we approved tonight. Mr. Hatcher asked that if anyone knows of a property not being maintained that they please report it to the Township.

Mr. Hatcher stated that we received a letter from the County that the CDBG grant, which the Township applied to for the repaving of Roland Avenue and accessibility improvements on Echo Court, has been endorsed by them and sent to HUD for approval. There was about a 16% reduction in the grant, we should receive approval in July or August.

**Mr. Coluzzi** – No report.

**Mr. Bauer** – Mr. Bauer, Fire Commissioner, report that they had an incident on Chester Avenue, which was a structure fire. They were able to maintain it to the bedroom. It was electrical in nature and the problem turned out to be larger than they believed and PSE&G had to shut down power. Other than that, they had the basic alarms.

Mr. Paris stated that he would like to thank Chief Devlin for his service. He is leaving the position of Chief and asked that Mr. Bauer passed on their appreciation.

Mr. Schwartz asked if Mr. Bauer could assist him in an issue on the Green Acres property that sits between Main Street and Arch Street. He reached out to the State Forestry that oversees that property and has not heard back.

Mr. Bauer stated that he will have Walt Bauer place a call tomorrow and report back to him.

**Mr. Catrambone** – Mr. Catrambone stated that we certainly need cooperation from the residents in reporting properties in need of help.

Mr. Catrambone also asked that everyone mulch their grass clipping instead of bagging them, which is a tremendous cost to the Township.

Mr. Catrambone stated that he understands there are many residents here tonight to discuss the sewer increase and we have brought our professional here to help with the questions.

**Mr. Schwartz** – Mr. Schwartz thanked the residents along River Drive that attended the last work session to discuss the flooding issues. He will stay in contact with them and update the progress.

Mr. Schwartz stated that he is very happy about the grant funds we are receiving for Roland Avenue.

Mr. Schwartz stated that he has also received concerns from residents regarding the sewer. Staying in contact with the residents helps him to make decisions on Council.

**Mrs. Kolodi** – Mrs. Kolodi stated that she has received complaints about residents putting their trash out too early. She reminded residents to put the trash out on their scheduled days.

Mrs. Kolodi reminded everyone that this weekend is Memorial Day and asked that people remember the service of our Veterans.

**Mrs. Reed** – Mrs. Reed thanked Council for their support and for the appointment to Council. She will continue to bring the same passion that Mr. Moran brought to this Council. She is looking forward to serving the community.

**Mayor** – Mr. Paris thanked Mrs. Kolodi for the greyhound benefit she held over the weekend.

Mr. Paris stated that the roads we are looking at this year are Third Street, Parry Road and Swedes Run from Conrow to Patricia. Moreland and Yansick Drive will also be completed this summer with grant funds.

Mr. Paris reminded everyone that Relay for Life is Friday, June 3<sup>rd</sup>.

Mr. Paris stated that when we cut our lawns we also need to remember to clean the clippings from the streets.

**Mr. Morrow** – Mr. Morrow thanked the residents who invited him into their homes to discuss the increase in the sewer bill.

Mr. Morrow stated that we have two of our professionals here tonight from our auditing firm Bowman & Company, Tim Kiel and Bob Marrone. Mr. Morrow asked that when he open the meeting to the public that you state your name and address for the record.

## **PUBLIC PORTION**

Mr. Schwartz made a motion, seconded by Mrs. Reed to open the meeting to the public for any questions. All were in favor, the motion was approved.

Mickey Mastil, Ridgewood Avenue, stated that when he was on the Sewerage Authority they were able to meet all state mandates and lower rates twice in five years.

He told Council that they would take this over and then raise rates. He asked if Council is spending this money on non-sewer business.

Mr. Catrambone stated absolutely not.

Mr. Mastil stated that someone placed an article in the paper stating that the Authority was to blame for the increase.

Mr. Paris stated that he has said this before and will say it again that the funds were mismanaged.

Mr. Mastil disagreed.

Mr. Catrambone asked Mr. Mastil if there were any connection fees while he was on the Authority. Mr. Mastil stated yes.

Mr. Catrambone stated that connection fees decreased with the previous Authority. Mr. Catrambone stated that if Mr. Mastil felt that, he was being attacked in the article he was not. It was well after his tenure on the Authority. On July 14<sup>th</sup> when we took over the Authority, there was negative \$800.00

Mr. Mastil asked why we took it over then.

Mr. Paris stated that it may not have been the best decision politically but we wanted someone to be held accountable.

Mr. Catrambone stated that if we wanted to do what was best for us we would have let the Authority run it into the ground and then take it over. Instead, we were alerted to the way they were spending money and we asked them when they went from 2.8 million at the end of 2008 to 1.6 million at the end of 2009, when is it enough. We were told that this was enough. Then when they handed over the Authority to us on July 14<sup>th</sup>, we were in the negative \$800.00. Mr. Catrambone stated that he has been watching the Authority since 1998 and what has happened was that the income was going down but the spending remained the same. In the first budget that we had, we reduced the spending by \$200,000 but it was not enough. We could either take money from the Township to balance the budget or increase the sewer rates to offset the cost to run the department. The previous Authority continued to spend money as if they were getting the same interest income and the same connection fees that were not there. It was not their fault that the money was not coming in but it was their decision to not decrease spending and to not increase rates.

Frances Parento, Tenby Chase Drive, asked why Council increased the rates 25% and then hit the residents with an excess charge. She stated that no one has received an increase in Social Security for two year, yet we can justify a 25% increase. No one has that kind of money. She stated that they must all hate senior citizens.

Mr. Catrambone stated that we had to balance that budget. If the rates had increased slowly over the last few years the increase would not have been as much.

Fred Wasik, Sylvan Court, stated that his rate went up 100%. His bill went from \$130.00 to \$240.00 a quarter. He stated that he understands that the usage is based on January, February and March, but two of those months his billed were estimated. He asked how we can bill on an estimate.

Mr. Hatcher stated that we have not changed the process on how the bills are based. The only thing we did was reduce the minimum usage. We ask that anyone who has extenuating circumstances to provide an explanation in writing and we will look into it.

Mr. Wasik does not feel we should base the rate on last year's usage when things change. We also questioned using an estimated bill.

Mr. Morrow stated that in order for us to get this budget workable we had no choice but to increase the rates.

Mr. Catrambone stated that historically January, February and March have been the most consistent three months. They are also the historically, the lowest. Mr. Catrambone stated that his bill being estimated is a unique situation.

Mr. Wasik stated that most of the NJ American bills are estimated in those months because they can not get out to read the meters. It catches up on the water end once, they get out to read the meter but a credit is not given for sewer.

Mr. Morrow stated that if the rates had been raised the last two years then maybe the increase would not have been so large. The only silver lining is that there is a huge debt service that will be paid off in 2013 and 2014. When that is done, things can get back to normal. We will also be reviewing all contracts at the end of the year. In order to run this department we had to do this, it was not something we wanted to do.

Mr. Paris stated that we were all surprised when the final audit came in, we were all surprised at the numbers.

Mr. Schwartz stated that it is very unnerving to him that the bills are being based on an estimated reading. He feels that there needs to be communication between the Township and NJ American Water Company. He does not feel that just because it is winter time that is an excuse not to read meters.

Mr. Hatcher recommended that we allow the Auditor to make the presentation, because some of the questions people may have will be answered.

Bob Marrone, Township Auditor, stated that last year when he held the public meeting on the dissolution we felt there would be a need for a rate increase. Going back to 2002 connection fees and interest income was helping to hold off increases. From 2007 to the present, both of those revenue streams were very low. During those years expenditures continued to go up. The Township could go through each category in the audit to determine how much was spent in each category and on what items. They only separated them by operating and non-operating. All the expenses prior to July 14, 2010 were under the Authority. One difference between an Authority and the Township is that the Authority works on an accrual basis and the Township works on a cash basis. There is some distortion on the final audit of the Authority because the debt payment takes place in the beginning of the year. At the end of 2010, we are looking at a surplus of \$105,799. If everyone looks at the sheets handed out tonight, you can see that the expenditures far out ways the revenues coming in. Because the Township works on a cash basis, we can only use the revenues that we collected to balance the budget. You can not go any higher unless rates are increased. Expenditures were cancelled at the end of 2010 to help balance the budget.

Mr. Catrambone asked whether the basis for which the Authority used to adopt their budget was an acceptable practice.

Mr. Marrone stated that the practice is required. Whatever the Authority billed on an annual basis was their revenue.

Mr. Kiel stated that the sheets handed out tonight show the expenditures that went over the budget.

Mr. Catrambone stated that over the years they continued to use their surplus to offset any increase.

Mr. Schwartz stated that the previous Sewer Authority Chairman stated that the surplus was \$1.4 million in January of 2010. He asked what happened to that money from January 1, 2010 to July 14, 2010.

Mr. Kiel stated that the surplus is made up of two things. First, is the unrestricted net assets and the second is \$500,000 that is required to be set aside for the Authority to issue bonds. The \$500,000 is still in place and can only be used to make debt payments if there was an emergency. The other one million dollars mostly went to the 1.1 million dollar debt payment.

Mr. Catrambone stated that he believes the 1.5 million was in the unrestricted funds. Mr. Catrambone stated that he believes those funds went to items that they spent cash on instead of bonding for the purchase.

Mr. Marrone stated that it is more costly for an Authority to bond and it may have been recommended at the time to use cash.

Mr. Catrambone stated that the Authority also continued to anticipate \$100,000 in investment income even though in previous years it was half that amount. Mr. Catrambone stated that there has been some cost of a forensic audit. He asked Mr. Marrone to explain what that would entail and the cost.

Mr. Marrone stated that it would be very costly. We have access to the Sewer Authority's information for the past few years. You could look at each category to determine how the money was spent. A financial audit is not 100% of all transactions. In order to do that it would take a tremendous amount of time. If we wanted to begin to into this, we could start with the areas that had a big increase over the last few years. The Township could look at some of the information in house. During they audit there was nothing to indicate fraud of any kind.

Mr. Paris asked if Mr. Marrone felt that it would be something that we should look at or does he feel satisfied with the information in the audits.

Mr. Marrone recommended that we compared previous audits to determine if something looks off. That is something that would not take a tremendous amount of time. If those numbers appear to be accurate, he would not want the Township to waste their money.

Mr. Catrambone stated that he feels all that we would find is that the money was spent on Sewer Authority operations. Even if we perform a forensic audit, we are not going to get that money back. No money was spent illegally; they just spent more than they were bringing in. If they would have raised the rates slowly then the increase may not have been as large. When the Authority became part of the Township the ship had already sank and we have no choice but to raise the rates.

Frank Cerreto, Aqua Lane, asked how much money the new rates will bring in.

Mr. Kiel stated approximately \$677,000.

Mr. Cerreto stated that the Township took over the Authority under the assumption that it was operating efficiently. Mr. Cerreto asked how many employees work in the Sewer Department and what the cost is for pensions.

Mr. Hatcher stated that ten employees are in the department and the bill is \$69,000.

Mr. Cerreto asked if that cost goes up every year.

Mr. Hatcher stated that this is our first year but yes, the pension costs have been going up.

Mr. Cerreto stated that he just does not understand the need to double the rates.

Mr. Catrambone stated that the rates did not double. Some residents were more affected than others were but there will always be issues.

Mr. Paris stated that if we would have taken the funds out of the Township budget then it would have affected the municipal budget.

Frank MacWilliams, the owner of the BP Carwash, stated that he has a unique situation. He feels he is being overcharged for 180,000 gallons based on his total water usage in 2010, which is a large amount of money. He stated that in other municipalities where he has other businesses, they use the total year's usage. January, February and March are very busy times for him.

Mr. Paris requested that he send a letter to Mr. Hatcher explaining the issue and we will look into this.

Mr. MacWilliams also stated that we based the usage on ninety-two days, which bills him for an additional 16,000 gallon on a quarterly basis.

Mr. Catrambone stated that he should write the letter and Council will take a look at this.

Patrick Augello, Firethorn Lane, stated that after listening tonight he can understand the need for the increase. What he would like to hear now is what the plan is so this does not happen again. He asked if the pension is through the state and if Council has any control.

Mr. Hatcher stated that it is a state pension system for public employees and we have no control over the system.

Gail Noe, Ashley Drive, stated that she has also been hit with estimated bills from NJ American Water Company.

Mr. Hatcher stated that she should submit a letter for Council to review and also provide her water bills from January, February and March of 2010.

Mr. Catrambone stated that we need to get accurate numbers from the water company.

Mr. Coluzzi stated that it is important for us to remember that some things may be outside of Council's control.

Andrew Tomosky, Chester Avenue, stated that it seems to him that we may want to base the sewer bill on an entire year's usage.

Mr. Paris stated that we followed the same procedure as the Authority but we can look at it.

Mr. Tomosky asked where the Sewer Authority members are now and where were the people watching over them.

Mr. Catrambone explained that Sewer Authority Board was an autonomous Board. They were the only body that could tax and spend the way they wanted. That was the reason that we abolished them.

Mr. Morrow recommended that the residents attend our Council meeting.

Mr. Paris stated that the big reason we took this over was accountability.

Mr. Catrambone stated that he took an opportunity to review the Sewer Authority bills for 2009 and 2010. Nothing seems to stand out. Even if they spent the money to get rid of it before we took over, there is no way to prove that. We may not agree with their methods but nothing was done illegally.

Jackie Stone, Chester Avenue, asked Mrs. Reed if she was an alternate for the Sewer Authority and if she knew what was going on.

Mrs. Reed stated that she was an alternate and she did not know what has going on.

Jackie Stone asked Council if they knew she was an alternate of Sewer Authority, why they appointed her to Council.

Mr. Catrambone stated that Mrs. Reed was the one that alerted them that they were spending cash on the jetter truck. She was their eyes and ears on the Sewer Authority for the last 9-10 months of their existence.

Jackie Stone asked how long she served on the Authority.

Mrs. Reed stated that she was appointed in July 2009 and served until July 2010.

Pat Pomeranz, Alden Avenue, stated that in regards to the comments of where the Authority members are now, Harry Fox, the past Chairman is here tonight. She also thinks that most people do not understand the difference in the accounting system. If you look at the paperwork handed out tonight, 2009 shows a negative \$507,000. That is the same audit that shows that the Authority 1.5 million to the good. She wanted everyone to know that the numbers were adjusted for a cash basis. Looking at the numbers, there is not something that jumps out. She feels that they would have raised the rates in 2010 but she can not anticipate the amount. She stated that based on the minutes Council began to put checks and balances with the Authority back in 2009.

Mr. Catrambone stated that we tried to put those checks and balances in place but it does not always work.

Mr. Catrambone asked the Auditors if we had any choice other than to raise the rates.

Mr. Kiel stated that they did not.

Pat Pomeranz stated that she does not disagree that rates had to be raised. Her only concern is the accusations that something wrong went on.

Mr. Catrambone stated that he has made it very clear that they do not believe anything was done illegally. Hopefully, we can keep the rates on an even keel until we see the relief from the debt service.

Pat Pomeranz stated that she also received estimated water bills. Even with the estimated bill, she still falls under the minimum for sewer and feels some other residents may find themselves in the same position.

Beth McKnight, Foxglove Drive, stated that she wanted to thank Mrs. Kolodi for reminding everyone about Memorial Day. She is a veteran herself. Beth McKnight stated that in regards to the grass clippings being in the street, Summerhill Drive is a mess. There are bushes in the street. Beth expressed her concern of the cost of the sewer bill. She is a single parent living in a low income unit. She lives pay check to pay check and she just lost her job. She just can not do it anymore. Some people may think twenty dollars is not a lot but for her it is. She is afraid she is going to end up homeless. She can just not understand the double digit increase.

Harry Fox, Clay Street, stated that the cost of the jetter truck was 293,000. That was the amount for which the Authority spent cash. Mr. Fox stated that he just wanted to reiterate that audit in 2009 showed 1.5 million dollar surplus. Most of the money was spent on their five year capital plan. Mr. Fox stated that in response to the sinking ship, he feels when Council began discussing taking over the Authority in 2008 they had 2.8 million dollars in surplus. In 2009, they had 1.5 million and Council was aware of that number. He does not feel it was a sinking ship. In his opinion, it would not have been as much of a dire situation if

it was still under the Authority's system. That is one reason why he feels we should not have dissolved the Authority.

Anthony Ogozalek, Main Street, stated that he is a previous Sewer Authority member and also a previous Councilman. He enlightened residents on how funds were spent during his tenure on the Sewer Authority. There were many mandates by the state they were required to fix and it was very costly.

Mr. Catrambone made a motion to close the meeting to the public, seconded by Mrs. Reed. All were in favor, the motion was approved.

Pat Pomeranz, Alden Avenue, asked what can be done about vines growing onto her property.

Mr. Coluzzi stated that she can cut back what is growing onto her property. If it is a health hazard to the residents then Council may be able to take action.

Mr. Hatcher asked her to report the address and we will inspect the property.

Mr. Catrambone made a motion to close the meeting to the public, seconded by Mrs. Reed. All were in favor, the motion was approved.

Mr. Hatcher also stated that since we took over the Authority, the Chief Financial Officer has been out sick and we also had a Sewer Department employee miss a significant amount of time. He stated that two employees, Sandy Craft and Joanne Fenimore, are here tonight have done a tremendous job through this process and he wanted to recognize them tonight.

Mr. Schwartz made a motion, seconded by Mrs. Kolodi to adjourn the meeting. All were in favor, the meeting adjourned.

Submitted,

Jamey Eggers  
Municipal Clerk