

The Brick Twp. Municipal Utilities Authority
Minutes of a PUBLIC MEETING Held on October 24, 2016

1. SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. OPENING STATEMENT

Ms. Sylvester advised, *"This meeting is being conducted pursuant to the Open Public Meetings Act, being Chapter 231 of the Laws of 1975. In accordance with the requirements of this law, a Meeting Notice was published on February 5, 2016, in the Asbury Park Press. Similar Notice was given to the Clerk of the Township of Brick and placed on the bulletin board maintained for this purpose by the Authority."*

3. ROLL CALL

Commissioners Present

James Fozman
Gregory M. Flynn
Thomas C. Curtis
George Cevasco

Commissioners Absent

Susan Lydecker
Maria Foster

Also Present

Chris A. Theodos
Stephen T. Specht
Joseph Maggio
John Clifford
Gary Vaccaro
Marie Sylvester
Nick Montenegro, MUA Legal
Chuck Fallon, MUA Auditor
Sue Brasefield, MUA Engineer
William Mayer, Bond Counsel
Siamac Ashfar, Acacia Financial

Chairman Cevasco stated, "At this time I would like to bring up Mr. Mayer and Mr. Ashfar to discuss the bonding issue."

Bill Mayer stated, "You have before you I hope a resolution authorizing the issuance of \$43,500,00.00 of the Authority's bonds. It's in two series. The first series is \$26,500,000. The Authority has \$14.5 million worth of project bonds coming due December 1. The point of this is to refund the Series A bonds and finance approximately \$10 million in additional capital projects for the Authority. There is a rather long list of projects. The two that the Chairman of the Local Finance Board notices was the generator project and the Exit 91 project water main project. The second Series B bonds is for a current refunding of the Authority's 2006 bonds. We authorized \$17 million in bonds for that purpose. It refunds \$15.5 million of the Authority's outstanding 2006 bonds. If the market holds where it is – this is a very much in the money refunding. Siamac is with Acacia Financial Group and I asked him to come join us tonight. He has been all over the numbers that have gone around, but the simple part of tonight is we are authorizing the issuance of bonds. You are providing for the Authority Chairman, Vice Chairman and CFO to sign a purchase contract on those bonds with PNC Capital Markets. Siamac did a vetting RFP process for the underwriter and we recommend PNC Capital Markets. It approves an escrow deposit agreement and entering a disclosure agreement. Continuing disclosure is a topic I can go on and on about, us bond lawyers love it, but you do have to file annual reports now and we are in

good shape with that Authority wise. We are hoping to finalize a Preliminary Official Statement. I know staff has been looking at that. There has been a draft that has gone around. We have a call in on this coming Wednesday that maybe you are aware of Mr. Chairman. It is what we call a due diligence call. Assuming all goes well and this is adopted, we will then proceed to finalize the preliminary Official Statement. Ms. Sylvester is publishing a notice in Wednesday's paper, what they call at 20 day notice. After that 20 days we expect to sell the bonds and close on that bond issue by December 1 or November 30th more than likely in time to pay off the \$14.5 million with the notes. I was speaking to Mr. Montenegro and Mr. Fozman, we will be asking if it is ok with you Mr. Chairman, the Township to consider a resolution. There has been a long term service contract between the Authority and The Township which does provide in the eyes of the rating agencies and the bond markets some additional security for the Authority's bonds. With that now comes an obligation that they also have to file an annual report on what they call EMMA. That is the MSRB's website where you can now find all your own financial information and any other public entities information. I met John on Wednesday at the Local Finance Board meeting and Chuck was there as was Siamac, and we did receive positive findings from the Local Finance Board on this financing."

Siamac Ashfar stated, "The Chairman was particularly supportive of the projects that Bill mentioned."

Mr. Mayer continued, "It went well and we expect the rest of the process to go well. We expect that you're meeting on November 28th that the Chairman will be able to report to you on the results of the sale and things will be going well. That might actually be a good time to have documents signed since you will all be together, but if you have any questions that is why we are here."

Comm. Flynn stated, "I have a question about the rates. You are assuming the rates are going to go down with the new bonds?"

Mr. Mayer responded, "Oh yeah. Well the refunding will certainly. We won't do it if the rates don't go down. That is a factor of two things, the current interest market rate is very favorable so you are also when you issued those bonds back in 2006 there was a 20 year maturity, so it is now closer to maturity. The bonds that are going to be refunded are..."

Siamac stated, "They bear between four and a quarter and five percent coupons. We expect to refund them with yields in the 2% range. We are looking at about 2 million in net present value savings in today's dollars over the course of 12 years that the bonds remain outstanding. It jumps around a little bit in the first couple of years because of the structure of the bonds. In 2019 it's \$70,000, but every other year it is about \$220,000 in savings. That is based on market rates as of last week. By the time we get to market obviously it has moved and that can change a little bit but we don't think it will change substantially. Right now it is at 13% savings of the par amount that we are refunding. Generally the metric of whether or not you do a refunding is 3% so this is very strong."

Chuck Fallon stated, "The new bonds will add approximately \$2.5 million of debt service to our annual debt service. Fortunately because we are paying off other bonds this year our debt service is reducing by 3.5 million so that is going to be a net positive of \$1 million. Timing, whoever and I assume it was someone at the Authority who engineered this the timing was right."

Mr. Mayer closed by stating, "It's very attractive and it's good to go."

Mr. Ashfar stated, "The combination of the new money and the refunding at the same time works very well in your favor."

Chairman Cevasco stated, "Yes that was Director Planko who has since retired. That was his feelings in the beginning of the year to do that which was a good move. Any other questions. Seeing none. Thank you very much."

4. Adoption of Directors' Reports

Comm. Curtis asked, "On the financial report, Chuck the question I asked you before, where is it shown the interest on the CD's? Where is that rolled over to?"

Director Clifford stated, "We are actually still soliciting bids. We have a deadline of Wednesday morning for that. I actually just got one in the in box that was pretty nice."

Chuck Fallon asked, "Well I think his question is more what the Authority shows here in this memo. Just the maturities, it doesn't show how much interest you are earning."

Comm. Curtis asked, "Where is that captured so I can look at that on a monthly basis?"

Mr. Fallon stated, "I don't think it is captured in his report."

Director Clifford stated, "If you'd like we can provide it to keep you up to date on what we are getting."

Comm. Curtis stated, "Well every month I see it come in I just wondered where the interest goes. That is what I was looking for."

Director Clifford stated, "When the money comes back to us after maturity, it flows back through TD and then goes to our revenue account and then we put the principal amounts back out, but we are collecting that interest as we go."

Comm. Curtis stated, "Ok so somewhere this is written down where you can actually look at it."

Director Clifford replied, "Yes. You should be able to pull a report right from our Dynamics System."

Comm. Curtis stated, "Yes because every month they are rolling over and rolling over, but you never see the dividends roll."

Director Clifford replied, "We can make that a component of the report if you'd like."

Chairman Cevalco agreed, stating "That might not be a bad idea."

Comm. Fozman made a motion to adopt the Directors' Reports. Seconded by Comm. Flynn.

AYES: Comm. Flynn, Curtis, Fozman, Cevalco
NAYS: None
ABSTAIN: None

5. APPROVAL OF MINUTES

Comm. Fozman made a motion to approve the minutes of the September 26, 2016 regular Meeting. Seconded by Comm. Flynn.

AYES: Comm. Flynn, Curtis, Fozman, Cevalco
NAYS: None
ABSTAIN: None

6. CORRESPONDENCE - None

7. BILL RESOLUTION

Comm. Flynn read the Bill Resolution dated October 24, 2016 in the total amount of \$2,185,992.90 as follows:

Total Operating Vouchers:	\$	686,179.55
Total Payroll:		1,236,130.10
Total Capital Vouchers:		263,683.25
Escrow:		- 0 -
Total Bill Resolution	\$	2,185,992.90

Comm. Curtis made a motion to approve the Bill Resolution. Seconded by Comm. Fozman

AYES: Comm. Flynn, Curtis, Fozman, Cevalco
NAYS: None
ABSTAIN: None

8. TREASURER'S REPORT

Comm. Curtis read the Treasurer's Report balances for the month ending September 30, 2016 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$	18,715,608.94
Total General Funds:		3,653,224.29
Total Unrestricted Funds:		22,368,833.23

Restricted Funds:

Rate Projection Maintenance Fund:	2,503,356.08
Working Capital Fund:	462,854.21
NJEIT Processing Fund:	1,033,485.61
Series 2015A/2016A Project Bonds:	2,753,415.09
Total Bond Funds:	10,363,689.63
Total Other Restricted Funds:	1,536,213.33
Total Restricted Funds	18,653,213.33
Total of All Fund Accounts:	41,022,046.56

Comm. Fozman made a motion to approve the Treasurer's Report. Seconded by Comm. Curtis

AYES: Comm. Flynn, Curtis, Fozman, Cevalasco
NAYS: None
ABSTAIN: None

9.1 Preliminary Applications - No Further Action Required

2187 Mr. Joseph T. Gass, III, Minor Subdivision – Ashland Street off Van Zile Road, Preliminary, NFA, 3 Residential Units

Director Specht advised, "We have one application at tonight's meeting, it is a preliminary application with no further action required. It is 2187. The applicant is Joseph T. Gass, III for a minor subdivision of Ashland Street which is off of Van Zile Road. It is for three residential lots. There is an existing 8" PVC sewer main in the street as well as a 6" diameter ductile iron water main in the street and only taps will be required to service these three new residential lots. The only other thing that has to be done is they have to shift a fire hydrants which sits basically in the middle of the lot to the property line and the developer will have to do that also and I would recommend approval."

Comm. Curtis made a motion to approve this action. Seconded by Comm. Flynn

AYES: Comm. Flynn, Curtis, Fozman, Cevalasco
NAYS: None
ABSTAIN: None

9.2 Other Applications - NONE

9.3 Release of Performance Bonds – NONE

10. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

11. CUSTOMER ACCOUNTS RECONCILIATIONS - NONE

12. CONTRACT CLOSE-OUTS - NONE

13. AUTHORIZATION TO EXPEND APPROVED FUNDS - NONE

14. AUTHORIZATION TO SEND OUT BIDS, RFQ'S & RFP'S - NONE

15. EXEMPT SESSION

At this point in the meeting, Chairman Cevalco advised that he will hold off on Exempt Session until a bit later in the meeting.

16. ADOPTION OF PERSONNEL ACTIONS

Comm. Fozman made a motion to adopt the Personnel Actions. Seconded by Comm. Curtis.

AYES: Comm. Flynn, Curtis, Fozman, Cevalco

NAYS: None

ABSTAIN: None

17. OLD BUSINESS

18. NEW BUSINESS

18.1 2017 Public Meeting Schedule

Chairman Cevalco stated, "Under New Business I wanted to do this last year, but I was talked out of it by Mr. Planko, What I would like to do is instead of the Fourth Monday of the month push the meetings to the fourth Tuesday of the month because we get our packages late. Some of us just got the finance stuff in the mail today and it would give us a bit of extra time to if there are any questions with respect to that because I know sometimes schedules are tight on Monday so if we could consider doing that for the agenda for the reorganization meeting."

Comm. Fozman stated, "I have a problem with Tuesdays. Two a month. Sometimes they interfere. Can't you get the report prepared a little earlier?"

Director Clifford stated, "This particular month we were a little bit delayed because Debbie's Dad passed away and we were a little bit behind it getting it assembled."

Chairman Cevasco stated, "That is something we can talk about between now and then because you don't have a meeting on every fourth Tuesday."

Comm. Fozman stated, "Not all the time but sometimes like this month a couple of times during the year it will affect me. How quick can you get out the papers to us if you're running normally?"

Director Clifford stated, "Normally they are due on Thursday morning."

Chairman Cevasco stated, "Well we have until February to talk about it and throw it out there so it is on the table and not a surprise come February."

18.2 Reservoir Requests

- a. Wedding: Michael Davis
Date: Saturday, October 22, 2016 from 1:00 p.m. to 3:00 p.m.
Special Needs: None
No of Participants: 15

Director Specht advised, "This was approved via an email I sent to the Board for Mr. Michael Davis. This is just to confirm this special use permit. His actual wedding date was Saturday Oct. 22nd from 1-3 and talking to Mr. Duckworth he went through with it. It wasn't raining too badly at the time he had the wedding so we just want to memorialize that tonight."

Comm. Curtis made a motion to approve this action. Seconded by Comm. Fozman

AYES: Comm. Flynn, Curtis, Fozman, Cevasco
NAYS: None
ABSTAIN: None

19. RESOLUTIONS

82-16 SUPPLEMENTAL RESOLUTION OF THE BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF AN AMOUNT NOT TO EXCEED \$26,500,000 OF REVENUE BONDS, SERIES 2016A, AND NOT TO EXCEED \$17,000,000 OF REVENUE REFUNDING BONDS, SERIES 2016B, DETERMINING CERTAIN DETAILS RELATED THERETO, AND SUPPLEMENTING THE AUTHORITY'S GENERAL BOND RESOLUTION ADOPTED OCTOBER 23, 1985, AS AMENDED AND SUPPLEMENTED

Chairman Cevasco stated, "Well we've already gone through with Mr. Mayer and Mr. Ashfar with respect to the bonds so unless there is any other questions I would like to have a motion and second on 82-16 please."

Comm. Flynn remarked, "Just one question, on the bonding, a lot of the projects are already built into this, we are utilizing where we can and that is what the whole increase is for?"

Director Theodos stated, "Yes the projects that are currently in progress and anticipated."

Comm. Fozman made a motion to adopt Resolution No. 82-16. Seconded by Comm. Curtis

AYES: Comm. Flynn, Curtis, Fozman, Cevasco
NAYS: None
ABSTAIN: None

83-16 A Resolution Authorizing a \$1.0 Million Donation to the Township of Brick

Director Theodos advised, "83-16 is a resolution authorizing A \$1.0 million donation to the Township of Brick which is in response to the request of the Township and in accordance with State Statute 40A:4-35.1."

Comm. Curtis made a motion to adopt Resolution No. 83-16. Seconded by Comm. Flynn

AYES: Comm. Flynn, Curtis, Cevasco
NAYS: None
ABSTAIN: Comm. Fozman

84-16 Authorizing Renewal of SCADA Global Care License for 3 Years – \$47,080.32 - Operating Account No. 9178703

Director Vaccaro advised, "We are seeking approval of Resolution No. 84-16 which is renewal of our SCADA Global Care license for a period of three years at \$47,080.32. The Operating account which is correct on the Resolution should be 9178703. By going for a three year period it saves us about \$12,000 because normally it would be \$20,000 if you went annually. SO we are seeking approval on this for a period of three years. It started in August and Ends on July 31, 2019."

Comm. Fozman made a motion to adopt Resolution No. 84-16. Seconded by Comm. Flynn

AYES: Comm. Flynn, Curtis, Fozman, Cevasco
NAYS: None
ABSTAIN: None

Exempt Session

Counselor Montenegro advised, "Resolution to enter into executive session whereas Section 8 of the Open Public Meetings Act, NJ Statute 10:4-12 permits the exclusion of the public from a meeting in certain circumstances and whereas this public body is of the opinion that such circumstances exist. Now therefore be it resolved by the Brick Township Municipal Utilities Authority as follows: One the public shall be excluded from discussion of and action upon the hereinafter specified subject matter and that is security. It is anticipated at this time that the subject matters will be made public if and when confidentiality is no longer needed. Action may be taken this evening. This resolution shall become effective immediately."

Comm. Curtis made a motion to go into exempt session. Seconded by Comm. Fozman

AYES: Comm. Flynn, Curtis, Fozman, Cevalasco
NAYS: None
ABSTAIN: None

Counselor Montenegro added, "Just for the public's edification after the executive session we will return to public session and potentially take action based upon executive session and also hear public comments."

At this point in the meeting, 7:25 p.m., the group entered exempt session.

Upon a motion and second, and a unanimous vote the group returned to open session at 7:34 p.m.

Back in open session, Counselor Montenegro presented Resolution No. 85-16 as follows:

Counselor Montenegro Stated, "Resolution 85-16 represents the desire by The Brick Township Municipal Utilities Authority to have an armed police officer at all of its public meetings commencing immediately."

Comm. Flynn made a motion to adopt Resolution No. 85-16. Seconded by Comm. Curtis

AYES: Comm. Flynn, Curtis, Fozman, Cevalasco
NAYS: None
ABSTAIN: None

20. PUBLIC DISCUSSION

At this point in the meeting Chairman Cevalasco opened up the meeting to the Public.

Ms. Melanie Briggs stated, "You were discussing changing the meeting. Why not make it Wednesday or Thursday so it wouldn't interfere with the Township meeting?"

Chairman Cevasco stated, "I just threw that Tuesday out there because it only pushes it out one day, but it just gives us a little more time after a weekend because we usually get the bill list late in the week so that the vendors can get paid. We just don't want to get too far into the week because it defeats the purpose."

Ms. Briggs continued, "What I am thinking, not just Mr. Fozman, but the fact that if you have something to present to the Council it gets delayed because the Council meeting would be the same night you would vote on something."

Chairman Cevasco responded, "Well usually those types of things the communication is pretty good between here and the council, and the Mayor's office."

There being no other members of the public wishing to speak, Chairman Cevasco closed this portion of the meeting.

21. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

Director Maggio stated, "Just wanted to notify the Board, I think you are aware that the New Jersey DEP just declared a drought warning for our area and North of our area. Currently because of the rain we just had our source water is actually in pretty good shape so the River has some significant flow. We do have a full reservoir and we have been able to take some pressure off our well allocation that we need to maintain through the end of the year. The declaration does offer some relief from the limits on the amount of water we can withdraw from the River so that will be of benefit. I would anticipate this declaration will go into next year for some period of time. Right now we are looking ok all year the river flows have dissipated very quickly when we have had any kind of prolonged span of no rain so we expect that to continue. That is a result of unusually low ground water levels which ground water makes up a large amount of flow in the river. I just wanted to give you a little bit of notice of what has been declared by DEP and its beneficial impact on us."

Comm. Fozman asked, "Any predictions for next year for the rainfall in the spring?"

Director Maggio replied, "I just saw a news article for the winter, at least they were looking at it nationally and they said north of us they are anticipating wetter than normal winter, south of us anticipating dryer than normal winter, and for a band in the center of the United States which includes us it said it could go either way." *(Laughter)*

Comm. Flynn asked, "Is there anything in particular we need to do to comply with this warning?"

Director Maggio replied, "No. Actually we have done more because prior to a drought watch being declared we did ask our customer to voluntarily conserve water so I think we are on top of things and if it were to go to a drought emergency which would be the next level that would be a pretty serious level for the State to get to. I believe the Governor needs to declare that and our customers and the whole state would get direction in terms of mandatory water restrictions. Restaurants would likely be directed not to automatically give people water at tables but we are not there yet. This is only a step behind that."

Director Specht advised he had nothing further to discuss.

Comm. Flynn asked Director Specht for an update on Dickinson Drive.

Director Specht replied, "We just issued a punch list (right Sue?) to Mathis. They've got some laterals that settled out a little bit that we have to repair. We TV'ed them all. So we are going to hopefully do that next week and then we'll move right in to final payment."

Comm. Flynn asked, "Where do we stand with the curbing?"

Director Specht replied, "That was also included in the punch list, 150 feet of curb will be upgraded before the final pavement."

Counselor Montenegro advised, "He had nothing this evening to discuss. Good meeting Mr. Chairman"

Ms. Sylvester advised she had nothing additional to discuss.

Director Theodos advised he had nothing further to report.

Director Vaccaro stated, "Just to give you a head's up as part of trying to clean up the second floor of the warehouse I am working with Finance. I am hoping to have the surplus declaration for next meeting for your approval so we can start getting this stuff out of there and put them on Govdeals and discard items that have no value. Hopefully we should have that by the end of November. I will talk to Finance, I know they have the budget due this month and everything else but..."

Comm. Flynn asked, "How are we doing on that shelving?"

Director Specht advised, "We have put the second coat of paint on the floor today. We have to let it cure out 48 to 72 hours so we will start putting shelving up by the end of the week and once the paint dries we can load it up anytime. The shelving is going up the end of this week into next week."

Comm. Flynn asked, "Have you both discussed what you can take and what you can get out of there, etc.?"

Director Vaccaro replied, "Yes we met, and we are just waiting to get everything set up and see what we can do."

Director Specht added, "Right I had that one layout plan that I showed the Construction Committee. That building gets pretty small pretty quick with all the equipment we have. We will get as much as we can in there obviously."

Comm. Flynn stated, "We should talk at the next meeting about the shelving that the Chairman had regarding that storage thing so let's not forget that before you start putting anything in there."

Ms. Brasefield advised she had nothing to report.

Director Clifford stated, "I would just like to take the opportunity to thank the commissioners, my fellow directors, executive director Theodos, everybody that works at the Authority has just been very welcoming and helpful getting me acclimated to my position. I'm finding that the people here are really just good people. The Customer Accounts people are very hard working and I think being the face of the Authority we are going to do a lot of good things with them as far as just proving exceptional service and trying to streamline a couple of things. I am looking into a couple of possibilities to make the experience more customer friendly and then we'll work on the Finance side of things too it's going to be an interesting... because the finance stuff is kind of hum drum and the customer accounts people are an interesting group. There are some assets up there that's for sure. Anyway thank you all very much. And Mr. Fallon of course."

Chuck Fallon advised he had nothing for tonight to report.

Comm. Flynn advised he had nothing additional to report.

Comm. Fozman stated he had nothing to report this evening.

Comm. Curtis advised he had nothing additional to report.

22. CLOSING STATEMENT

Ms. Sylvester advised that *"The next Regular Public Meeting will take place on Monday, November 28, 2016 at 7:00 p.m. All meetings take place in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West."*

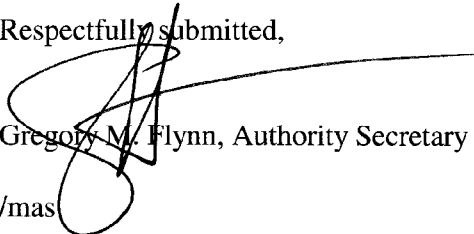
23. ADJOURNMENT

Comm. Curtis made a motion to adjourn. Seconded by Comm. Fozman.

AYES: Comm. Flynn, Curtis, Fozman, Cevasco
NAYS: None
ABSTAIN: None

There being no further business to discuss the meeting adjourned at 7:46 p.m.

Respectfully submitted,


Gregory M. Flynn, Authority Secretary

/mas