

**MINUTES OF THE MEETING OF THE
MAYOR AND COUNCIL
OF THE BOROUGH OF SUSSEX
HELD AT THE SUSSEX MUNICIPAL BUILDING
2 MAIN STREET, SUSSEX, NJ
July 15, 2014**

Mayor Rose called the meeting to order and requested the clerk to call the roll. Upon roll call, the following members of the Governing Body were present: Mrs. Marina Krynicky, Mr. Bruce LaBar, Mr. Salvatore Lagattuta, Mrs. Linda Masson, Mrs. Annette Stendor, Mrs. Georgeanna Stoll, Mayor Jonathan Rose.

Absent: None

Also present: Borough Attorney Mr. Frank McGovern, Esq. of McGovern and Roseman, P.A., Mrs. Elke Yetter, CFO, Tom Ferry, Municipal Auditor and Mr. Mark Zschack, Municipal Administrator/Clerk

Mayor Rose led the assembly in the flag salute and requested a moment of silence.

Mayor Rose stated "This meeting is being held in compliance with the provisions of the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. It has been properly advertised and certified by the Clerk."

PRESENTATIONS:

Summary of Audit Report - At this time Municipal Auditor, Tom Ferry presented an overview of the 2013 Sussex Borough Audit Report.

NEW BUSINESS:

Resolution 2014-88R – Certification of the 2013 Annual Audit

Mr. Lagattuta made a motion to adopt Resolution 2014-88R certifying the Sussex Borough Mayor and Council has reviewed the 2013 Audit Comments and Recommendations as required by N.J.A.C. 5:30-6.5 Motion seconded by Mr. LaBar

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Resolution 2014-89R – Corrective Action Plan

Mr. LaBar made a motion to adopt Resolution 2014-89R approving the Corrective Action Plan for the 2013 Audit. Motion seconded by Mrs. Stoll

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Water Operator Report – At this time Mike Furrey presented a report concerning the Water Treatment Plant and distribution system.

COUNCIL MOTIONS: Mayor Rose opened the floor to each member of the Council to offer any motions not currently on the agenda.

No motions were offered at this time.

COMMITTEE REPORTS: Mayor Rose opened the floor to each member of the Council to offer their respective committee reports.

Mrs. Masson stated that she attended the SCMUA meeting on July 2nd and there was nothing pertinent to the Borough. However, recently I was looking at the minutes for a meeting that I missed on May 21st, Jonathan you attended that meeting, they went over their 2013 audit. One thing that really caught my attention is that they have budgeted surplus of \$821,763 for the upper Wallkill facility and that is where they treat our sewage. I was kind of surprised to see that sort of profit. We had a public works meeting and discussed some items that Councilwoman Stendor had brought to our attention. We will be repainting the lines and stop bars in the borough. The parking spots will be looked at by Harold Pellow, particularly the handicapped parking. We are looking into fixing the sign at Deckertown Commons. A clean community's worker will be hired soon. Mr. Pellow will be putting in a grant for Main Street and we will be doing section two of Willow. We are looking to put a four way stop at Walnut and Third. We are also looking at making Spruce and Larch a one way coming down. There was a service line break on Route 23 and Newton Avenue.

Mrs. Stendor stated they had a solid waste meeting on Tuesday July 8th and a presentation was given by Ralph Seepo from Gator Recycling. He was asking permission from the board to collect household waste and sort it for recycling and then they would reimburse the landfill for the recycling they took out. It would be a plus because it would save space in the landfill and produce a profit to be turned back to them. At the present time the expected life expectancy for the landfill is until 2062. E-waste is on July 26th. At the water quality management meeting held on July 8th a discussion was held concerning the hook up of the Wantage Plaza and the Biscak property and they are waiting for the application from Dykstra to move forward with this.

Mrs. Krynicky offered no report at this time.

Mr. LaBar offered no report at this time.

Mr. Lagattuta offered no report at this time.

Mrs. Stoll reported that the Recreation Committee met and is discussing events for the upcoming year.

CONSENT AGENDA

Mayor Rose requested that the Governing Body review the consent agenda. If any member of the Council desires an item to be removed, the Municipal Clerk shall remove said item, which will then be considered separately.

Mr. Lagattuta made a motion to accept the consent agenda of July 15, 2014.
Motion seconded by Mr. LaBar

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

OPEN PUBLIC SESSION #1

Mr. LaBar made a motion to open the meeting to the public for any questions or comments concerning items on the agenda for which no public discussion is provided. All comments should be directed to the Mayor and are limited to 5 minutes with a total of 10 minutes for the Council to discuss. Motion seconded by Mrs. Stoll
All were in favor.

Let the record show that Mayor Rose recused himself from the dais at 8:57 pm.

Mr. Al Decker, 2 Harrison Street, spoke in regards to an article in the New Jersey Herald that ran on July 15, 2014 about the sale of the water system.

Let the record show that Mayor Rose returned to the dais at 8:57pm.

Ms. Elke Yetter asked if resolution #2014-82R could be held until the next meeting.

Ms. Patricia Decker, 9 Grant Street, the recreation committee is also looking into having a block party in August or September.

Mr. Edward Meyer, 47 Lakeshore Drive, asked if the proposal of \$32,000 for Lake Rutherford Design was included in the last ordinance where the BAN was put.

Let the record show that Mayor Rose left the dais at 9:00pm.

Mr. Edward Meyer, 47 Lakeshore Drive, asked if anything was addressed regarding what would occur if the purchaser of the utility were able to expand the system.

Let the record show that Mayor Rose returned the dais at 9:05pm.

There being no one present who wished to address the Governing Body, Mr. LaBar made a motion to close the meeting to the public. Motion seconded by Mrs. Stendor. All were in favor.

ADMINISTRATORS REPORT

Mr. Mark Zschack the Administrator/Clerk offered the following report;

Willow Street Section II

On July 10th the Borough received a total of five bids for the Improvements to Willow Street Section II Project. The five bidders are as follows:

- Bob Viersma & Sons, Inc. – Allamuchy, NJ: \$214,485.50
- Salmon Bros., Inc. – Netcong, NJ: \$216,300.00
- Wantage Excavating Co., Inc. – Sussex, NJ: \$216,934.00
- Earth-Tec Associates, Inc. – Vernon, NJ: \$223,624.00
- Your Way Construction, Inc. – Irvington, NJ: \$452,075.00

If the bid is awarded tonight the proposed schedule is to start construction August 11th with a completion date of October 17th. The lowest bid is greater than Harold Pellow's estimate so an additional \$12,500 will need to be secured to complete this project. The CFO has informed us that we have enough in Capital Improvement Fund to cover the total cost.

Interlocal Court System

Jim Doherty, Wantage Township Administrator has informed the Borough that four other municipalities are investigating joining the existing Wantage, Sussex, Stillwater Court System. A proposal will be forthcoming from Wantage Township for the Sussex Borough Governing Body to consider.

Route 23 Water Service Break

On Friday July 7th the Borough was notified about a water break on Route 23 just south of Newton Avenue. DPW quickly responded to the situation and made the necessary temporary repair to stop the leak. It was determined that a recent installation of a conduit over the water main was the cause of this leak. CP Engineers has contacted the DOT and have made the request that their contractor make the final repairs and cover the overtime cost incurred by the DPW.

Port Jervis Parade

The Sussex Fire Department participated in the Firemen's Parade in Port Jervis this past weekend and brought home the following trophies:

Best Overall
First Place Ladies Auxiliary
Second Place Ambulance
Most Firefighters in Line of March

Congratulations to the Fire Department and all of its members for a job well done.

NEW BUSINESS

Resolution 2014-81R – Clove Lake Maintenance Committee

Mrs. Krynicky made a motion to adopt Resolution 2014-81R establishing an ad-hoc Clove Lake Maintenance Committee with terms ending December 31, 2015.
Motion seconded by Mrs. Stoll

Upon roll call vote:
Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll
Nays: None
Abstentions: None
Absent: None

Resolution 2014-82R – Cancellation of Reserve Balances in the Current Fund

Mrs. Stoll made a motion to adopt Resolution 2014-82R authorizing the cancellation of reserve balances totaling \$39,967.12 in the Current Fund. This motion received no second.

Resolution 2014-83R – Third Quarter 2014 Water/Sewer Adjustments

Mr. LaBar made a motion to adopt Resolution 2014-83R approving the third quarter water/sewer adjustments. Motion seconded by Mrs. Stendor

Upon roll call vote:
Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll
Nays: None
Abstentions: None
Absent: None

Resolution 2014-84R – Cancel Public Assistance Trust Fund

Mr. LaBar made a motion to adopt Resolution 2014-84R authorizing the cancelation of public assistance trust fund totaling \$978.01 and closing of the bank account.
Motion seconded by Mr. Lagattuta

Upon roll call vote:
Ayes: Krynicky, LaBar, Lagattuta, Stendor, Stoll
Nays: Masson
Abstentions: None
Absent: None

Mr. Lagattuta made a motion to reconsider Resolution 2014-84R authorizing the cancelation of public assistance trust fund totaling \$978.01 and closing of the bank account.
Motion seconded by Mr. LaBar

Upon roll call vote:
Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll
Nays: None
Abstentions: None
Absent: None

Mr. LaBar made a motion to amend Resolution 2014-84R correcting the typographic error to cancel \$948.01 of public assistance trust fund and closing of the bank account.

Motion seconded by Mr. Lagattuta

Upon roll call vote to amend reconsidered motion:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Upon roll call vote of reconsidered motion as amended:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Resolution 2014-85R – Consolidation of Brookside Community Center Bank Account

Mr. LaBar made a motion to adopt Resolution 2014-85R authorizing consolidation of the Brookside Community Center bank account with other trust bank account.

Motion seconded by Mrs. Masson

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Mayor Rose recused himself from Resolution 2014-86R at 9:15pm and exited the dais.

Resolution 2014-86R – Homeowner's Water/Sewer Adjustment Request

No motion was offered.

Mayor Rose returned to the dais at 9:16pm.

Resolution 2014-87R – Cancelation of Outstanding Checks

Mr. LaBar made a motion to adopt Resolution 2014-87R authorizing the cancelation of outstanding, checks over six months old totaling \$98.50, to municipal balances.

Motion seconded by Mrs. Stoll

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Mayor Rose recused himself from Resolution 2014-90R at 9:17pm and exited the dais.

Resolution 2014-90R – Borough Special Attorney

Mr. Lagattuta made a motion to adopt Resolution 2014-90R appointing Edward J. McManimon, Esq. of the law firm of McManimon, Scotland, Baumann, LLC, as Special Attorney at the rate of \$215.00 per-hour to represent Sussex Borough in the sale of the Water and Sewer Utility in a non-fair and open contract pursuant to the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. Motion seconded by Mr. LaBar

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Stoll

Nays: Masson, Stendor

Abstentions: None

Absent: None

Mayor Rose returned to the dais at 9:18pm.

Proposal for Professional Engineering Services Lake Rutherford Dam

Mrs. Masson made a motion to authorize the Mayor to execute a contract with Civil Dynamics, Inc., for Professional Engineering Services for H&H Modeling and Conceptual Design for the Lake Rutherford Dam at a cost not to exceed \$32,430.00 Motion seconded by Mrs. Stendor

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Mayor Rose recused himself from Ordinance 2014-08 at 9:20pm and exited the dais.

Adoption Ordinance #2014-08 – Referendum on the Proposed Utility Sale

No motion was offered.

Mayor Rose returned to the dais at 9:22pm.

Introduction Ordinance #2014-09 – Amend Ordinance 2014-07

Mr. Lagattuta made a motion to introduce Ordinance #2014-09 entitled “AN ORDINANCE TO AMEND BOROUGH ORDINANCE 2014-07”

Motion seconded by Mr. LaBar

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Mayor Rose stated that the Final Reading of Ordinance 2014-09 will be held on August 19, 2014.

Mayor Rose recused himself from the dais at 9:27 pm.

OLD BUSINESS:

Resolution 2014-80R – Special Council Meeting

No motion was offered.

Mayor Rose returned to the dais at 9:28 pm.

NEW BUSINESS ADDENDUM

Resolution #2014-91R - Liquor License Renewal

Mr. LaBar made a motion to adopt Resolution 2014-91R approving the renewal of the following liquor license for the license period July 1, 2014 through June 30, 2015.

Motion seconded by Mr. Lagattuta

SUSSEX INN INC., T/A SUSSEX INN
9 Main Street, Sussex, NJ 07461
License #1921-33-004-004

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Resolution 2014-92R – Recommendation of Award State Aid Project

Mr. LaBar made a motion to adopt Resolution 2014-92R recommending to the New Jersey Department of Transportation that Bob Viersma & Sons, Inc., P.O. Box 224, Allamuchy, New Jersey, 07820 is awarded the bid in the amount of \$214,485.50 for the improvements to Willow Street Section II. Motion seconded by Mrs. Masson

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

Mayor Rose recused himself from Ordinance 2014-11 at 9:29pm and exited the dais.

Introduction Ordinance #2014-11 – Referendum on the Proposed Utility Sale

Mr. Lagattuta made a motion to introduce Ordinance #2014-11 entitled “AN ORDINANCE OF THE BOROUGH OF SUSSEX, COUNTY OF SUSSEX, AND STATE OF NEW JERSEY REQUIRING A REFERENDUM ON THE PROPOSED SALE OF THE BOROUGH OF SUSSEX WATER AND SEWER UTILITY SYSTEMS.”

Motion seconded by Mr. LaBar

Mrs. Masson offered the following statement:

I have looked again at this analysis that we received by a resident that was put out by Food and Water Watch. I would like to read some of the highlights. The State’s experience with private water service has been marred with failure and disappointments. Consumers frequently report unsatisfactory service and high rates after private entities take over their water systems. Municipalities will not resolve their fiscal woes by privatizing water and sewer services. They must avoid superficial solutions which can have lasting consequences. Water privatization is not a responsible way to shore up local budgets it can result in greater long term costs, serious environmental problems and a loss of local control. On average, private operation of water systems adds 64% a year onto the typical NJ household’s water bill. Private water companies have a questionable track record which includes serving contaminated water in Dover Township and selling developers land that was meant to protect Bergen County water supplies. Public public partnerships and a renewed federal commitment to water infrastructure funding are better options for New Jersey municipalities. At least 3 of the 5 members who initially had suggested privatization for which Governor Christie is backing it turns out had corporate relationships and experiences that likely predisposed them to endorse privatization. With the task force stacked in favor of privatization the question was never whether to prioritize but how to facilitate it. In many cases when private companies run water systems consumers end up paying more for worse service. On average privately run systems charge households 64% more than municipal systems charge. For tax payers a water system lease merely shifts the burden from one biller, the city, to another the water company and private operation of water systems tends to be more expensive than public operation.

Mr. Lagattuta offered the following statement:

As we focus our attention on the sale of our utility, we must keep in mind the actual facts that we know are true in this matter.

Fact #1 - We are a small town running a big utility business. It takes a lot of constant monitoring, maintenance, and financing of the water plant, reservoir, and underground infrastructure, not to mention staying on top of state regulations to continually provide the service that is needed for the users of the system. Who takes the ultimate responsibility of making the decisions for the utility? The council and the mayor - who usually have no

background whatsoever in operating a water and sewer utility. Outside of the present knowledge base of the present council and mayor, who have striven to come to grips and correct the many issues with our utility in the last few years, this has proven to be ill-fated in the past, and will probably have a speckled future at best. We should not be running this utility; we are not capable of making the decisions that need to be made for the safety and efficiency of operations. The utility should be owned and operated by a company that is thoroughly versed and experienced in providing the water and sewer needs of the area, under the direct auspices of the state government. Let those who know best do it.

Fact #2 - If we retain ownership of the utility, we will be faced with tremendous financial requirements in the work that needs to be done at the two reservoirs - sedimentation, dam repairs, water intake issues, not to mention underground infrastructure projects. These could take anywhere from 1.5 - 2.5 million dollars to complete. And this cost has to be borne by the 500 sewer and 700 water users of the system. If a private company owns the utility, they have the financial wherewithal to do all of the necessary work, and spread the cost out among all of their users in the state, not just in our present operating area; having a far lesser impact on an upward push of our rates. The fact is - if we retain ownership of the utility, our rates must increase next year to start to cover this tremendous cost.

Fact #3 - We have received an 11.4 million dollar offer for our utility. This not only covers the costs of our debt that we have incurred for the utility, but it gives us about 3 million dollars extra that we can use for the purposes that can best serve our Borough. We did not receive an offer like this in past years, and it would be purely speculative to think that we would receive the same offer if this were attempted again in the future.

These are the three facts that we know to be true. Everything else is conjecture, opinion, or presently unsubstantiated data. If we decide not to sell the utility, we will be deciding to continue to try to run a complicated business with little background knowledge; definitely incurring a rate increase on all the water users of the system; and give away 3 million dollars that our Borough can definitely use. Our decision should be based on the facts that we know, not what we wish or would want to happen. This is probably one of the most important turning point in our Borough's history, and we should not squander the opportunity that has been given to us. I will vote yes because I truly believe that this is the best thing for our Borough and its residents.

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Stoll

Nays: Masson, Stendor

Abstentions: None

Absent: None

Special Council Workshop Meeting

Mrs. Krynicky made a motion to schedule a Special Workshop Meeting to discuss the possible sale of the water and sewer utility on July 22, 2014 at 7:30pm.

Motion seconded by Mr. LaBar

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Stoll

Nays: Masson, Stendor

Abstentions: None

Absent: None

Special Council Meeting

Mrs. Krynicky made a motion to schedule a Special Council Meeting to discuss the possible sale of the water and sewer utility on July 29, 2014 at 7:30pm.

Motion seconded by Mr. LaBar

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Stoll

Nays: Masson, Stendor

Abstentions: None

Absent: None

Mayor Rose returned to the dais at 10:01pm.

OPEN PUBLIC SESSION #2

Mr. LaBar made a motion to open the meeting to the public for any questions or comments concerning the good and welfare of the Borough. All comments should be directed to the Mayor and are limited to 5 minutes with a total of 10 minutes for the Council to discuss.

Motion seconded by Mrs. Masson

All were in favor.

There being no one present who wished to address the Governing Body, Mr. LaBar made a motion to close the meeting to the public. Motion seconded by Mrs. Masson.

All were in favor.

EXECUTIVE SESSION

In accordance with the provisions of the Open Public Meetings Act, Mr. LaBar made a motion to adjourn into closed executive session to discuss:

1) Matters of negotiations between Sussex Borough and Wantage Township.

2) DPW contract negotiations between Sussex Borough and Hardyston Township.

Motion seconded by Mrs. Masson

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

After meeting in closed session, the Governing Body returned to their seats at 10:50 p.m. and Mr. Lagattuta made a motion to adjourn out of closed executive session and to be reconvened into open public session. Motion seconded by Mrs. Stoll

Upon roll call vote:

Ayes: Krynicky, LaBar, Lagattuta, Masson, Stendor, Stoll

Nays: None

Abstentions: None

Absent: None

ADJOURNMENT

There being no further items for discussion by the Mayor and Council, Mrs. Stoll made a motion to adjourn the meeting. Motion seconded by Mr. Lagattuta

All were in favor.

Jonathan Rose, Mayor

Mark Zschack, Municipal Clerk