

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE BOROUGH OF MADISON

June 11, 2007 – 7:00 p.m.

Call to Order

The Regular Meeting of the Mayor and Council of the Borough of Madison was held on the 11th day of June 2007. Mayor Kerkeslager called the meeting to order at 7:00 p.m. in the Committee Room of the Hartley Dodge Memorial, Kings Road, in the Borough of Madison.

Statement in Compliance with the Open Public Meetings Act

The Borough Clerk read the statement pursuant to the Open Public Meetings Act:

"In compliance with the Open Public Meetings Act, adequate notice of this meeting of the Council was provided by publishing a copy of the meeting notice in the Madison Eagle and Morris County Daily Record, posting a copy on the bulletin board at the main entrance of the Hartley Dodge Memorial, and filing a copy in the office of the Clerk, all on January 4, 2007. Copies of said Notice were made available to members of the general public."

Roll Call

The Borough Clerk called the roll and the following acknowledged their presence:

Mayor Ellwood R. Kerkeslager

Council Members:

Mary-Anna Holden, arrived at 7:05 p.m.

Astri J. Baillie

Donald J. Bowen

Carmela Vitale

John M. Elias, arrived at 7:20 p.m.

Robert H. Conley, arrived at 7:03 p.m.

Also Present:

Raymond M. Codey, Acting Administrator

Joseph Mezzacca, Jr., Borough Attorney

Marilyn Schaefer, Borough Clerk

AGENDA REVIEW

Ms. Baillie moved that the Council wait to consider resolutions R 139-2007, R 143-2007 and R 144-2007 regarding Drew University until the Planning Board hearings are completed. Mr. Bowen seconded the motion, which passed with the following roll call vote recorded:

Yeas: Mrs. Holden, Ms. Baillie, Mr. Bowen, Mrs. Vitale, Mr. Conley

Nays: None

Absent: Mr. Elias

Therefore, discussions #5 (1), (5) and (7) regarding Drew University were removed from the agenda. The prepared resolutions, R 139-2007, R 143-2007 and R 144-2007, were removed from the Consent Agenda.

Reading of Closed Session Resolution

Mrs. Holden moved:

RESOLVED, that the meeting be adjourned to an Executive Session to consider the following matters:

EXECUTIVE SESSION MINUTES (1)

Date of public disclosure 60 days after conclusion, if disclosure required.

PERSONNEL MATTER (1)

Date of public disclosure 90 days after conclusion, if disclosure required.

CONTRACT MATTERS (7)

Date of public disclosure 60 days after conclusion, if disclosure required.

LITIGATION MATTER (1)

Date of public disclosure 60 days after conclusion, if disclosure required.

Seconded: Mr. Conley

Vote: Unanimous voice vote of members present

Reconvene in Council Chamber

Mayor Ellwood R. Kerkeslager reconvened the Regular Meeting at 7:50 p.m. in the Council Chamber with all members present. The Pledge of Allegiance was recited by all.

APPROVAL OF MINUTES

Ms. Baillie moved approval of the **Regular Meeting Minutes of May 30, 2007**. Mrs. Holden seconded the motion, which passed by unanimous voice vote.

Mrs. Holden moved approval of the **Executive Minutes of May 14, 2007**. Mrs. Vitale seconded the motion, which passed by unanimous voice vote.

Mrs. Holden moved approval of the **Executive Minutes of May 30, 2007**. Mrs. Vitale seconded the motion, which passed by unanimous voice vote.

Ms. Baillie moved approval of the **Public Session Minutes of Special Executive Meeting of June 6, 2007**. Mrs. Vitale seconded the motion, which passed by unanimous voice vote.

Ms. Baillie moved approval of the **Executive Minutes of Special Executive Meeting of June 6, 2007**. Mrs. Vitale seconded the motion, which passed by unanimous voice vote.

REPORTS OF COMMITTEES

Community Affairs

Mrs. Holden, Chair of the Committee, made the following comments:

The Chamber of Commerce has Value Cards for sale at various locations throughout town; the cost is \$10.00 and purchasers may easily recoup that \$10.00 very quickly through any number of discounts that are provided when the card is presented; the cards are valid through June 2008.

The Recreation Department will be having two productions for children on stage this summer.

The Downtown Development Commission thanked the Department of Public Works for the directional arrows pointing motorists to public parking and for their removal of the dead boxwood on Waverly Place near the James Madison statue.

Mrs. Holden asked how the Mayor did at the Mayors Healthy Cook Off held June 6, 2007, in Parsippany as part of the Mayors Wellness Campaign. Mayor Kerkeslager replied that he did not get any formal award, but did get an informal award of having all his food cleaned out by the public before anyone else; the public loved it; however the Mayor was competing with a professionally trained chef. The Cook Off was very successful; there were about 15 mayors there and the food at the Cook Off provided recipes to help communities to live a healthy lifestyle. The Mayor thanked Mrs. Holden for asking about it.

Utilities

Ms. Baillie, Chair of the Committee, no report.

Health & Public Assistance

Mr. Bowen, Chair of the Committee, no report.

Public Works and Engineering

Mrs. Vitale, Chair of the Committee, made the following comments:

Baseball is ending; summer ball is going to start; they will be utilizing Bayley-Ellard fields this year and about three other fields; the number of players has grown substantially over the past couple of years.

Kings Road and Madison Avenue are under construction to last 45 to 120 days; Mrs. Vitale recommended that residents look for alternate routes during the construction.

The Woodland Road sewer project was completed; the 10-inch sewer line was replaced; milling and overlay is to take place in July 2007.

As requested by Superintendent of Public Works David Maines, Mrs. Vitale commented about an accident at Dodge Field resulting in destruction of the fence near the basketball courts.

Finance and Borough Clerk

Mr. Elias, Chair of the Committee, no report.

Public Safety

Mr. Conley, Chair of the Committee, made the following comments:

Further to the report about the accident at Greenwood Avenue and Brittin Street on June 5th, a Wednesday, both fire and police responded to what was a complicated accident; the two-car accident occurred when one car ran a blinking red light forcing another vehicle, a landscaping truck, off the road crashing into the fence near the basketball courts; of the five individuals involved in the accident, four needed to be transported to Morristown Memorial Hospital for treatment, one of whom was in very serious condition; the three occupants of the landscaping truck had to be extricated by fire department personnel; the chain link fence had to be cut and removed to provide safe access to the trapped occupants; after extricating the victims, the firefighters finished securing the scene and assisted the ambulance squad in readying the patients; the ambulance, police and fire were all thanked for their help.

The Traffic Calming Committee is meeting this week; the above accident occurred at the intersection that has been a lead "hot spot" in Madison, and the Committee will be discussing what may be done to make it a safer intersection.

The Kings Road at Madison Avenue construction will certainly help calm traffic on Kings Road and make it far safer for pedestrians trying to cross Kings Road

and Madison Avenue.

A reminder that Tuesday, August 7, 2007, is National Night Out; many neighborhoods have already set up their gathering for the streets; Mr. Conley encouraged residents to contact the Police Department if their neighborhood has not started this tradition. It is a great evening to get together with neighbors and take a stand against crime.

GREETINGS TO PUBLIC

Mayor Kerkeslager made the following comments:

Employee of the Month

The Employee of the Month for June is Gito Lysstianto. In making the selection, the Committee was impressed with his excellent service in keeping the Borough neat and clean and for handling this responsibility during the extended absence of the evening custodian.

Craftsman of the Year Award

The Herbert P. Kean Day Proclamation was presented at the Museum of Early Trades & Crafts on May 20, 2007, to Mr. Kean in honor of the Museum's Craftsman of the Year Award:

P r o c l a m a t i o n

of the

B o r o u g h o f M a d i s o n

Proclaiming

Herbert P. Kean Day

May 20, 2007

Whereas, the Craftsman of the Year Award, established in 2002 by the Museum of Early Trades and Crafts, honors those New Jerseyans who, in their own unique way, have significantly advanced the Museum's mission of understanding America's trades and crafts of the past and how they have influenced our current lives; and

Whereas, Herbert is a member of numerous antique tool groups and is recognized as an authority on antique tool restoration by museum, library and educational institutions; and

Whereas, Herbert Kean, is the author of four books and numerous articles and has also made several

television appearances on *The History Channel* and *The Home & Garden Channel*; and

Whereas, Herbert Kean has been a longtime member, dedicated volunteer and knowledgeable curatorial consultant of the Museum; and

Whereas, in addition to various public programs, lectures and classes, Herbert Kean led the Museum's Cub Scout program for three years;

Now, therefore, I, Ellwood R. Kerkeslager, Mayor of the Borough of Madison, do hereby proclaim May 20, 2007 as **Herbert P. Kean Day** for Herbert's dedication and commitment to the field of antique tools and to the Museum. On behalf of the Borough of Madison, I commend and congratulate Herbert P. Kean for his contributions to history as demonstrated through his fervent interest in tools of all kinds.

Ellwood R. Kerkeslager, Mayor

Additional Comments by Mayor Kerkeslager:

Trip to Visit Sister City

Mayor Kerkeslager reported on his trip to Italy last week visiting Madison's sister city, Mariano, and he will have more to say about that at the next meeting; he will also have some presents for the Police Department.

Drew University

At the request of Mayor Kerkeslager, Mr. Mezzacca commented for the benefit of several members of Drew University who were present at the meeting to inform them as to the disposition of the resolutions which were removed from the agenda. R 139-2007 would authorize the Borough Engineer to sign consent forms for NJDEP in order to obtain permits for water main extension; R 143-2007 would authorize a soil moving permit for the proposed new dormitory; and R 144-2007 would authorize the Borough Engineer to obtain permits authorizing the extension of sanitary sewer service and treatment works approvals for the proposed Drew dormitory building; those resolutions are being held until the hearings before the Planning Board are completed. The one resolution that will be considered for adoption is R 148-2007 authorizing execution of an agreement with Drew University concerning the further development of Block 3001, Lot 1 by constructing a new dormitory and pertains to affordable housing fees.

Public Comments at this Meeting

Mayor Kerkeslager advised that this evening there will be three opportunities for the public to comment; the first is during the Budget Hearing—during the Budget Hearing comments will be received solely regarding the proposed budget; there will be two additional times for public comment, one before the Council work session and one upon completion of the work session; those comment periods will be more general.

Hearing and Consideration for Final Adoption of 2007 Budget and Tax Resolution

There was consensus to have Mr. Kalafut give his presentation before inviting the public to speak during the public hearing. Mr. Kalafut provided the following handout, which he reviewed in summary and offered to make available in the office of the Clerk:

June 11, 2007

This is in response to remarks and comments made at the May 14th, 2007 Council Meeting regarding the 2007 Municipal Budget. The Borough of Madison operates and manages six funds which are the Water Operating, Water Capital, Electric Operating, Electric Capital, Current Operating and General Capital. The consolidated cash balance was \$48.0 million of which \$11.9 million was in the Current Fund, \$20.2 million in the Capital Improvement Fund, \$9.0 million in the Electric Operating Fund, \$2.7 million in the Electric Capital Fund, \$1.7 Million in the Water Operating Fund and \$2.5 million in the Water Capital Fund. These amounts and funds exclude all Borough Trust Funds which are dedicated funds for specific purposes only. Each Borough Fund is discussed below.

Water Operating Fund:

The Water Utility ended 2006 with a Cash Balance of \$1.7 million. During 2005, this utility transferred \$209,000 to the Current Fund to reduce property taxation and \$250,000 was transferred for the 2006 Budget. The Water Utility had no rate increase for over fifteen (15) years or from May 1989 to September 2004. The strategy was to hold rates down but not transfer any surplus to the Current Fund and this strategy worked very well. The transfers resumed in 2003 after an adequate surplus was attained. We will have the ability to make a larger surplus transfer for the 2007 Budget in the amount of \$270,000 due to the strong financial position. This strategy has been well executed. I will recommend a transfer of at least \$300,000 or more in 2008.

Water Capital Fund:

The Water Capital Fund ended 2006 with approximately \$2.5 million. The Borough has invested over \$4,000,000 in this utility during the last 10 years without incurring a single dollar of bonded debt. Our strategy has been to make all the necessary capital improvements in order to provide excellent low cost service without the use of borrowing. This strategy has worked very well and there are still significant capital projects to be done that will require substantial funding. The Borough will have these funds to invest in the utility without borrowing. The Water Utility had no outstanding debt after our last principal payment was made on July 15, 2006.

During 2007 thru 2011 the Borough plans to invest approximately \$3.0 million in water main replacements/repairs without issuing any debt. Our strategy has worked extremely well.

Electric Operating Fund:

The Electric Utility Operating Fund ended 2006 with \$9.0 million. During 2004, 2005 and 2006 this utility transferred \$4,120,000, \$4,290,000 and \$4,360,000 respectively to the Current Fund in order to reduce property taxes and fund general capital projects for roads and equipment. Our strategy has been to 1) provide reliable and dependable electric service, 2) charge electric rates that are slightly below neighboring utilities, 3) transfer of \$3,360,000 annually to reduce property taxes and 4) transfer additional funds for capital projects to continue funding on a "pay as you go" basis and avoid bonding/borrowing. This strategy has been carried out extremely well.

The ability to generate electric utility surplus is primarily dependent on four variables which are; 1) energy consumption, 2) tariff rates charged for electricity, 3) operating/maintenance and capital expenses and 4) reliable low cost wholesale purchased power. I am extremely concerned going forward about the wholesale purchase power markets. Beginning in January 1994 the Borough switched energy supplies from JCP&L to Pennsylvania Electric (PENELEC). This contract lasted until mid 1999 and was replaced with another low cost contract from Philadelphia Electric Company known as PECO. This contract expired in 2001 and was replaced with a very large increase of approximately 65% from Allegheny Energy. This firm was the low cost bidder even though it was a substantial increase over the previous supplier. The Borough was able to continue to transfer approximately \$4,000,000 to the Current Fund in 2002, 2003 and 2004 even though the surplus that was generated was less. We were able to accomplish this because of the financial reserves that we were holding and did not require large rate

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increases to our customers. The Allegheny contract ended on December 31, 2004 and was replaced with a lower cost contract from PSE&G that began January 1, 2005 and will terminate December 31, 2007. During May 2007 the Borough entered into a 19 month contract with Detroit Edison beginning January 1, 2008 and ending May 31, 2009. The increase in the purchased power costs is about 105% above our current supplier. The Borough has passed a 9% rate increase effective April 1, 2007 and plans at least two more rate increases of approximately 9% in 2008 and 2009 depending on power costs. We will be using our surplus funds to avoid a rate shock that would otherwise be entirely necessary if we didn't plan forward. This is a reason why we hold the reserves in the Electric Operating Fund.

The Electric Operating Fund has transferred an amazing \$68,158,000 from 1994 thru 2007 to the Current Fund to reduce property taxes and fund general capital projects. Our strategies continue to work extremely well.

Borough of Madison

Schedule of Electric Utility Transfers To The Municipal Budget

Year	Operating	Capital	Total
2007	\$3,360,000	\$1,000,000	\$4,360,000
2006	\$3,360,000	\$1,000,000	\$4,360,000
2005	\$3,290,000	\$1,000,000	\$4,290,000
2004	\$3,023,000	\$1,097,000	\$4,120,000
2003	\$3,000,000	\$1,000,000	\$4,000,000
2002	\$3,000,000	\$1,000,000	\$4,000,000
2001	\$3,000,000	\$6,000,000	\$9,000,000
2000	\$3,000,000	\$2,000,000	\$5,000,000
1999	\$3,000,000	\$2,000,000	\$5,000,000
1998	\$3,000,000	\$2,000,000	\$5,000,000
1997	\$3,000,000	\$2,000,000	\$5,000,000
1996	\$3,000,000	\$2,400,000	\$5,400,000
1995	\$3,100,000	\$1,400,000	\$4,500,000
1994	\$3,100,000	\$1,028,000	\$4,128,000

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Totals	\$43,233,000	\$24,925,000	\$68,158,000
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Electric Capital Fund:

The Electric Utility Capital Fund ended 2006 with \$2.7 million. This utility has no debt on the balance sheet, which has been our strategy. All capital projects have been paid in cash, including a major upgrade to the Kings Road Substation of over \$2 million during the 1990's. Recently we had a building constructed for \$425,000 which was also paid for in cash.

In my opinion, the Electric Utility is the Borough 's most valuable physical asset, and we must maintain this asset. Therefore we hold these capital reserves for any extraordinary emergency repairs to the two (2) substations and entire distribution system (transformers, poles, overhead lines, underground circuits, etc). This strategy has been very successful.

The Borough has not added any additional funds to the capital reserves for the last seven years and there will not be a need to do so for the next several years. Capital funds were reserved during the mid 1990's and are being used for all utility projects.

The Borough has been contacted by JCP&L on March 14, 2007 regarding the need of enhanced feeder lines during peak periods. The estimated cost from JCP&L for multi-line redundancy is \$1.1 million. Funds would be readily available for this purpose if this capital project is necessary.

Current Operating Fund:

The Current Fund ended 2006 with a balance of \$11.9 million. This consisted of \$9.4 million in Municipal Surplus, \$1.5 million in 2006 Appropriation Reserves, \$0.6 million in Open Purchase Orders and \$0.3 million for Prepaid Taxes. The Borough has significantly increased the transfer from the Current Fund to the Municipal Budget during the last several years in order to reduce property tax increases. Listed are the amounts from 1994 thru 2007.

<u>Year</u>	<u>Municipal Surplus Transfer</u>
2007	\$4,700,000
2006	\$4,150,000
2005	\$3,650,000
2004	\$3,450,000
2003	\$3,350,000
2002	\$3,000,000
2001	\$2,800,000
2000	\$2,550,000
1999	\$2,290,000
1998	\$2,135,000
1997	\$2,355,000
1996	\$2,010,000

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1995	\$1,354,000
1994	\$1,787,000
	\$39,581,000

The amount of the transfers to reduce property taxes has increased from \$1,787,000 in 1994 to \$4,700,000 in 2007. This is an increase of 163.0% which is remarkable and enviable. Our strategy of holding consistent surplus balances has allowed the Borough to transfer larger amounts over the last 12 years. This in turn has been a major contributing factor in controlling municipal property taxes. The total amount of these transfers is \$39,581,000. Municipal Surplus is now the largest source of non-taxable revenue. It exceeds the Electric Utility Transfer of \$4,360,000. Disrupting the Municipal Surplus Transfer would severely impact our financial model for revenues and thus property taxes. The total cost of delivering municipal services continues to increase. Higher appropriations are required for salaries, benefits, utilities, legal, operating expenses, debt services and infrastructure repairs. Larger amounts of Municipal Surplus will be required to offset these costs and adhere to the new property tax levy cap effective January 1, 2008.

Municipal Tax Rate and Tax Levy

Listed below are the municipal tax rate and tax levy from 1991 thru the 2007 Introduced Budget.

<i>Year</i>	<i>Municipal Tax Rate</i>	<i>Municipal Tax Levy</i>
Introduced 2007	\$.528	\$11,262,189
2006	\$.465	\$9,844,175
2005	\$.435	\$9,146,273
2004	\$.415	\$8,985,194
2003	\$.408	\$8,803,624
2002	\$.407	\$8,825,603
2001	\$.391	\$8,470,199
2000	\$.392	\$8,476,353
1999	\$.950	\$8,558,474
1998	\$.934	\$8,443,083
1997	\$.904	\$8,177,248
1996	\$.895	\$8,300,987
1995	\$.895	\$8,381,802

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1994	\$.895	\$8,430,022
1993	\$.895	\$8,081,844
1992	\$.895	\$7,977,608
1991	\$.895	\$7,926,220

The Borough of Madison was consistent deploying our financial strategies. This resulted in holding the municipal tax rate at \$.895 for six consecutive years from 1991 thru 1996. This was accomplished even while municipal services were increased. Also from 1994 thru 2003 the Borough actually reduced the municipal tax levy six (6) times. The tax levy was lower than the previous year in 1995, 1996, 1997, 2000, 2001 and 2003. The financial strategies we have employed have been very beneficial to our taxpayers.

Our financial results and policies have directly led to Madison receiving the highest bond rating in the State of New Jersey. I have worked with Standard & Poor's for fifteen (15) years and during that time have earned three (3) rating upgrades for Madison and our taxpayers. Listed below are the year and ratings when this occurred. Standard & Poor's has cited strong financial management as one of the primary reasons for these upgrades and AAA rating and has complimented our financial management as opposed to criticizing it. There are only four (4) other municipalities with this bond rating which are Millburn, Summit, Ridgewood and Princeton.

<i>Year</i>	<i>Standard & Poor's Bond Rating</i>
1986	AA-
1991	AA
1996	AA+
2004	AAA

General Capital Fund:

The General Capital Fund ended 2006 with available Capital Funds of \$5 million. These funds will be completely used for Capital projects during 2007 thru 2011. The Borough will transfer \$1 million from the Electric Operating Fund to the General Capital Fund to augment our capital resources in 2007 and 2008. This will enable the Borough to continue to fund on-going capital requests on a pay as you go basis thru 2010. The exception to this strategy are one time large building and equipment projects that the Borough will fund by issuing debt, this is, borrowing. This project is the Police and Fire Building, Renovation to the Hartley Dodge Memorial and the purchase of two (2) fire trucks. The Borough is authorized to issue \$18,750,000 in new debt for this purpose. The ordinance must be amended to reflect additional cost increases that have occurred. The Borough did not raise any capital funds through property taxation in the years 2003, 2004, 2005 and 2006 in order to minimize property taxes. The Electric Utility probably will not be able to be the sole funding source for capital projects after 2008. Therefore the Borough recognizes this and has added \$500,000 in capital appropriation to the 2007 budget which I recommend as a better course of action.

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From 1996 thru 2006, the Borough has invested over \$30 million in capital projects without the use of borrowing and incurring principal/interest payments which would increase municipal taxation. Our pay as you go strategy has been beneficial to our taxpayers and has worked extremely well. The holding of large reserves to fund these projects has complimented this strategy.

Tax Collection Results:

Listed below is a schedule that shows the budgeted tax collection rate and the corresponding actual rate collected. This information is shown for the years 1994 thru 1999 and from 2001 thru 2006.

<i>Year</i>	<i>Rate Budgeted</i>	<i>Rate Collected</i>
1994	97.0%	97.79%
1995	97.0%	98.12%
1996	97.0%	98.21%
1997	97.0%	99.03%
1998	97.0%	99.01%
1999	97.0%	99.22%
2001	97.0%	99.22%
2002	97.0%	98.67%
2003	97.0%	99.34%
2004	97.0%	99.19%
2005	97.0%	99.51%
2006	97.0%	99.48%

It has been recommended to increase the budgeted tax collection rate to 99.0% and have a corresponding decrease of \$1.0 million in the Reserve for Uncollected Taxes. What is the rationale to make this adjustment? Well, there would be a one year and only one year reduction in municipal property taxes and this adjustment would align the budgeted rate with the actual collected rate. However, as long as the budgeted collection rate remains at 99.0% there would be a permanent decrease in Municipal Surplus generated of \$1 million. I stated earlier in this discussion that the Transfer of Municipal Surplus is now the largest single source of non-budgeted revenue. Please refer to the section on Current Operating Fund. You will see that since 1994 there have been very large increases in the Transfer of Municipal Surplus to reduce municipal taxation. The recommended amount for 2007 is \$4.7 million which is the largest ever transferred to reduce property taxes. Why would the Borough Council knowingly take action to reduce the largest non taxable revenue source coupled with the immense increases in electric purchased power?

Municipal Surplus Transfers Comparison

Shown below is a comparison of the amount of Municipal Surplus Transfer with the Beginning of the Year Surplus and the Unencumbered Surplus Balance. It has been suggested that the Borough is holding too much in the Current Fund Account. Currently, the amount at the beginning of this year is the largest balance for the Borough. Please examine this schedule carefully and you can clearly see that amount of Municipal Surplus Transferred to Reduce Taxation has been significantly increased during the years 2002 thru 2007 when compared to the period 1994 thru 1999. Also the percentage of surplus utilized has enormously increased to a high of 50.17% in 2007 to a low of 21.24% in 1995. Finally and most important, the Unencumbered Surplus Balance is lower in all the years from 2002 thru 2007 than in the years 1994 thru 1999 which means the Borough holds less surplus during the year. This clearly shows that the amount of surplus being held back during 2002 thru 2007 is lower than the unencumbered balances during 1994 thru 1999. These large transfers are necessary to minimize tax increases and offset the ever increasing costs to deliver municipal services. The transfer of municipal surplus to reduce property taxes acts as a dividend payment to our taxpayers in a similar way a dividend is paid to common shareholders of corporate stock. The Borough has continued to increase this annual dividend payment to our taxpayers in a very managed approach and will have the capacity to increase this payment during the next several years.

Schedule of Municipal Surplus Transfer

To Reduce Property Taxation

	Beginning of Year <i>Municipal Surplus</i>	Amount Used To Reduce Taxation	% <i>Utilized</i>	Unencumbered <i>Surplus Balance</i>
1994	\$6,773,103	\$1,787,000	26.38%	\$4,986,103
1995	\$6,373,924	\$1,354,000	21.24%	\$5,019,924
1996	\$7,293,730	\$2,009,387	27.55%	\$5,284,343
1997	\$7,437,777	\$2,355,000	31.66%	\$5,082,777
1998	\$7,898,320	\$2,134,685	27.03%	\$5,763,635
**1999	\$8,576,093	\$2,290,000	26.70%	\$6,286,093
2002	\$7,415,050	\$3,000,000	40.46%	\$4,415,050
2003	\$7,470,700	\$3,350,000	44.84%	\$4,120,700
2004	\$8,092,367	\$3,450,000	42.63%	\$4,642,367

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2005	\$7,864,977	\$3,650,000	46.41%	\$4,214,977
2006	\$8,375,142	\$4,150,000	46.55%	\$4,225,142
2007	\$9,367,814	\$4,700,000	50.17%	\$4,667,814

**Note: In 1999, \$2,900,000 was transferred from Municipal Surplus to the Municipal General Capital Fund to bolster the "Pay As You Go" strategy that was in place. This left a balance of \$3,386,093 after the transfer.

Schedule of Electric Utility Operating Cash and Surplus Balances

Shown below is a schedule of the beginning of the year balance in the Electric Utility Operating Fund Cash and Surplus Account. This is shown for the year 1994 thru 2007.

<u>Year</u>	Beginning of Year	Beginning of Year
	<i>Cash</i>	<i>Surplus</i>
1994	\$ 8,426,306	\$ 5,945,527
1995	\$ 9,508,978	\$ 7,727,584
1996	\$10,899,184	\$ 9,112,785
1997	\$11,054,223	\$ 9,460,964
1998	\$12,459,261	\$10,854,394
1999	\$13,176,801	\$11,444,470
2000	\$14,373,058	\$12,381,374
2001	\$13,994,016	\$12,738,114
2002	\$10,071,727	\$ 8,915,114
2003	\$ 9,505,808	\$ 8,598,255
2004	\$ 8,361,851	\$ 6,523,781
2005	\$ 6,984,010	\$ 5,388,400
2006	\$ 8,205,345	\$ 7,079,645
2007	\$ 9,048,651	\$ 7,387,238

Upon examination of this schedule you can see that both the cash and surplus balances are significantly lower during the last four years on from 2004 thru 2007 compared with any year from 1995 thru 2001. We have clearly reduced the amount of

surplus and cash in the Electric Utility. During 2007 the Borough will slightly increase these balances, then beginning in 2008 both of these balances will be significantly lower due to the increase cost of 105% for purchased power. The remaining surpluses we are holding will act as a shock absorber from this higher cost of purchased power and to continue to make transfers to the municipal budget to reduce taxation.

Schedule of General Capital Improvement Fund Balance

Shown below is a schedule from 1994 thru 2007 that reflects the beginning of year balances in the General Capital Improvement Fund. This account represents unencumbered funds that are available for General Capital Projects.

<i>Year</i>	<i>Amount</i>
1994	\$265,352
1995	\$365,880
1996	\$462,086
1997	\$1,447,707
1998	\$1,113,960
1999	\$1,455,342
2000	\$3,658,606
2001	\$1,402,952
2002	\$7,708,875
2003	\$8,601,662
2004	\$8,506,443
2005	\$6,780,516
2006	\$5,027,996
2007	\$4,643,729

The General Capital Improvement Fund Balances have been significantly increased during the last eight due to large transfers from the electric utility and a one time transfer of \$2.9 million in 1999 from municipal surplus. This account has been reduced from \$8,601,662 in 2003 to \$4,643,729 in 2007. The funding for this account has been primarily from electric utility transfers which will be severely reduced after 2008 due to the higher cost of purchased power. The Borough did not raise any funds from municipal taxation during the year 2003, 2004, 2005 and 2006. The 2007 Budget contains an appropriation of \$500,000 which the CFO recommended to the Council and was unanimously approved. I believe that this is a sound strategy. This fund will also be reduced during the next several years as we spend down the available balances.

Municipal Property Tax Comparison

Shown below is a comparison of several financial statistics for Millburn, Summit and Madison for the year 2006. You can see that the surplus balances are similar but the amounts transferred are not. Millburn appropriates large amounts for Capital Improvements and does little bonding. Summit appropriates small amounts for Capital Improvements but sells bonds every two (2) years. Madison has not appropriated any funds for Capital Improvements and has not bonded since 1991 and the taxpayers have benefited greatly. Summit has significantly higher debt service than Millburn or Madison. Summit has an extremely large Reserve for Uncollected Taxes of \$5,517,000, Millburn is at \$1,932,960 and Madison is at \$1,446,450. All three municipalities are rated AAA Standard & Poor's but all three municipalities take a different financial approach to several issues. The point of this discussion is that there are absolutely no guidelines that a municipality must follow when it comes to its finances. All three of the municipalities do it differently. There are no rules or guidelines that dictate the amount of cash a municipality should or should not hold. The goal of each municipality is to deliver excellent services at a reasonable cost to their taxpayers. Well I am very proud to say that we do this very well when it comes to municipal taxes. Millburn's average municipal tax is \$3,890, Summit is \$2,934 and Madison is \$1,866. Millburn is 108.46% higher than Madison and Summit is 57.23% higher. I believe that this is solid evidence of our financial ability to minimize property taxes while delivering all desired services to our residents regardless of the amount of reserves that are held for future years.

	Millburn	Summit	Madison
Municipal Surplus Generated	\$3,832,159	\$6,864,500	\$5,242,671
Surplus Balance	\$9,384,446	\$8,472,000	\$9,367,814
Surplus Utilized	\$2,600,000	\$6,100,000	\$4,150,000
Capital Improvement Appropriations	\$1,760,000	\$175,000	0
Debt Service	\$1,644,043	\$3,473,000	\$1,357,194
Reserve For Uncollected Taxes	\$1,932,960	\$5,517,000	\$1,446,450
Budgeted Tax Collection Rate	98.55%	94.05%	97.00%
Actual Tax	99.28%	99.30%	99.48%

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Collection Rate			
Year End Debt	\$9,274,593	\$29,620,000	\$20,390,782
Bond Rating from Standard & Poor's	AAA	AAA	AAA
Average Home Assessment To Determine Property Taxes	\$778,000	\$403,000	\$401,200
Total Tax Rate	\$2.12	\$3.10	\$2.20
Average Home Property Taxes (including School and County)	\$16,496	\$12,501	\$8,826
Municipal Property Taxes For Average Assessed Home	<u>\$3,890</u>	<u>\$2,934</u>	<u>\$1,866</u>
Percent Above Madison	<u>108.46%</u>	<u>57.23%</u>	

Summary:

During the last fifteen years the Borough has enjoyed financial prosperity. During 1991 thru 1996 there was no increase in the municipal tax rate, it remained at \$.895. Also from 1994 thru 2003 the Municipal Dollar Tax Levy was slightly reduced six (6) times. During 1996 thru 2005 the Borough invested over \$30 million in General Capital, over \$4.0 million in Water Utility Capital and approximately \$3.0 million in Electric Utility Capital without borrowing a single dollar or incurring any debt whatsoever. The Borough reduced its debt from \$24.8 million in January 1990 to \$3.37 million at the end of 2004. Since then the Borough has borrowed \$18 million to build the new Police and Fire Building, renovate the Hartley Dodge Memorial Building and purchase two large fire trucks and additional borrowing will probably be required to complete the projects.

Services to our taxpayers were also increased. The Fire Department expanded from 11 to 14 employees and the Police Department went from 34 to 35 officers. We acquired a Teen and Senior Center and added the Parks Department. Also, the State of New Jersey has mandated new services for leaf removal, storm water management and resumed significantly higher pension appropriations that were suspended from 1998 thru 2003. This was all done with small increases in Municipal Property Taxes.

All of the financial strategies are policies that the Borough was using during this timeframe rewarded the taxpayers with excellent results. Finally, Standard & Poor's rewarded Madison with its highest bond rating of AAA.

The Borough of Madison did in fact hold \$48.0 million at year-end 2006 and this was to support six (6) different funds, not just the Municipal Budget, repeat not just the municipal budget. All of this cash was not available for transfer to reduce property taxes. The amount of \$18.4 million was in fact available for transfer of which \$9.3 million is in Municipal Surplus, \$7.4 million in Electric Surplus and \$1.7 million in Water Surplus. The 2007 Budget utilizes \$9.3 million or slightly more than 50%. To make a statement that \$48 million is available for the Municipal Budget is highly inaccurate. Also the New Jersey State Statutes do not permit the transfer of Utility Capital Improvement Funds to the Municipal Budget.

The Borough of Madison has had a formal written policy in place since 1995 regarding Capital Projects. The policy states: "Electric Utility Surplus and reserves in the Capital Improvement Fund shall be used to fund the amount required for Capital Appropriations. Bonding may be used to finance large one-time building projects or large equipment purchases and funding for all other capital projects should be done strictly on a pay as you go basis." The Borough has not deviated from this policy. The Police & Fire Facility, Hartley Dodge Memorial Improvements and the purchase of two Fire Trucks are perfect examples of large one-time building projects and large equipment purchases.

I have prepared five-year plans from 2007 thru 2011 and reviewed them with Council in public. I have prepared debt service estimates from 2006 thru 2034 and also reviewed them with Council. Our strategy and intention have always been to bond/borrow for these projects. The adoption in 1990 of the pay as you go policy for capital projects has been highly successful. It has provided the Borough with the financial flexibility that is absolutely necessary to financially navigate in the future years. Our annual debt service payments have gone from a high of approximately \$2.4 million in 1990 to a low of \$1.2 million in 2005.

The first principal payment for the estimated \$18.75 million bond issue is planned to be made in the first quarter 2009. During 2009 the last remaining payment for the 1989 Waste Water Loan will be made. Our debt management strategies have been very successful.

I do not believe that the taxpayer's future interests would be better served by casting aside the successful financial strategies and policies the Borough has used over the last fifteen (15) years. There would be short term tax relief but it would be brief and then much larger tax increases would definitely happen. I do believe that the financial plans that we pursue are correct actions

and are also embraced by our Auditor and Standard & Poor's.

I am very proud to serve as the Chief Financial Officer for the Borough of Madison and always have in mind the best interests of our taxpayers.

Respectfully,

Robert F. Kalafut

Chief Financial Officer

June 11, 2007 Borough of Madison

Open Budget Hearing

Mayor Kerkeslager opened the Budget Hearing and asked if anyone wished to be heard; he asked that comments be limited to the subject of the proposed 2007 Budget and Tax Resolution, and that comments be limited to three or four minutes.

Martin Barbato, Arlena Drive, in a detailed statement, focused on the proposed tax increase and discussed the statute created to protect against delinquency requiring a reserve for uncollected taxes; in Mr. Barbato's opinion, the amount Madison reserves for uncollected taxes is underestimating tax collection; Mr. Barbato commented as to Madison's strong bond rating and mentioned that while a Council Member for the Borough of Madison, he prepared the first budget guidelines and 20-year capital plan, which ultimately the Council adopted; in 1996 the Borough received its first bond rating increase; with the second increase, Standard & Poor's noted the budget guidelines and capital plan were reasons for that increase in bond rating; the Council set the policy; Mr. Barbato spoke of keeping tax increases to the rate of inflation and collecting no more taxes than are needed to operate; in Mr. Barbato's opinion, a permanent decrease in municipal surplus is what the Borough needs.

Paul Lozier, Chelsea Court, commented on surplus being taxes already collected from Madison taxpayers; he felt the real cause of the need for additional revenue is a decision to subsidize electric rates; Madison's cost of electricity will go up 105% while rates will be increased only 9% for each of the next three years; Mr. Lozier referred to this as a subsidy for electric rates.

Fran Mantone, Prospect Street, spoke of what she considered the bottom line, how much are taxes going up; asked that the Borough make it clear; asked how much tax revenues were increased due to tear-downs and replacement by large houses.

Bob Holder, Park Lane, would prefer to look at the budget as to the spending rather than the taxing; would like to see a more forthcoming dialogue on the spending side.

Art Powell, Garfield Avenue commented that expenses in Madison are going up more than twice the rate of inflation; he commented that looking at the school district, they have been able to keep their budget increases to 3% in line with inflation; he recommended starting to work on the 2008 budget now and slowing the rate of expense.

John Glynn, Pomeroy Road, spoke about surplus and felt it is a misnomer to refer to surplus as a

non-tax revenue; really this is not correct; he also mentioned that his understanding was that when surplus is used to offset electric rates, residents are subsidizing non-taxpaying ratepayers.

Connie Stober, Madison Avenue, commented as to a choice between increasing residents' taxes which are tax deductible or doubling the cost of electricity which is not tax deductible.

Marie Moore, Fox Chase Road, asked about using some of the surplus that Madison has to lower taxes; felt it is an injustice to residents to raise taxes when there is a surplus to be used.

Jim McCloskey, Dean Street can't understand the high finance that is being discussed tonight; addressed the residents present and commented that this Council meets twice a month and that he hasn't seen any of those present tonight here to challenge the Council on what they are doing throughout the year; Mr. McCloskey recommended that all attend these Council meetings and challenge, and maybe this budget will go down.

Close Budget Hearing

There being no other member of the public who wished to be heard regarding the proposed budget, the Budget Hearing was closed.

Mayor Kerkeslager addressed some of the concerns raised and commented on the importance of managing and increasing new ratables in the commercial area as a way of reducing taxes.

Chief Financial Officer Robert Kalafut was asked to address some of the questions raised by the public in their statements during the Budget Hearing. Using the Budget in Brief, he spoke about salary and wages increasing due to settlement of union contracts; the budget also contains significant overtime; the Borough has to budget two Administrator salaries for nine months; and the union clothing allowance was rolled into salary and wages. Mr. Kalafut commented on the employee insurance deductibles and co-pay which were increased, thereby reducing Borough costs; pension and Social Security costs were addressed; legal expenses were due in large part to the Exxon property litigation.

Mayor Kerkeslager commented on pension expenditures by the Board of Education, which is zero except for Public Employees Retirement System (PERS) members; the State pays the Board of Education pension costs, whereas the Borough costs for pension in 2008 will be 100% of Police and Fire, and in 2009 the PERS will be fully funded by the Borough.

Mayor Kerkeslager recognized a member of the public who wished to be heard:

Don Nix, Shadylawn Drive, asked when union contracts are negotiated and to look at what the State of New Jersey is doing which is continuing pensions for current employees and stopping pensions for new employees coming in and directing them into a 401(k) for employees. The Borough Auditor was recognized by the Chair and commented that currently the Borough may not hire an employee and have that employee opt out of the State pension plan. Mr. Nix concluded that it is necessary to look to Trenton to change the rules.

Mr. Kalafut continued commenting as to Borough expenses including waste removal, debt service and the Library; there were Council comments including that the bulk of the expenses in the budget relate to costs of employees, and those costs are increasing which is a cost of delivering services; health care

costs are one of the few costs the Borough drove down for the first time in years; the cost of delivering the services that everyone in this community wants does not allow for the luxury of cutting those particular costs.

Mayor Kerkeslager recognized members of the public who wished to be heard:

Art Powell, Garfield Avenue asked that the Mayor and Council draw a distinction between costs that are ongoing and costs that are one-time; for service of a one-time expense, use the surplus; tax residents for ongoing expenses.

Martin Barbato, Arlena Court, commented that the property tax increase of \$1.4 million almost exactly equals the collection for reserves of \$1.5 million. The tax increase is not because of spending; get rid of the reserve and you do not have the tax increase; the math is there, it is not because expenses are going up.

Bob Holder, Park Lane, felt very strongly that a dialogue around spending is missing and would like to have a dialogue about spending which focuses on the increase in salaries and benefits.

There was a long discussion with each Council Member, in turn, making a statement on the proposed budget; comments included that the vast majority of residents tell the Council they want services in this community preserved; Madison's Labor Attorney advised the Mayor and Council on the last union negotiations and stated that what was on the table was the bottom line, that the Mayor and Council should take the labor increase or it will go to arbitration; based upon what the Labor Attorney said and considering the cost of arbitration and the good chance that the Borough would not win in arbitration, together with the fact that union contract increases were 4 to 4-1/2% across the state, the contracts were settled; municipalities are overwhelmed by pension items; the Borough electric rates charged to residents are lower than the market in recent years; much of the Borough's spending is not discretionary; money is spent and the bill must be paid; some spending can be avoided; the Borough must pay employees, keep the lights on and plow the snow; some spending is for special projects like the required installation of an elevator in this building, the Hartley Dodge Memorial, and ongoing purchases of land through Madison's Open Space Program—this constitutes a significant expenditure as land is expensive; these funds come predominantly from Madison's dedicated Open Space Trust Fund which voters approved in November 2003; discretionary spending requests come up frequently; they are difficult to resist as they are often worthy goals championed by hardworking and passionate employees or citizen volunteers; but when the Mayor and Council acquiesce to requests for professional sports facilities, when the Governing Body consents to the creation of new services and the expansion of existing services, then the inevitable result is a higher tax rate, even when the benefits accrue to but a few; the money is spent and the bill must be paid; informed and well meaning individuals have varying opinions on just how to manage the complex finances of the Borough, including establishing appropriate levels for operating and capital surpluses, and the reserve for uncollected taxes; these issues have little impact on the long-term tax burden of our citizens; if the Borough spends more, the residents will be taxed more; it is as simple as that; the Mayor, Council, employees, volunteers and the public alike should be asked to take a long, hard look at each new service or spending initiative and advocate caution if the overall rate of taxes for residents is to be contained. The Council thanked the public for their comments and consideration; the public was assured that official actions are taken in the best interests of Madison.

Mr. Kalafut made extended comments as to surplus and what has been done over the past seven years. The Borough Auditor was invited to speak, and his comments included that the Borough could get into a

position that it could not afford to pay for its services due to the constraints of the tax levy cap. In the Auditor's opinion, this is not the year to change the reserve for uncollected taxes; if the Borough wishes to change its fiscal policy on this, it can do so, but it must be understood that it will give relief for one year; he advocated that one-time revenues be used for one-time expenses.

At the conclusion of comments, Mayor Kerkeslager asked for a motion on the budget:

[R 128-2007 RESOLUTION OF THE BOROUGH OF MADISON FINALLY ADOPTING THE 2007 BUDGET AND TAX RESOLUTION](#)

Mr. Bowen moved adoption of the budget. Mr. Elias seconded the motion.

Mrs. Holden, after a detailed statement giving her reasons, voted against adoption of the budget. Mrs. Holden's reasons included having asked the Council to rethink the reserve for uncollected taxes, under-anticipation of revenue in the proposed budget and her wish to reduce the tax burden on residents.

Other Council comments included an explanation that the budget which is being considered reflects the increasing workload on employees and the fact that the Borough has not increased head count; if surplus is spent down quickly, taxpayers will pay the price in years to come; the budget process starts in August and reaches this stage after months and months of talking about how to bring the operating budget down; the Borough has maintained services with less people; the employees have worked very hard; the Borough is living with an aging infrastructure, and Madison has a challenge to pay for improvements to the infrastructure by meeting immediate needs and planning for the long run; the Borough has maintained surpluses, but not without a plan; the Borough has a five-year plan for sewer and water, and does not wish to bond everything.

At the conclusion of Council comments, and additional comments from Mr. Kalafut and the Borough Auditor, the following roll call vote was recorded approving the 2007 Budget and Tax Resolution:

Yeas: Ms. Baillie, Mr. Bowen, Mrs. Vitale, Mr. Elias, Mr. Conley

Nays: Mrs. Holden

Mayor Kerkeslager declared the 2007 Budget and Tax Resolution finally adopted and directed the Clerk to publish, post and make said Budget and Tax Resolution available to members of the public, and transmit two copies to the Director of the Division of Local Government Services.

COMMUNICATIONS AND PETITIONS

The Borough Clerk announced receipt of the following communications:

Received June 4, 2007 from Roy Redmond forwarding an article "Fighting Light Pollution", which the Madison Environmental Commission thought would be appropriate for potential future actions by the Borough.

INVITATION FOR DISCUSSION – (1 of 2)

The Mayor opened the meeting to the public for their opportunity to ask questions and make comments. Mayor asked that, upon recognition by the Chair, the person shall proceed to the lectern and give his/her name and address in an audible tone of voice, and print the same on the sheet provided for the record. ***He/she shall limit his/her statement to five (5) minutes or less.***

Sam Cerciello, Park Avenue, spoke about Madison as a "company" and the residents as "shareholders", with the Mayor and Council as the "Board of Directors". He believes the "Board of Directors" is responsible for the Fire & Police building problem and asked where the Borough stands.

Mr. Mezzacca responded with a statement including that the Eastern Builders' contract has been terminated, the bonding company has been notified; the bonding company has been meeting with the Borough and has had their professionals looking at the building; they will advise the Borough what they will do.

Mr. Cerciello spoke about problems at the building and that he is not proud of that building and that it has to be stopped; he voiced concerns about the Hartley Dodge Memorial (HDM) renovation and was assured that the Borough will do it right.

Donald Brunner, Redmond Drive, spoke about parking and asked about buying property from the Board of Education at the Central Avenue School; he was advised that the Board of Education is not interested in that, but that the Downtown Development Commission will come to Council with recommendations as to parking in the downtown.

Bob Holder, Park Lane, voiced concerns about using the same architect for the HDM renovations as the Fire & Police building. He asked about the best and worst case cost scenario to the Borough to finish the project. In a brief comment, Mr. Mezzacca believed that the bonding company has an obligation to complete the building; there are penalty clauses in the contract which have been enacted; it is expected that the bonding company will tell the Borough how they will go about rectifying the problem and give a time frame.

Since no other member of the public wished to be heard, the invitation for discussion was closed.

On motion by Mr. Conley, seconded by Mr. Bowen and carried, the meeting was extended to 11:30 p.m. with a quick look at the remaining Agenda items.

Agenda Discussions

06/11/07-1 review FIRE/POLICE BUILDING capital project RENOVATIONS; REVIEW OF RELOCATION AND RENOVATIONS

It was agreed that no further detail needs to be added to what was discussed earlier in the meeting.

06/11/07-2 APPROPRIATION OF \$430,000.00 FROM THE GENERAL CAPITAL IMPROVEMENT FUND FOR 2007 MILL & OVERLAY PROJECTS OF MUNICIPAL ROADS INCLUDING DEAN, JOHN, DWYER, HOWARD, MYRTLE, BURNET AND CHATEAU THIERRY

Mrs. Holden moved approval of the Borough Engineer's recommendation. Mr. Bowen seconded the

motion. There was no further discussion and the motion passed by unanimous voice vote. This project will be bonded per Mr. Kalafut. Even though this is a County Co-op award, the Borough Engineer stated that this award requires a resolution at the next meeting.

06/11/07-3 AWARD LINE CLEARANCE BID TO NELSON TREE SERVICE INC.

Mr. Conley moved awarding the line clearance bid to Nelson Tree Service. Mr. Bowen seconded the motion. Electric Utility Superintendent Michael Piano will notify the contractor to get a list of trees to be trimmed to Gene Cracovia of the Shade Tree Management Board for review. The motion passed by unanimous voice vote.

A resolution is listed on the Consent Agenda.

06/11/07-4 PURCHASE FORD F-350 TRUCK FOR THE ROAD DEPARTMENT UNDER STATE CONTRACT

Mr. Conley moved approval of the purchase of a Ford F-350 truck for the Road Department under State contract. Mr. Bowen seconded the motion, which passed by unanimous voice vote.

A resolution will be listed on the June 25, 2007 Consent Agenda.

06/11/07-5 Borough Engineer:

~~Authorize Borough Engineer to execute and submit consent forms to the NJDEP in order to obtain permits authorizing the Simplified Water Main Extension of water service to the proposed Drew Dormitory Building~~

The above discussion was removed from the Agenda during Agenda review at the beginning of the meeting, and R 139-2007 was removed from the Consent Agenda in this regard.

Authorize the NJDOT and its construction contractor to use a portion of municipal lands within James Park nearest the substation for temporary staging

Mrs. Holden moved approval of the above authorization. Mr. Conley seconded the motion, which passed by unanimous voice consent. A resolution is listed on the Consent Agenda. Mr. Vogel commented that he will get a response from Green Acres as well as to the temporary staging at that location.

Resolution awarding professional services contract to T&M Associates for design of drainage improvements to Green Village Road

Mrs. Holden moved approval of the above award to T&M Associates. Mr. Conley seconded the motion, which passed by unanimous voice consent. A resolution is listed on the Consent Agenda.

Resolution awarding professional services contract to T&M Associates for flow monitoring study within the North Street Pump Station service area

Mrs. Holden moved approval of the above award to T&M Associates. Mr. Conley seconded the motion, which passed by unanimous voice consent. A resolution is listed on the Consent Agenda.

~~Authorize soil moving permit for the proposed Drew Dormitory development by the University on Block 3001, Lot 1~~

The above discussion was removed from the Agenda during Agenda Review, and R 143-2007 was removed from the Consent Agenda.

~~Resolution awarding professional services contract to Envirovision of Fair Lawn, NJ for environmental testing within the Hartley Dodge Memorial Building~~

Mrs. Holden moved approval of the above contract. Mr. Conley seconded the motion, which passed by unanimous voice consent. A resolution is listed on the Consent Agenda.

~~Authorize the Borough Engineer to execute and submit consent forms to the NJDEP in order to obtain permits authorizing the extension of sanitary sewer service and treatment works approvals to the proposed Drew Dormitory Building~~

The above discussion was removed from the Agenda during Agenda Review. R 144-2007 was removed from the Consent Agenda.

Resolution Concerning Planned Unit Development

Mr. Mezzacca asked that Council move R 149-2007, the resolution authorizing entry into an agreement to resolve differences concerning the planned unit development and the real estate contract to purchase 53 acres of property from Rock-Florham LLC. The resolution was read in full by Mr. Mezzacca:

R 149-2007

RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING ENTRY INTO AN AGREEMENT TO RESOLVE DIFFERENCES CONCERNING PLANNED UNIT DEVELOPMENT PROPOSED ON THE FORMER EXXON SITE WITH THE BOROUGH OF FLORHAM PARK, ROCK-GW, LLC AND ROCK FLORHAM, LLC INCLUDING AUTHORIZATION TO PURCHASE APPROXIMATELY 53 ACRES OF PROPERTY FROM ROCK-FLORHAM, LLC

WHEREAS, the Borough of Florham Park has previously adopted Florham Park Ordinance 06-08 which revised the Florham Park Land Development Ordinance to amend the zoning in regard to the parcel known as the former Exxon site containing in excess of 400 acres fronting on Park Avenue in the Borough of Florham Park with a small portion in the Borough of Madison; and

WHEREAS, the Borough of Madison, the Borough of Florham Park and RockGW, LLC, developer of the former Exxon site and Rock Florham, LLC, owner of certain property adjacent to the Borough of

Madison have been in active discussions and negotiations to resolve issues concerning the Planned Unit Development proposed by Rock-GW, LLC on the portion of the Exxon site known as POD-S fronting on Park Avenue; and

WHEREAS, the parties entered into a Letter of Intent to resolve the differences concerning said Planned Unit development on November 21, 2006, to allow negotiation of a final agreement between the parties; and

WHEREAS, following substantial negotiations, the parties have reached an agreement; and

WHEREAS, the Agreement To Resolve Differences Concerning Planned Unit Development (hereinafter "Agreement To Resolve") is based on the criteria discussed in Executive Session, and includes a provision whereby the Borough of Madison, once conditions precedent are met, will purchase from Rock Florham, LLC, approximately 53 acres of a portion of the property known as Block 1401, Lot 5, as shown on the Florham Park Tax Map, for open space and recreation, and once purchased by the Borough of Madison said property will be annexed to the Borough of Madison from the Borough of Florham Park; and

WHEREAS, the Agreement To Resolve also provides that 8.75 acres of property that is currently part of the former Exxon site shown as Block 401, Lot 1 on the Tax Map of the Borough of Madison, which is owned by Rock-GW, LLC, shall be annexed by Florham Park; and

WHEREAS, the Agreement to Resolve provides for resolution of the differences over the proposed PUD development in the POD-S zone of Florham Park, including that Madison will not object to said development plan as specifically described and limited in the Agreement To Resolve, and that upon meeting of certain conditions precedent, Madison shall purchase approximately 53 Acres of a portion of the property known as Block 1401, Lot 5, as shown on the Florham Park Tax Map, for the purchase price of \$13,000,000.00.

WHEREAS, an Agreement for the Sale of Real Estate between Madison and Rock-Florham, LLC is attached and forms a part of the Agreement To Resolve; and

WHEREAS, the Madison Borough Council deems it in the best interest of the public to enter into the Agreement to Resolve and the Agreement for the Sale of Real Estate; and

WHEREAS, the Chief Financial Officer has attested that funds will be available in an amount not to exceed \$13,000,000.00 for this purpose upon adoption of an Ordinance to be introduced and enacted with funds from future bond issues, and/or grants and currently available funds that are contained in the Madison Open Space Trust Fund and if necessary the Capital Improvement Fund.

NOW THEREFORE BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, that the Mayor and Borough Clerk are authorized to execute the Agreement To Resolve Differences Concerning Planned Unit Development on behalf of the Borough of Madison and the Agreement For Sale of Real Estate, subject to the adoption of an appropriation Ordinance, consistent with this resolution and approved by the Madison Borough Attorney.

Mrs. Vitale moved approval of the above R 149-2007, which was read in full by Mr. Mezzacca. Ms. Baillie seconded the motion. Comments included that it was indeed unfortunate that most members of

the public already left the meeting and did not witness the adoption of this historic resolution, which took years of work to reach this point. At the conclusion of Council comments, the motion passed with the following roll call vote recorded:

Yeas: Mrs. Holden, Ms. Baillie, Mr. Bowen
Mrs. Vitale, Mr. Elias, Mr. Conley

Nays: None

Mr. Mezzacca also read the following resolution in full for Council consideration:

R 148-2007

**RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING
EXECUTION OF AGREEMENT WITH DREW UNIVERSITY CONCERNING
THE FURTHER DEVELOPMENT OF BLOCK 3001 LOT 1 BY
CONSTRUCTING A NEW DORMITORY**

WHEREAS, Drew University is the owner of property designated as Block 3001 Lot 1 as shown on the tax map of the Borough of Madison, which property is located at 36 Madison Avenue; and

WHEREAS, Drew University has applied to the Madison Planning Board for development approval to allow construction of a new dormitory on the premises; and

WHEREAS, Drew University wishes to enter into an agreement regarding its responsibility for the payment of an affordable housing fee to the Borough of Madison as a result of this construction; and

WHEREAS, the Borough Attorney has recommended that the agreement to resolve issues be entered into concerning Drew University and the Borough of Madison.

NOW THEREFORE BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, that the Mayor and the Borough Clerk are authorized to execute an agreement between the Borough of Madison and Drew University to resolve the affordable housing fee payment to the Borough of Madison as discussed in executive session in a form approved by the Madison Borough Attorney.

Mrs. Vitale moved approval of the above resolution, which was read in full by Mr. Mezzacca. Mrs. Holden seconded the motion. Mr. Conley abstained from the vote as Drew University and the YMCA use the same attorney. There was no further discussion and the motion passed with the following roll call vote recorded:

Yeas: Mrs. Holden, Ms. Baillie, Mrs. Vitale, Mr. Elias

Nays: None

Abstain: Mr. Bowen, Mr. Conley

Motion to Refer to Planning Board

Mr. Mezzacca asked for a motion to refer to the Planning Board the Petition from RockGW to annex 8.75 acres to Florham Park for Planning Board consideration and report back to this Council.

Mrs. Vitale moved the above motion as stated by Mr. Mezzacca. Mrs. Holden seconded the motion. The Clerk was directed to carry out the referral to the Planning Board.

There was no further discussion and the motion passed with the following roll call vote recorded:

Yeas: Mrs. Holden, Ms. Baillie, Mr. Bowen
Mrs. Vitale, Mr. Elias, Mr. Conley

Nays: None

Finalize Resolution R 133-2007

Mr. Mezzacca read R 133-2007 by title and commented that R 133-2007 was amended to reflect that it is effective subject to the background check by the Borough of Madison.

R 133-2007

RESOLUTION OF THE BOROUGH OF MADISON APPOINTING ROBERT P. O'DONNELL TO THE PART-TIME POSITION OF ELECTRICAL SUBCODE OFFICIAL/ELECTRICAL INSPECTOR

WHEREAS, the Borough Engineer has recommended that Robert P. O'Donnell be appointed to the position of Electrical Subcode Official and Electrical Inspector for the Borough of Madison; and

WHEREAS, the salary range for the position of Electrical Subcode Official and Electrical Inspector was established by the Borough Council by Ordinance 2-2007, effective January 22, 2007; and

WHEREAS, N.J.S.A. 52:27D-126 provides that the term of such appointment for a Subcode Official is four years.

NOW THEREFORE BE IT RESOLVED by the Council of the Borough of Madison, County of Morris, and State of New Jersey, that Robert P. O'Donnell of West Caldwell, New Jersey, is hereby appointed to the position of part-time Electrical Subcode Official and Electrical Inspector for a four year term, to be compensated at the rate of \$30,000 per year for twenty (20) hours per week upon receipt of satisfactory background checks.

Ms. Baillie moved approval of the above resolution, which was read by title by Mr. Mezzacca. Mr. Bowen seconded the motion. There was no Council discussion and the motion passed by unanimous voice vote.

INVITATION FOR DISCUSSION – (2 of 2)

The Mayor opened the meeting to the public for their opportunity to ask questions and make comments. Since no member of the public wished to be heard, the invitation for discussion was closed.

ADVERTISED HEARINGS – None.

Introduction of Ordinances – None.

Consent Agenda Resolutions

The Clerk made the following statement

Consent Agenda Resolutions will be enacted with a single motion; any Resolution requiring expenditure is supported by a Certification of Availability of Funds; any Resolution requiring discussion will be removed from the Consent Agenda; all Resolutions will be reflected in full in the minutes.

Mr. Elias moved the Consent Agenda consisting of R 129-2007 through R 132-2007, R 134-2007 through R 138-2007, R 140-2007 through R 142-2007 and R 145-2007 through R 147-2007. Mrs. Vitale seconded the motion.

Mrs. Holden asked about R 137-2007 approving liquor licenses; Mr. Mezzacca advised that issuing a liquor license cannot be subject to other approvals such as payment of water and electric utilities. There was no further discussion, and the Consent Agenda passed by voice vote with Mrs. Holden abstaining as to R 131-2007.



R 129-2007

RESOLUTION OF THE BOROUGH OF MADISON AWARDING CONTRACT TO SYSTEMS SALES, NEPTUNE, NJ IN THE AMOUNT OF \$57,000.00 FOR PURCHASE OF AN ALARM MONITORING SYSTEM

WHEREAS, the Chief of Police recommended that the Borough purchase an Alarm Monitoring System; and

WHEREAS, the Borough on three occasions issued public bids in accordance with the Local Public Contracts Law, N.J.S.A. 40A:11-1, et seq., which were all unsuccessful, the first bid having only one response which was non-responsive and was rejected by the Borough pursuant to R 255-2006, and the second bid having no responses, and the third bid having only one response which substantially exceeded the cost estimates for the project and was rejected by the Borough pursuant to R 74-2007; and

WHEREAS, the Borough has negotiated the purchase of an Alarm Monitoring System with Systems Sales of Neptune, New Jersey for \$57,000.00 pursuant to N.J.S.A. 40A:11-5.3(a); and

WHEREAS, the Borough Council has determined to award said contract to Systems Sales of Neptune, New Jersey; and

WHEREAS, the Director of Finance has attested that funds will be available in an amount not to exceed \$57,000.00 for this purpose, which funds will be available upon final adoption of Ordinance 37-2007.

NOW THEREFORE, BE IT RESOLVED, by the Council of the Borough of Madison, in the County of Morris and State of New Jersey as follows:

The contract for the purchase of the screen machine is hereby awarded to Systems Sales of Neptune, New Jersey in the amount of \$57,000.00.

The Mayor and Borough Clerk are hereby authorized and directed on behalf of the Borough to enter into the contract with Systems Sales of Neptune, New Jersey in a form acceptable to the Borough Attorney.

R 130-2007

RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING \$20,000.00 GRANT APPLICATION BY THE MADISON HISTORICAL SOCIETY TO THE NEW JERSEY HISTORICAL COMMISSION FOR ARCHEOLOGICAL RESEARCH AT THE LUKE MILLER FORGE

WHEREAS, the Madison Historical Society (hereinafter "Historical Society") has requested authorization to apply for a \$20,000.00 grant from the New Jersey Historical Commission for archaeological research at the site known as the Luke Miller Forge on property owned by the Borough on Ridgedale Avenue; and

WHEREAS, the grant will seek funding to allow an archaeological dig to discover information that may lead to dating the building accurately and other historical information.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, that the Borough of Madison hereby authorizes, endorses and supports the Historical Society's application to obtain a \$20,000.00 grant from the New Jersey Historical Commission for archaeological research at the Luke Miller Forge site on Ridgedale Avenue.

R 131 – 2007

**RESOLUTION OF THE BOROUGH OF MADISON APPROVING RAFFLES
LICENSE APPLICATIONS SUBMITTED BY EPOCH INC., AUXILIARY OF
THE MADISON VOLUNTEER AMBULANCE CORPS AND THURSDAY
MORNING CLUB**

BE IT RESOLVED by the Council of the Borough of Madison, County of Morris, State of New Jersey, that the following applications for Raffles Licenses, to be held as listed below, be and the same are hereby approved:

EPOCH INC.

I.D. No. 274-5-26960

R.A. No. 1051 – Off Premises

October 6, 2007

AUXILIARY OF THE MADISON VOLUNTEER AMBULANCE CORPS

I.D. No. 275-10-10817

R.A. No. 1052 – Off Premises

November 19, 2007

THURSDAY MORNING CLUB

I.D. No. 274-8-12803

R.A. No. 1053 – On Premises

November 9 & 10, 2007

R.A. No. 1054 – On Premises

November 9 & 10, 2007

BE IT FURTHER RESOLVED that a certified copy of this Resolution be forwarded to the Legalized Games of Chance Control Commission.

R 132-2007

RESOLUTION OF THE BOROUGH OF MADISON AWARDING LINE CLEARANCE BID TO NELSON TREE SERVICE, INC.

WHEREAS, the Borough of Madison publicly advertised for bids for electric line clearance (the "Contract") in accordance with the Local Public Contracts Law, N.J.S.A. 40A:11-1, *et seq.*; and

WHEREAS, Nelson Tree Service, Inc., submitted the only bid in the amount of \$110.25 per hour for approximately 12 to 14 weeks; and

WHEREAS, the Electric Utility Superintendent has recommended that the Contract be awarded to Nelson Tree Service, Inc., in the amount of \$110.25 per hour, not to exceed a total cost of \$61,740.00; and

WHEREAS, the Director of Finance has attested that funds will be available in an amount not to exceed \$110.25 per hour for 14 weeks, for a total cost not to exceed \$61,740.00 for this purpose from the Electric Department Operating Budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, as follows:

1. The contract for electric line clearance is hereby awarded to Nelson Tree Service, Inc., based upon its bid in the amount of \$110.25 per hour, not to exceed a total cost of \$61,740.00.
2. The Mayor and Borough Clerk are hereby authorized and directed on behalf of the Borough to enter into the contract with Nelson Tree Service, Inc., in a form acceptable to the Borough Attorney.

R 133-2007 was read by title and adopted earlier in the meeting.

R 134-2007

RESOLUTION OF THE BOROUGH OF MADISON RATIFYING APPOINTMENTS OF INTERNS KAITLYN PEZIK FOR THE WATER & ELECTRIC ADMINISTRATION DEPARTMENT, WILLIAM McLINDEN FOR THE WATER & ELECTRIC FIELD OPERATIONS DEPARTMENT, ANTONIO REGA FOR THE WATER DEPARTMENT AND PAUL KENTNER FOR LAND USE SERVICES

WHEREAS, the Chief Financial Officer has recommended appointment of Kaitlyn Pezik to the position of Summer Intern in the Water and Electric Administration department; and

WHEREAS, the Chief Financial Officer has recommended appointment of William McLinden to the position of Summer Intern (Meter Reader) in the Water and Electric Field department; and

WHEREAS, the Superintendent of Public Works has recommended appointment of Antonio Rega to the position of Summer Intern in the Water Department; and

WHEREAS, the Borough Engineer has recommended appointment of Paul Kentner to the position of Summer Intern in the Land Use Services department; and

WHEREAS, the Borough Council agrees with these recommendation.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, that Kaitlyn Pezik is hereby appointed to the position of Summer Intern in the Water and Electric Administration Department effective May 30, 2007 at the rate of pay of \$9.00 per hour.

BE IT FURTHER RESOLVED, that William McLinden is hereby appointed to the position of Summer Intern (Meter Reader) in the Water & Electric Field Operations Department effective May 31, 2007 at the rate of pay of \$9.00 per hour.

BE IT FURTHER RESOLVED, that Antonio Rega is hereby appointed to the position of Summer Intern in the Water Department effective June 4, 2007 at the rate of pay of \$9.00 per hour.

BE IT FURTHER RESOLVED, that Paul Kentner is hereby appointed to the position of Summer Intern in the Land Use Services Department effective June 4, 2007 at the rate of pay of \$9.00 per hour.

R 135-2007

RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING THE MAYOR TO EXECUTE A STANDBY LETTER OF CREDIT AS REQUIRED FOR THE PURCHASE OF ELECTRIC SUPPLY

WHEREAS, upon the recommendation of the participating members of the Public Power Association of New Jersey (PPANJ), the Borough of Madison has entered into a joint "Request for Proposal" with seven other members of the PPANJ for the purpose of securing bids for the Borough's power supply requirements at the termination of our existing contracts; and

WHEREAS, said proposals were received, evaluated, and a contract was awarded to DTE Energy Trading, Inc. on May 9, 2007; and

WHEREAS, to provide credit assurance to the bidders, the contract contemplates that the municipalities will procure a Standby Letter of Credit; and

WHEREAS, the PPANJ has contacted several banks to provide the letter of credit; and

WHEREAS, Commerce Bank has committed to provide a Standby Letter of Credit equal to an estimate of one month's contract exposure (monthly kWh times the difference between contract price and estimated market price) for a fee of 1% of its value; and

WHEREAS, the PPANJ has recommended to the Mayor and Council to authorize the procurement and signing of said Letter of Credit in the amount of 565,695.00.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, that the Mayor is authorized to execute a standby Letter of Credit issued by Commerce Bank in the amount of \$565,695.00 as described herein naming the beneficiary as DTE Energy Trading, Inc, subject to review by the Borough Attorney.

R 136-2007

**RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING RENEWAL
OF LIQUOR LICENSE FOR PLAZA LANES FROM**

JULY 1, 2007 THROUGH JUNE 30, 2008

BE IT RESOLVED, by the Council of the Borough of Madison, County of Morris, State of New Jersey, that the application for renewal of Liquor License No. 1417-33-024-006, Plaza Lanes, t/a Plaza Lanes, 53 Madison Plaza, Madison, New Jersey, for the 2007 - 2008 license term is hereby approved subject to the following conditions which have been agreed to by Plaza Lanes:

- 1) Bar not to be opened before 12:00 noon any day.
- 2) No sit down at the bar before 4:30 p.m. Monday through Friday.
- 3) Saturday and Sunday sit down may commence at 12:00 noon.

4) All beverages to be served in paper cups.

5) The bar area shall be located in the rear of the premises as shown on the drawing submitted by the applicant.

BE IT FURTHER RESOLVED, that a certified copy of this resolution be forwarded to the N. J. Division of Alcoholic Beverage Control Commission.

R 137-2007

resolution of the borough of madison renewING liquor licenses in the borough of madison for the 2007-2008 license term

BE IT RESOLVED by the Council of the Borough of Madison, County of Morris, State of New Jersey, that the following applications for renewal of Liquor Licenses for the 2007 - 2008 license term be, and hereby are approved:

CLUB LICENSES - FEE: \$150.00; July 1, 2007 through June 30, 2008

1417-31-019-001

Center Pub Assoc of Drew Univ Drew University

T/A Center Pub Assoc of Drew Univ

36 Madison Avenue

Madison, NJ 07940

1417-31-022-001

North Stars Athletic Club Inc

T/A North Star Athletic Club

95 North Street

Madison, NJ 07940

CONSUMPTION LICENSES – FEE \$1,989.00; July 1, 2007 through June 30, 2008

1417-33-005-003

The Cambridge Shanghai CompanyLLC

T/a Shanghai Jazz Restaurant and Bar

June 11, 2007 Regular Meeting Minutes

24 Main Street

Madison, NJ 07940

1417-33-010-004

Allocca Saverio & John V

T/A L'Allegria Restaurant Corp

9-11 Prospect Street

Madison, NJ 07940

1417-33-011-008

Genesis Restaurant Group

T/A Main Streets Cafe

54 Main Street

Madison, NJ 07940

1417-33-015-003 (Pocket License)

Kings Court Developers Inc.

9-11 Prospect Street

Madison, NJ 07940

1417-33-017-005

Sals Pub Inc

T/A Rocco's Restaurant

30 Cook Plaza

Madison, NJ 07940

1417-33-018-009

U. S. Food & Beverage Corp

June 11, 2007 Regular Meeting Minutes

T/A Poor Herbies

13 Waverly Place

Madison, NJ 07940

DISTRIBUTION LICENSES - FEE: \$1,491.00; July 1, 2007 through June 30, 2008

1417-44-001-008

Whole Food Markets Group Inc t/a Whole Foods Market

220 Main Street

Madison, NJ 07940

1417-44-003-005

Silver Sea Enterprises Inc.

T/A Bottle Hill Pharmacy

42 Main Street

Madison, NJ 07940

1417-44-004-008

TRID CORP

T/A Madison Wine Cellars

29 Main Street

Madison, NJ 07940

1417-44-006-004

ANV MADISON LLC

T/A Main Street Wine Cellar

300 Main St Unit 7A

Madison, NJ 07940

1417-44-009-007

Shah Traders Inc.

T/A Madison Liquor & Convenience

6 Elm Street

Madison, NJ 07940

1417-44-013-010

JELMA INC

T/A GARY'S WINE & MARKETPLACE

121 MAIN STREET

MADISON, NJ 07940

1417-44-007-003

VNB Wine & Spirit, Inc.

T/A Rose City Liquors

84 Main Street

Madison, NJ 07940

1417-44-016-004

Payel LLC

T/A Neils Liquors & Deli

114 Park Avenue

Madison, NJ 07940

R 138-2007

RESOLUTION OF THE BOROUGH OF MADISON INCREASING CONTRACT AWARDED BY R 239-2006 FROM \$23,000 TO \$27,908 FOR ARBOR PRO, INC. TO COMPLETE TREE INVENTORY ON BEHALF OF THE SHADE TREE MANAGEMENT BOARD

WHEREAS, a professional services contract was previously awarded to Arbor Pro, Inc., for professional services for software installation and support, tree inventory and data collection with GIS, which contract was authorized pursuant to R 239-2006; and

WHEREAS, the Borough Administrator has recommended an amendment to the existing professional services contract with Arbor Pro, Inc., be made to increase the amount of the contract from \$23,000.00 to \$27,908.00 due to the actual tree count substantially exceeding the Boroughs estimate; and

WHEREAS, such services constitute a professional service for which a contract may be awarded without the need of competitive bidding pursuant to N.J.S.A. 40A:11-5-1(a); and

WHEREAS, the Director of Finance has attested to the availability of funds in a total amount not to exceed \$27,908.00 for this purpose.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, as follows:

1. The Mayor and Borough Clerk are hereby authorized to execute, on behalf of the Borough, an amendment to the professional services contract with Arbor Pro, Inc. for professional services for software installation and support, tree inventory and data collection with GIS in a total amount not to exceed \$27,908.00 in a form acceptable to the Borough Attorney.
2. The Borough Clerk is hereby directed to publish notice of the adoption of this resolution in the official newspaper of the Borough of Madison within ten (10) days of its adoption pursuant to N.J.S.A. 40A:11-5.

R 139-2007 was removed from the Consent Agenda.

R 140-2007

RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING THE NJDOT AND ITS CONSTRUCTION CONTRACTOR TO USE A PORTION OF MUNICIPAL LANDS WITHIN JAMES PARK NEAREST THE SUBSTATION FOR TEMPORARY STAGING

WHEREAS, the State of New Jersey Department of Transportation (hereinafter NJDOT") is about to commence construction of modifications of the intersection of Kings Road and Madison Avenue; and

WHEREAS, the Borough Engineer has requested authorization to act on behalf of the Borough of Madison and in cooperation with the contractor's proposal to use a portion of the municipal lands within James Park closest to the Madison electric substation for a temporary staging area; and

WHEREAS, the Kings Road/Route 124 Intersection improvement project is being funded and constructed by the NJDOT.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of

Morris and State of New Jersey, that the Borough Engineer is authorized to permit the access road and an area closest to the electric substation to be used for temporary staging only if said lands are not encumbered with New Jersey Green Acres restrictions, which may prevent such use.

R 141-2007

**RESOLUTION OF THE BOROUGH OF MADISON AWARDED
PROFESSIONAL SERVICES CONTRACT TO T&M ASSOCIATES OF
MIDDLETOWN, NEW JERSEY, FOR DESIGN OF DRAINAGE
IMPROVEMENTS TO GREEN VILLAGE ROAD IN AN AMOUNT NOT TO
EXCEED \$37,000.00**

WHEREAS, the Borough Engineer has recommended that a professional services contract be entered into for design of drainage improvements to Green Village Road (hereinafter the "Contract"); and

WHEREAS, said services would constitute professional services for which a contract may be awarded without the need of competitive bidding pursuant to N.J.S.A. 40A:11-5; and

WHEREAS, the Purchasing Agent has determined and certified in writing that the value of this acquisition will exceed \$17,500.00; and

WHEREAS, the Borough Engineer has recommended that the Borough Council award the Contract to T&M Associates of Middletown, New Jersey, in an amount not to exceed \$37,000.00, for design of drainage improvements to Green Village Road; and

WHEREAS, T&M Associates, has submitted to the Borough Purchasing Agent, the required documents to satisfy the requirements of N.J.S.A. 19:44A-20.5, since this matter may be awarded without competitive bidding; and

WHEREAS, the Director of Finance has attested that funds will be available in an amount not to exceed \$37,000.00 for this purpose, which funds will be available upon final adoption of Ordinance 39-2007.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, as follows:

The Mayor and Borough Clerk are hereby authorized to execute, on behalf of the Borough, a professional service contract for professional services with T&M Associates of Middletown, New Jersey for a design of drainage improvements to Green Village Road in an amount not to exceed \$37,000.00, such contract to be in a form approved by the Borough Attorney.

The Business Disclosure Entity Certification and Determination of Value be placed on file with this resolution.

The Borough Clerk is hereby directed to publish notice of the adoption of this resolution in the official newspaper of the Borough of Madison within ten (10) days of its adoption pursuant to N.J.S.A. 40A:11-5.

R 142-2007

RESOLUTION OF THE BOROUGH OF MADISON AWARDING PROFESSIONAL SERVICES CONTRACT TO T&M ASSOCIATES OF MIDDLETOWN, NEW JERSEY, FOR FLOW MONITORING STUDY WITHIN THE NORTH STREET PUMP STATION SERVICE AREA IN AN AMOUNT NOT TO EXCEED \$32,000.00

WHEREAS, the Borough Engineer has recommended that a professional services contract be entered into for a flow monitoring study within the North Street Pump Station service area (hereinafter the "Contract"); and

WHEREAS, said services would constitute professional services for which a contract may be awarded without the need of competitive bidding pursuant to N.J.S.A. 40A:11-5; and

WHEREAS, the Purchasing Agent has determined and certified in writing that the value of this acquisition will exceed \$17,500.00; and

WHEREAS, the Borough Engineer has recommended that the Borough Council award the Contract to T&M Associates of Middletown, New Jersey, in an amount not to exceed \$32,000.00, for a flow monitoring study within the North Street Pump Station service area; and

WHEREAS, T&M Associates, has submitted to the Borough Purchasing Agent, the required documents to satisfy the requirements of N.J.S.A. 19:44A-20.5, since this matter may be awarded without competitive bidding; and

WHEREAS, the Director of Finance has attested that funds will be available in an amount not to exceed \$32,000.00 for this purpose, which funds will be available upon final adoption of Ordinance 40-2007.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, as follows:

The Mayor and Borough Clerk are hereby authorized to execute, on behalf of the Borough, a professional service contract for professional services with T&M Associates of Middletown, New Jersey for a flow monitoring study within the North Street Pump Station service area in an amount not to exceed \$32,000.00, such contract to be in a form approved by the Borough Attorney.

The Business Disclosure Entity Certification and Determination of Value be placed on file with this

resolution.

The Borough Clerk is hereby directed to publish notice of the adoption of this resolution in the official newspaper of the Borough of Madison within ten (10) days of its adoption pursuant to N.J.S.A. 40A:11-5.

R 143-2007 and R 144-2007 were removed from the Consent Agenda.

R 145-2007

**RESOLUTION OF THE BOROUGH OF MADISON AWARDING
PROFESSIONAL SERVICES CONTRACT TO ENVIROVISION OF FAIR
LAWN, NEW JERSEY, FOR ENVIRONMENTAL TESTING WITHIN THE
HARTLEY DODGE MEMORIAL BUILDING IN AN AMOUNT NOT TO EXCEED
\$3,931.00**

WHEREAS, the Borough Engineer has recommended that a professional services contract be entered into for environmental testing at the Hartley Dodge Memorial building prior to renovation (hereinafter the "Contract"); and

WHEREAS, said services would constitute professional services for which a contract may be awarded without the need of competitive bidding pursuant to N.J.S.A. 40A:11-5; and

WHEREAS, the Borough Engineer has recommended that the Borough Council award the Contract to EnviroVision Consultants, Inc. in an amount not to exceed \$3,931.00, for environmental testing at the Hartley Dodge Memorial building; and

WHEREAS, the Director of Finance has attested that funds will be available in an amount not to exceed \$3,931.00 for this purpose, which funds were appropriated by Ordinance 42-2005.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, in the County of Morris and State of New Jersey, as follows:

The Mayor and Borough Clerk are hereby authorized to execute, on behalf of the Borough, a professional service contract for professional services with EnviroVision Consultants, Inc. for environmental testing at the Hartley Dodge Memorial building in an amount not to exceed \$3,931.00, such contract to be in a form approved by the Borough Attorney.

The Borough Clerk is hereby directed to publish notice of the adoption of this resolution in the official newspaper of the Borough of Madison within ten (10) days of its adoption pursuant to N.J.S.A. 40A:11-5.

R 146-2007

**RESOLUTION OF THE BOROUGH OF MADISON AUTHORIZING THE
AWARD OF A NON-FAIR AND OPEN CONTRACT FOR PURCHASE OF A
15KV METERING AND SWITCH CABINET**

WHEREAS, the Borough of Madison has a need to acquire a 15KV metering and switch cabinet as a non-fair and open contract pursuant to the provisions of N.J.S.A. 19:44A-20.5; and

WHEREAS, the Purchasing/Personnel Officer has determined and certified in writing that the value of the acquisition will exceed \$17,500; and

WHEREAS, the anticipated term of this contract is 1 year; and

WHEREAS, Turtle & Hughes, Inc. has submitted a proposal dated March 20, 2007 indicating they will provide the 15KV metering and switch cabinet for \$19,950.00; and

WHEREAS, Turtle & Hughes, Inc. has completed and submitted a Business Entity Disclosure Certification which certifies that Turtle & Hughes, Inc. has not made any reportable contributions to a political or candidate committee in the Borough of Madison in the previous one year, and that the contract will prohibit Turtle & Hughes, Inc. from making any reportable contributions through the term of the contract; and

WHEREAS, the Director of Finance has attested that funds will be available in an amount not to exceed \$19,950.00 for this purpose.

NOW THEREFORE, BE IT RESOLVED by the Council of the Borough of Madison, County of Morris, and State of New Jersey, that the Mayor and Borough Clerk are authorized to enter into a contract with Turtle & Hughes, Inc. as described herein.

BE IT FURTHER RESOLVED that the Business Disclosure Entity Certification, Political Contribution Disclosure Form and the Determination of Value be placed on file with this resolution.

R 147-2007

**RESOLUTION OF THE BOROUGH OF MADISON REJECTING BIDS FOR
PURCHASE OF PAD MOUNT TRANSFORMER AND AUTHORIZING REBID**

WHEREAS, the Borough of Madison publicly advertised for bids for purchase of a 750KVA 3-phase pad mount distribution transformer in accordance with the Local Public Contracts Law, N.J.S.A. 40A:11-1, et seq.; and

WHEREAS, the Borough received four bids, from Wesco, Howard Industries, HD Supply Utilities, and U.S. Tech, Inc.; and

WHEREAS, the bid received from U.S. Tech, Inc., substantially exceeds the cost estimates for the project; and

WHEREAS, the other three bids have significant defects by not supplying required documents or not being signed by an authorized representative of the company; and

WHEREAS, the Purchasing Officer recommends that all bids received for the purchase of a 750KVA 3-phase pad mount distribution transformer be rejected for the reasons set forth herein and that it be re-bid.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Borough of Madison in the County of Morris and State of New Jersey that all bids received for the purchase of a 750KVA 3-phase pad mount distribution transformer are hereby rejected for the reasons set forth herein and the Borough Administrator is authorized to solicit new bids.

Resolutions R 148-2007 and R 149-2007 were read in full and adopted earlier in the meeting.

Unfinished Business – None.

APPROVAL OF VOUCHERS

On motion by Mrs. Vitale, seconded by Mr. Conley and carried by unanimous voice vote, the following vouchers of the Borough of Madison were approved for payment, and the supporting documentation of said vouchers was made part of the Supplemental Minute Book.

Public Safety \$17,136.63

Health & Public Assistance 6,444.98

Public Works & Engineering 214,062.00

Community Affairs 6,524.01

Finance & Borough Clerk 503,905.10

Utilities 38,532.86

Total \$786,605.58

New Business

After a brief discussion, there was Council consensus to adjourn the meeting without going back into Executive Session. The discussions left were put off until the next meeting.

Adjournment

There being no further business to come before the Council, the meeting was adjourned at 11:30 p.m. by unanimous voice vote.

Respectfully submitted,

Marilyn Schaefer

Borough Clerk

Approved June 25, 2007 (MS)