

TOWNSHIP OF WASHINGTON  
BERGEN COUNTY, NEW JERSEY

PUBLIC PORTION/PUBLIC SESSION

July 18, 2016

The Township Council held a Public Portion/Public Session in the Municipal Building, 350 Pascack Road. The meeting was called to order at 7:34 p.m. by Council President Michael Ullman, with the Clerk leading a salute to the flag. Members present: Robert Bruno, Peter Calamari, Steve Cascio, Tom Sears, Michael Ullman. Also present: Janet Sobkowicz, Mayor; Ken Poller, Attorney; Mary Anne Groh, Business Administrator; Louis C. Mai and Colleen Brennan of Louis C. Mai CPA & Associates; Gary Vinci and Donna Japhet of Lerch, Vinci & Higgins, LLP.

Pursuant to the provisions of the Open Public Meetings Act this meeting was listed in the Township Council Annual Meeting List which was published in The Bergen Record, forwarded to the local newspapers, posted on the Municipal Bulletin Board and filed with the Municipal Clerk.

The Clerk read the total of various bills paid, a copy of which is attached and made part of these minutes.

APPROVAL OF MINUTES

A motion was made by Mr. Sears, seconded by Mr. Calamari, to approve the May 2, 2016 Closed Session, May 9, 2016 Special Closed Session, June 27, 2016 Public & Conference.

Ayes: Councilmen Bruno, Calamari, Cascio, Sears, Ullman.

Nays: None.

A motion was made by Dr. Cascio, seconded by Mr. Sears, to approve the June 13, 2016 Public, Conference & Closed Session Minutes. (Councilman Ullman abstain).

Ayes: Councilmen Bruno, Calamari, Cascio, Sears.

Nays: None.

Abstain: Councilman Ullman.

REPORT OF MAYOR

The Mayor read the following appointment:

To the Council President and the Council of the Township of Washington, please be advised that I am appointing the following citizens to the office and position listed below:

Police Special Officer

Clayton Kenny

Mayor Sobkowicz stated currently, Bill Lawlor is in charge of the Road Department. Members are focusing on household and garden debris, fields, catch basins, and vehicle maintenance and repair. Ron Scherer tested the pH level of the soil at Memorial Field in preparation for the hydroseeding process. Some of the members completed event management training, which demonstrates setting up and identifying safety issues at town events. She stated the Township also restored the recycling pickup at the Municipal Complex which will help with our tonnage reports and revenue. She stated the Municipal Road Resurfacing Project will be starting on or about August 17 and will run through at least Friday, September 2, on weekdays. Hours of construction are 7 a.m. to 5 p.m. The following roads which will be paved are President Road, Douglas Drive, West Place, Ridgewood Boulevard East, Adams Place, White Birch Road, Wayne Place, Ruby Court, Calvin Street from

Washington Avenue to Koch Peak, Hillcrest Road, Jacob Road and Kennedy Drive. Please be aware of rough road conditions and raised manhole covers during the milling phase. Residents will be allowed to have egress and access to their homes; however, there may be minor delays. Please do not park your vehicles in the street on these days. In addition, storm drain repairs will be made, most catch basins will be retrofitted, and new lines will be painted at the Firehouse by the paving company because they use the correct paint that is applied hot and dries in a short time and the road only has to be closed for an hour. Shortly, residents of the above streets will be receiving official notification from the Police Department, then a letter, and then a Swiftreach notification as it gets closer to the "paving time" for more details on detours, road closings, etc. The next shredding and e-recycling event will be on Saturday, October 15, from 9 a.m. to Noon. Also, for the month of June, we were behind June of last year by 24 tons. Two Township residents, Connor Munson and Alianna Eucker, qualified for the Track and Field Junior Olympics in Sacramento, California from July 25 to 31. If anyone is interested in helping Connor getting to the event, the gofundme address will be on the e-sign starting tomorrow. Since 2005, the Police Department has been monitoring the intersection of Washington Avenue at Meisten Street due to a number of crashes involving westbound vehicles that lose traction when the surface is wet and either going off the road to the right and doing property damage or going across the double yellow lines into the path of oncoming eastbound traffic. Although there are only 2 or 3 crashes a year, they tend to be serious collisions whereby injuries occur and property damage and vehicle damage is heavy. This mostly happens in late August through early winter when the road surface is wet and/or it is raining and there are leaves on the ground. The Endurablend will be put down sometime in August, it is a red substance that increases the friction of the road surface. She stated she did go to various towns, Wyckoff, River Vale and Montvale to see what it looks like. Bergen County will be applying this surface in a 200' by 14' path. We are trying to get it completed on a Saturday or at least a start time of 5 a.m. so that the road would be reopened by 5 p.m. At the last Council meeting resident Toni Plantamura volunteered to help with the intersection including the No Right Hand turn restriction in Woodcliff Lake. She stated she agreed to speak with her along with Liz Reeves. We decided to first approach the Highway Authority and they did agree to have a conference call with us. We did get some new idea, new information and will be reaching out to see if there is anyone else interested in helping us. Several months ago the FAA proposed change in flight path to Teterboro Airport from east of 17 to west of 17. Ironically enough, this would have probably benefitted us; however, it was delayed due to the towns affected by the new path opposing it. She stated Mayor Doug Frank approached her and he did come to the Township to see what information we have of correspondence with agencies from 2002 to 2008 to improve noise and timing of flights. She stated he will be getting some things started and hopes residents can help out as much as possible. She stated the Ambulance Corps from January 1, 2016 to June 30, 2016, was dispatched 234 times. The members of the Corps are always working hard to get new members to provide more service to the residents. The Fire Department from January 1 to June 30, 2016, was dispatched 89 times not including mutual aid calls from other towns. Their service calls include fires, rescues, accidents and utility issues. The Fire Department also held their Annual Antique, Custom car, truck, and motorcycle show in June. She stated with regard to taxes, we will be receiving the cd from the County to upload the data to our system and print to the bills. Fortunately, we print them here, we have a group coming in to stuff the tax bills and will be sending them out on Friday. However, if you want to pay them now you can check the website where it says Pay Online, get the amount you owe, and pay it before you actually get the bill. Usually, taxes are due August 1. However, you will have 25 days from the day we mail the bills to pay them. This year, the regional JPA (Junior Police Academy) including Hillsdale, Westwood, and the Township had 125 applicants for this popular program. The children participate in many activities, view presentations, and see many demonstrations; parents spoke very highly of the

program. She stated she attended the graduation and it was a nice event. Lieutenant Skinner originated this program 16 years and continues to organize an excellent experience for the children. She stated herself and Captain Hackbarth recently applied for The 2016 Drive Sober or Get Pulled Over Labor Day Crackdown which will go from August 19<sup>th</sup> to September 5<sup>th</sup>. She stated from January to June the Police Department had 4,210 calls to service. She stated with regard to the Ell Road Project, on July 1<sup>st</sup> a resident called to report trees being cut down on the Township side of the project. Ell Road has gotten approval from Hillsdale, but they have not before the Township Planning Board. She stated they did indicate at the meetings that they would not be doing anything on the Township side, but they were cutting down trees on the Township side. She stated she was attending the JPA graduation so the Police Department was sent over to stop them. After the graduation, we met with the foreman who indicated they did have approval, but they did not have approval so a stop order was put in place. She stated if anyone sees anything going on at the Township's side, please call the Police Department immediately. About 140 children are enrolled in the Summer Program. She stated they are enjoying in a lot of activities, there are water slides, they also went to Lake Tomahawk, they like that so much they are going again and they also have been going to the Swim Club. The new coordinator, Chris Pinto, a teacher in our school system is doing an excellent job. Registration for Falcons Football program has begun and is open to children entering grades K-8. Registration for Falcons Cheerleading has also begun and is open to girls entering grades 3-8. There will be a floor renovation in the Municipal Building and the Police Department. We have met with representatives from the company and the samples are being reviewed at this time. She stated with regard to recycling, we really need to step up our efforts. This month we had 66 tons last year at the same time. The Township Library programs are in full swing, and she hopes residents take an opportunity to visit the library. The Planning Board met recently and approved three new homes on Salem Road. They are beautiful large homes and construction will begin shortly. Chief Hooper and herself met with the Lake Association to address issues of trespassing and dredging. The 7<sup>th</sup> Annual Fall Festival will be held on September 17<sup>th</sup> from 11:00 a.m. to 4:00 p.m. New to this event will be a "Kids Entrepreneur Corner," where children ages 8-18 can be entrepreneurs by making products to sell at the fair. They have to fill out an application, which is on the website, to be approved by the committee.

#### REPORT OF COUNCIL

Dr. Cascio – Dr. Cascio stated he would like to recognize the terrible tragedies in Dallas, Baton Rouge, Paris and Germany today. He stated our police need our support because they are out there protecting us. He stated he feels very sad for the victims and hopes this madness will end sometime soon.

Mr. Sears – Mr. Sears joins Dr. Cascio in sending prayers to the Dallas and Baton Rouge Police Departments. He spoke of a fire call of smell of gas that occurred on June 29<sup>th</sup> at the high school and the superintendent berating a Township Officer because she called the Fire Department. He stated the gas leak was located and the reading on the gas meter indicated a 7, which could have caused an explosion. He questions what authority the school superintendent has to override a Township Police Officer in an emergency and also questions his ability to lead our school system. He stated a message should be sent to him that this is not tolerable. He stated with regard to the Exxon station, fuel trucks are making U-turns in the firehouse parking lot to go west on Washington Avenue to pull into the service station. He stated this has to stop. He stated he called the Health Officer to the Fire Department due to birds being underneath the siding in multiple sections. He stated they did take photos and also provided a list of diseases the firemen could get. He stated he is glad the mayor had a meeting on the intersection, but was surprised Councilman Calamari and himself were not invited. He strongly

suggest that if the Mayor makes comments about him in public that she be able to back it up and if she is thinking about lawsuits that she advise council.

Mr. Calamari – Mr. Calamari stated everything has already been said.

Mr. Bruno – Mr. Bruno replied same for him.

#### GENERAL PUBLIC DISCUSSION

A motion was made by Dr. Cascio, seconded by Mr. Sears, to open the general public discussion.

Ayes: Councilmen Bruno, Calamari, Cascio, Sears, Ullman.

Nays: None.

Julie Lipnick, 184 Finnerty Place – Mrs. Finnerty thanked whomever planted an evergreen tree across her home which prevents any vehicles from riding over. She stated there is an evergreen with Christmas lights still attached and children are starting to pull them down. She also observed two young men lifting a fence and climbing underneath the fence to go between two properties. She asked why a member of the DPW was driving a DPW vehicle on a Sunday. Administrator Groh replied a rock was thrown through the window of the library, the police called the DPW to board it up.

William Ferrara, 2556 Cleveland Avenue – Mr. Ferrara stated as per Mr. Sears comment, the Board of Education should be contacted. He spoke at length of the conditions of the trees at Clark Field, some of which are dead and some which need to be trimmed. He spoke of resolution no. 16-230, in particular regarding item 17 and the several budget items. He also spoke of D&L Paving. He also spoke of LOSAP and why \$125,000 was budgeted since the maximum contribution is \$1250. He stated Lincoln Financial should also be questioned as to how much their fees are since they do manage LOSAP. He also spoke of the audit firm not auditing certain departments since they do have their own funds. Mayor Sobkowicz spoke of D&L Paving. Mr. Ferrara asked if the Township is comfortable with funds being financed by certain individuals and those funds not being audited. Mr. Bruno spoke of the LOSAP program being audited as well as the pension fund. Mr. Ullman spoke of the initial funding for Colonial Boulevard.

Jim Hanson, 11 Lindenwood Court – Mr. Hanson thanked the Mayor for getting Ms. Plantamura involved with the intersection. He complimented the Recreation Program. He asked if there was going to be a public discussion with regard to dredging of the lake by the Lake Association. He stated he did take some aerial shots last year and the algae blooming in the lake. He spoke of chemicals being put into the lake to clean it up and those chemicals coming in contact with our water supply. He spoke of relining Wayne Place, since it is going to be paved, to make it ADA compliant.

Fred Goetz, 587 Washington Avenue – Mr. Goetz asked Mayor Sobkowicz why she vetoed the Salary Ordinance. Mayor Sobkowicz stated there were a number of reasons, one being trying to crunch the mayor in getting rid of the Township attorney and also the funding was not there for tax appeals and other lawsuits. Mr. Goetz spoke of the salary the attorney was paid in 2001 and 2002. He stated in 2002 the council, which included Mayor Sobkowicz, tripled the salary amount to \$50,000, which is a 300% increase. Mayor Sobkowicz spoke at length of the reasons and ultimately it did save the Township money. She stated Mr. Poller is very reasonable in the amount he charges. Mr. Goetz stated if Township employees are good at what they do their salaries should also be quadrupled.

A motion was made by Mr. Calamari, seconded by Mr. Sears, to close the general public discussion.

Ayes: Councilmen Bruno, Calamari, Cascio, Sears, Ullman.

Nays: None.

## CONSENT AGENDA

The following resolutions were part of the Consent Agenda and were made available to the Governing Body and the Public prior to the meeting.

Mr. Sears stated he would like to pull 16-230 since he does have a few questions, specifically with regard to Section 17. He stated monies were approved in 2013 for the firehouse warning lights, which to date have not been completed. He asked why this council being asked to vote on this now. Mr. Bruno stated he also would like it pulled. Administrator Groh spoke of the document she distributed to council at the last meeting and the August 5<sup>th</sup> deadline. She stated at the last meeting it was agreed that any questions would be forwarded to her, she did not hear anything from anyone, so she was lead to believe that there were no concerns or issues. Mr. Ullman stated we will pull 16-230 for a separate vote. A conversation followed with regard to Resolution No. 16-235, Liquor License Renewal (Club License) for the Washington Township Recreation Club (Swim Club).

The Consent Agenda, Resolutions No. 16-231, 16-232, 16-233, 16-234, 16-235, 16-236, 16-238 was presented and adopted on a motion by Dr. Cascio, seconded by Mr. Sears.

Ayes: Councilmen Bruno, Calamari, Cascio, Sears, Ullman.

Nays: None.

### Resolution No. 16-231

#### Open Space Guarantee

BE IT RESOLVED, that the Mayor and Council of the Township of Washington ("the Township") wish to enter into a Bergen County Trust Fund Project Contract ("Contract") with the County of Bergen for the purpose of using a \$21,093.00 matching grant award from the 2015 Funding Round of the Bergen County Open Space, Recreation, Floodplain Protection, Farmland & Historic Preservation Trust Fund ("Trust Fund") for the municipal park project entitled "Memorial Park Basketball Court Rehabilitation," located in Memorial Park in Lot 1 in Block 2325 on the tax maps of the Township.

BE IT FURTHER RESOLVED, that the Mayor and Council hereby authorize Janet Sobkowicz to be a signatory to the aforesaid Contract; and,

BE IT FURTHER RESOLVED, that the Mayor and Council hereby acknowledge that, in general, the use of this Trust Fund grant towards this approved park project must be completed by or about May 18, 2018; and,

BE IT FURTHER RESOLVED, that the Mayor and Council acknowledge that the grant will be disbursed to the municipality as a reimbursement upon submittal of certified Trust Fund payment and project completion documents and municipal vouchers, invoices, proofs of payment, and other such documents as may be required by the County in accordance with the Trust Fund's Requirements; and,

BE IT FURTHER RESOLVED, that the Mayor and Council acknowledge that the grant disbursement to the municipality will be equivalent to fifty (50) percent of the eligible costs incurred (not to exceed total grant award) applied towards only the approved park improvements identified in the aforesaid Contract in accordance with the Trust Fund's requirements.

### Resolution No. 16-232

#### Recreation Refund

BE AND IT IS RESOLVED, by the Township Council of the Township of Washington that the Township Treasurer is hereby authorized to refund the following recreation fees:

Zara Arsala  
286 Hoover Avenue

Township of Washington, NJ 07676

Refund for Summer Camp 2016	\$255.00
Administrative Fee	\$0
For Ryon Arsala	\$255.00

Refund for Summer Camp 2016	\$245.00
Administrative Fee	\$0
For Jacob Arsala	\$245.00

Refund for Summer Recreation  
Refund Amount: \$500.00

Resolution No. 16-233

Recreation Refund

BE AND IT IS RESOLVED, by the Township Council of the Township of Washington that the Township Treasurer is hereby authorized to refund the following recreation fees:

William Cordo  
358 Colonial Blvd.  
Township of Washington, NJ 07676

Refund for Summer Camp 2016	\$255.00
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Refund for Summer Recreation  
Refund Amount: \$255.00

Resolution No. 16-234

Recreation Refund

BE AND IT IS RESOLVED, by the Township Council of the Township of Washington that the Township Treasurer is hereby authorized to refund the following recreation fees:

Daniela Pineda  
330 Pascack Road  
Township of Washington, NJ 07676

Refund for Summer Camp 2016	\$255.00
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Refund for Summer Recreation  
Refund Amount: \$255.00

Resolution No. 16-235

Liquor License Renewal

BE IT RESOLVED, that the following Club License renewal for one year, effective July 1, 2016 be and are hereby approved:

#0266-31-009-001

License Name: Washington Township Recreation Club  
Trade Name: Washington Township Recreation Club Inc.

BE IT FURTHER RESOLVED, by the Township Council of the Township of Washington that the Municipal Clerk be and is hereby authorized to sign and deliver the respective licensing certificate on behalf of the Township of Washington.

Resolution No. 16-236

Support of Senate Bill S-2254 and Assembly Bill A3821

WHEREAS, the Bergen County League of Municipalities supports the provision of affordable housing in a reasonable, rational and achievable way, consistent with economic realities and sound planning; and

WHEREAS, pursuant to the march 2016 new Jersey Supreme Court order which transferred oversight of the Fair Housing Act (FHA) to the courts, hundreds of municipalities filed declaratory judgment actions to voluntarily comply with their State imposed affordable housing requirements; and

WHEREAS, recently the Ocean County Superior Court included a distinct "gap period" analysis retroactively over an additional 16 year period, separate and apart from the normal 10 year present and prospective need; and

WHEREAS, the Fair Share Act (FHA) and existing case law, requires that "present and prospective fair share of the housing need in a given region ...shall be computed for a 10-year period" (N.J.S.A. 52:27D-307(c); and

WHEREAS, the "gap issue" arises out of COAH's inability to promulgate third round regulations from 1999 to present or make an final determination as to State and regional housing needs, as well as constant litigation by certain groups; and

WHEREAS, any retroactive "gap" obligations could have significant and unfunded impact on municipalities, may double count households under both present and prospective need and will likely result in forcing municipalities and their property taxpayers to subsidize development; and

WHEREAS, Senate Bill S-2254 sponsored by Senators Greenstein and Bateman and Assembly Bill A-3821, sponsored by Assemblymen DeAngelo and Benson, re-affirm the legislative intent of the Fair Housing Act so as to preclude significant, unfair impacts and instead progress toward a more rational statewide housing policy, including reasonable and achievable obligations for municipalities, facilitate municipal compliance and the provision of affordable housing.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Township of Washington as follows:

1. The Governing Body hereby expresses its support for S-2254 and A-3821.
2. The Clerk shall forward a copy of this resolution to Governor Christie, the New Jersey Senate President, the Speaker of the New Jersey Assembly, the representatives of the Borough of New Jersey Senate and Assembly and all Bergen County Municipalities.

Resolution No. 16-237

Planning Board Refund

WHEREAS, Mr. & Mrs. Jonathan Moore paid for a Planning Board Application Site Plan on premises known as Block 3211, Lot 1, 573 Willow Street; and

WHEREAS, according to the Planning Board Engineer, Paul Azzolina, the Site Plan Application is not necessary and obtained in error by the Planning Board Secretary; and

NOW, THEREFORE, BE IT RESOLVED, that the Township Treasurer of the Township of Washington is authorized to refund the application in the amount of \$ 750.00.

Planning Board Refund

WHEREAS, Mr. & Mrs. Richard Wynes paid for a Planning Board Application Site Plan on premises known as Block 3116, Lot 17, 699 Beech Street; and

WHEREAS, according to the Planning Board Engineer, Paul Azzolina, the Site Plan Application is not necessary and obtained in error by the Planning Board Secretary; and

NOW, THEREFORE, BE IT RESOLVED, that the Township Treasurer of the Township of Washington is authorized to refund the application in the amount of \$ 750.00.

A conversation followed with regard to Resolution No. 16-230. Administrator Groh explained the timing of the reissuance of the bond. She stated if this bond is not paid off it would affect the Township's rating. She also explained the review process which was between the CFO, Lerch Vinci and the bonding attorney. Comments were made with regarding funding projects, but projects not being completed. Mr. Sears spoke at length of 13-20, in which money was put aside for warning lights for the firehouse and three years later it still not being completed. He stated it is a disgrace that the firemen cannot get the protection they need. Mr. Bruno suggested having a plan of action with deadlines and dates. Administrator Groh stated in this instance the Fire Department would be the ones to obtain the quotes to move the project forward. Mr. Ullman spoke at length of looking at past ordinances, such as the ones from 1995 and 1997 and set up some type of schedule for review. A conversation followed regarding the Director of the Fire Department being the liason and the point of contact.

A motion was made by Dr. Cascio, seconded by Mr. Calamari, to approve Resolution No. 16-230.

Ayes: Councilmen Calamari, Cascio, Ullman.

Nays: Councilmen Bruno, Sears.

(Resolution No. 16-230 not passed, 2/3 majority required for a bond resolution.)

Resolution No. 16-230

Bond Anticipation Note

Section 1. Pursuant to a bond ordinance of The Township of Washington, in the County of Bergen (the "Township") entitled: "Bond ordinance providing for the purchase of equipment by The Township of Washington, in the County of Bergen, New Jersey, appropriating \$44,000 therefor and authorizing the issuance of \$41,800 bonds or notes of the Township for financing such appropriation", finally adopted on July 12, 1999 (#99-7 as supplemented by #05-1), bond anticipation notes of the Township in a principal amount not exceeding \$33,778 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 2. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the purchase of equipment and renovation of the firehouse by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$50,000 therefor and authorizing the issuance of \$47,000 bonds or notes of the Township for financing such appropriation", finally adopted on August 23, 1999 (#99-12), bond anticipation notes of the Township in a principal amount not exceeding \$26,657 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 3. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of the storm water drainage system in and by the Township of Washington, in the County of Bergen, New Jersey appropriating \$700,000 therefor and authorizing the issuance of \$161,500 bonds or notes of the Township for financing such appropriation", finally adopted on April 9, 2007 (#07-4), bond anticipation notes of the Township in a principal amount not exceeding \$8,775 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 4. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the acquisition of new equipment for use by the Fire Department of the Township of Washington, in the County of Bergen, New Jersey, appropriating \$21,000 therefor and authorizing the issuance of \$20,000 bonds or notes of the Township for financing such appropriation" finally adopted on April 9, 2012 (#12-06), bond anticipation notes of the Township in a principal amount not exceeding \$17,777 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 5. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for acquisition of new and additional vehicular equipment by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$162,000 therefor and authorizing the issuance of \$154,000 bonds or notes of the Township for financing such appropriation", finally adopted on July 23, 2012 (#12-12), bond anticipation notes of the Township in a principal amount not exceeding \$136,888 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 6. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement to Memorial Field in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$160,000 therefor and authorizing the issuance of \$152,000 bonds or notes of the Township for financing such appropriation", finally adopted on July 23, 2012 (#12-13), bond anticipation notes of the Township in a principal amount not exceeding \$146,758 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 7. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of various roads in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$908,692 therefor and authorizing the issuance of \$865,000 bonds or notes of the Township for financing such appropriation", finally adopted on May 6, 2013 (#13-06), bond anticipation notes of the Township in a principal amount not exceeding \$819,473 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 8. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of Colonial Boulevard in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$300,000 therefor and authorizing the issuance of \$285,000 bonds or notes of the Township for financing such appropriation", finally adopted on May 6, 2013 (#13-07), bond anticipation notes of the Township in a principal amount not exceeding \$126,881 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 9. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$285,897, and authorizing the issuance of \$218,274 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on May 20, 2013 (#13-11), bond anticipation notes of the Township in a principal amount not exceeding \$185,384 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 10. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of the municipal complex site in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$94,320 therefor and authorizing the issuance of \$89,604 bonds or notes of the Township for financing such appropriation", finally adopted on May 20, 2013 (#13-12), bond anticipation notes of the Township in a principal amount not exceeding \$86,514 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 11. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$235,400, and authorizing the issuance of \$223,630 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on September 23, 2013 (#13-20), bond anticipation notes of the Township in a principal amount not exceeding \$102,046 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 12. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the installation of new fencing at Memorial Field in and by The Township of Washington, in the County of Bergen, New Jersey, appropriating \$110,000 therefor and authorizing the issuance of \$104,000 bonds or notes of the Township for financing such appropriation", finally adopted on September 22, 2014 (#14-11), bond anticipation notes of the Township in a principal amount not exceeding \$64,100 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 13. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$100,000, and authorizing the issuance of \$95,000 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on October 20, 2014 (#14-13), bond anticipation notes of the Township in a principal amount not exceeding \$95,000 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 14. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of Memorial Field in and by the Township Of Washington, in the County of Bergen, New Jersey, making an initial appropriation of \$150,000 and authorizing the issuance of \$142,800 bonds or notes of the Township for financing such appropriation", finally adopted on March 23, 2015 (#15-04), bond anticipation notes of the Township in a principal amount not exceeding \$142,800 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 15. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of various roads in and by The Township of Washington, in the County of Bergen, New Jersey, appropriating \$750,000 therefor and authorizing the issuance of \$714,000 bonds or notes of the Township for financing such appropriation", finally adopted on June 1, 2015 (#15-07), bond anticipation notes of the Township in a principal amount not exceeding \$699,800 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 16. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the acquisition of new and additional vehicular equipment by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$765,000 therefor and authorizing the issuance of \$728,000 bonds or notes of the Township for financing such appropriation", finally adopted on July 20, 2015 (#15-09), bond anticipation notes of the Township in a principal amount not exceeding \$653,256 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 17. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$1,009,000, and authorizing the issuance of \$958,550 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on April 18, 2016 (#16-02), bond anticipation notes of the Township in a principal amount not exceeding \$958,550 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 18. All bond anticipation notes (the "notes") issued hereunder shall mature at such times as may be determined by the treasurer, the chief financial officer or the acting chief financial officer of the Township (the "Chief Financial Officer"), provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer and shall be signed and sealed by officials and officers of the Township in any manner permitted by N.J.S.A. §40A:2-25. The Chief Financial Officer shall determine all matters in connection with the notes issued hereunder, and the Chief Financial Officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. §40A:2-8. The Chief Financial Officer is hereby authorized to sell part or all of the notes at not less than par from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price. The Chief Financial Officer is directed to report in writing to the governing body of the Township at the meeting next succeeding the date when any sale or delivery of the notes hereunder is made. Such report must include the principal amount, interest rate and maturities of the notes sold, the price obtained and the name of the purchaser.

Section 19. Any note issued pursuant to this resolution shall be a general obligation of the Township, and the Township's faith and credit are hereby pledged to the punctual payment of the principal of and interest on said obligations and, unless otherwise paid or payment provided for, an amount sufficient for such payment shall be inserted in the budget and a tax sufficient to provide for the payment thereof shall be levied and collected.

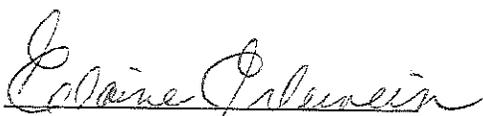
Section 20. The Chief Financial Officer is hereby authorized and directed to do all other matters necessary, useful, convenient or desirable to accomplish the delivery of said notes to the purchasers thereof as promptly as possible, including (i) the preparation, execution and dissemination of a Preliminary Official Statement and Final Official Statement with respect to said

notes, (ii) preparation, distribution and publication, if necessary, of a Notice of Sale with respect to said notes, (iii) execution of a Continuing Disclosure Undertaking, with respect to said notes in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission and (iv) execution of an arbitrage and use of proceeds certificate certifying that, among other things, the Township, to the extent it is empowered and allowed under applicable law, will do and perform all acts and things necessary or desirable to assure that interest paid on said notes is not included in gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 21. All action heretofore taken by Township officials and professionals with regard to the sale and award of the notes is hereby ratified, confirmed, adopted and approved.

Section 22. This resolution shall take effect immediately.

Time noted: 8:44 p.m.



Elaine Erlewein  
Township Clerk



Michael Ullman  
Council President

Approved: August 15, 2016

BERGEN COUNTY, NEW JERSEY

CONFERENCE PORTION/PUBLIC SESSION

July 18, 2016

Members present: Robert Bruno, Steve Cascio, Peter Calamari, Tom Sears, Michael Ullman. Also present: Janet Sobkowicz, Mayor; Mary Anne Groh, Administrator; Ken Poller, Attorney; Louis C. Mai and Colleen Brennan of Louis C. Mai CPA & Associates; Gary Vinci and Donna Japhet of Lerch, Vinci & Higgins, LLP.

Time Noted: 8:55 p.m.

CURRENT BUSINESS

Township Auditor – Mr. Ullman stated the Township has yet to appoint an audit firm. As a result of the Request for Proposal, two firms submitted proposals, Louis C. Mai and Lerch Vinci. Mr. Ullman asked each firm to introduce themselves and give a brief background on their respective firm.

Louis C. Mai – Mr. Mai stated he is the proprietor of the firm Louis C. Mai, CPA & Associates, Colleen Brennan is his associate. The firm has been in business for 13 years and was started after he retired from KPMG, being a partner there for 20 years. The firm specializes in municipal auditing, having worked with schoolboards and authorities. Clients are listed in the proposal along with references and some statistics. The firm helps with bonding, budgets, AFS's, ADS's and all things that are required.

The following questions were posed to Mr. Mai by council:

Mr. Calamari - Did you communicate with anyone from the town regarding information in the RFQ or any other business having to do with the RFQ. There were two rounds, once which you submitted a proposal and then a second RFQ was completed. Did you communicate with anyone in the town regarding either one of those.

Ms. Brennan – The only thing I did is contact Elaine in regards to obtaining the RFQ. I came here actually picked it up, and via email is when I found that you guys went out again for it and that is the only person I spoke to in regards to the RFQ.

Mr. Calamari – What prompted you to change your pricing structure and format from the first RFQ to the second.

Mr. Mai – I think the request the second time was more specific. The first one didn't ask for much.

Mr. Calamari – It was my understanding, and Administrator Groh, please correct me if I am wrong that it went out virtually verbatim from the first set to the second set, the request.

Administrator Groh – No, the first set was done in more of a construction bid format, the second set was tailored but it did not ask for any further breakdown on the fees. So, it didn't have anything suggesting they should be broken out for debt statements and things that all of a sudden were on the second one.

Mr. Mai – I saw what things that the incumbent firm did for you, he signed the annual financial statement, and he signed your budgets, so on and so forth. Given all of those scenarios most of the times when you do an AFS breakdown you usually do the Annual Debt Statement, so I just broke them out into categories that might be similar to what you are paying now, I don't know how you paid but that is what I did.

Mr. Sears – Have you seen a copy of Mr. Vinci's proposal, were you given a copy or have you talked to anybody from the council about Mr. Vinci's proposal.

Mr. Mai – I did speak to one of the councilmembers, but I did not see their proposal.

Mr. Sears – Because it seems kind of funny that they both match, price for price.

Mr. Calamari – And line for line.

Mr. Mai – I have no idea. What was in the first proposal?

Mr. Calamari – It was an hourly price of \$125.00 per hour.

Mr. Mai – That is what was asked for in the proposal. In the second one, I looked at the services that were being offered and I compared it to what I get paid in some other towns and that is how I came up with my pricing.

Mr. Calamari – I don't mean any disrespect for me personally it does not pass the smell test, that you changed it to be exactly the same line items that your competitor has and you have just undercut all of their prices by literally a few hundred dollars. I am only speaking for myself but I find that very hard to believe that the wording came out exactly the same, virtually as your competitor that submitted the same the first time and for the second round yours changed to mirror them practically the same. I can't believe, me personally that that happened. The numbers are so close and you're just under them on everything. I will take you at your word, that no councilman, no one from the town gave you an inside word as to what their bid was. I will take you at your word.

Mr. Mai – Thank you.

Mr. Calamari – How many employees does your firm currently have?

Mr. Mai – Two of us.

Mr. Calamari – What if one of you happens to be out for an extended time period, especially during crunch time, when you are doing everything for the municipalities that you serve.

Mr. Mai – That is easy, I work more. Colleen had a baby last year and she was out for three months and we did meet all of our deadlines.

Mr. Calamari – I am talking more of a medical emergency, where one of the two of you are out from anywhere for two weeks to a month, when all of these things are due at a municipal level.

Mr. Mai – I have never experienced it. I do have other professional relationships if I needed to from other firms, I have been in this business for a long time, and I have helped other people. When I was at KPMG everybody says you are way too big and now we are very efficient. When we did the county three years ago we had three people and we hired another consultant. So, we staff accordingly.

Mr. Calamari – You do subcontract work out, not as a general rule but when you have to.

Mr. Mai – That is the advantage, Colleen has been in this business for 15 years and I myself have been doing it a lot longer, so there is no one that comes in here that is not experienced.

Mr. Sears – How many towns do you represent?

Mr. Mai – Right now we have four towns.

Mr. Sears – In those towns, do they deal with LOSAP.

Mr. Mai – Yes, one.

Mr. Sears – Do you audit for LOSAP?

Mr. Mai – No.

Mr. Sears – You have four towns and you did mention that you contract out. How do we know that you are not going to contract out for Washington Township to do our books?

Mr. Mai – Between the two of us, we have no problems getting all of the work done on time. One of our towns, which are the biggest, is a June 30<sup>th</sup> year end, so that doesn't come into play with your organization at all.

Mr. Sears – Going back to the underbidding of the requirement, how did you come with those figures to come lower than your competitor.

Mr. Mai – I had no idea I was lower than my competitor. I am happy I am.

Mr. Calamari – How many municipalities have you served over the past 5 years or so.

Mr. Mai – Seven.

Mr. Calamari – Is it correct that GAAP is not used for municipalities.

Mr. Mai – Yes.

Mr. Calamari – Being an auditor, is it your duty to find and report unfunded ordinances.

Mr. Mai – Normally, the audit has an exhibit in it that talks about some of those things, C3 Schedule. We look at that and normally we discuss it with the administration and/or the Finance Committee as requested. We usually go through those things and say you have things that are on the books for 10 years, 15 years, what are you going to do with it. We do not make any management, all management decisions are made by management and council.

Mr. Calamari – Is it a fair statement to say that something like that would get fixed by a CFO or am I asking outside the scope.

Mr. Mai – The CFO of the other towns, they will do their debt statements, financial statements, budgets, everything and we do an audit. Those CFO's would say we need to do this, we don't need to do that and they maybe would help you put together a multi-year action plan, like a CFO should do.

Mr. Calamari – Is it your duty, as an auditor, to force or insist that municipalities fix any discrepancies that you find. I understand that you report them, but is it your duty as a town auditor to insist.

Mr. Mai – I don't insist on anything. However, depending upon the circumstances it would change my opinion, I have already one of my clients a material weakness opinion and I gave the Newark Board of Education a disclaimer of opinion. Quite frankly, if you don't react to that I have to decide whether the management or the legislative body are serious.

Mr. Sears – During your years of being an auditor, have you ever received any negative comments in response to your work.

Mr. Mai – I had one councilperson in Mahwah who said I was stealing money.

Mr. Sears – Any negative audits that were brought up or charges against you.

Mr. Mai – No.

Mr. Calamari – Just one comment, I don't agree with having this question and answer session done in front of the public.

Mr. Mai – It is unusual.

Mr. Calamari – I don't think it is the right venue for it, but it was what was decided on.

Mr. Mai – It goes right to the Open Public Meetings Act.

Mr. Ullman – Dr. Cascio do you have anything.

Dr. Cascio – I have no questions.

Mr. Ullman – Mr. Bruno.

Mr. Bruno – I do have a few questions. Did I speak to you on the phone a month or so ago and introduce myself to you.

Mr. Mai – Yes, you did.

Mr. Bruno – During your audit, do you review internal control procedures regarding delegation of authority to sign off on invoices, sign off on checks.

Mr. Mai – Yes.

Mr. Bruno – If you find material weaknesses in that, where people are signing and approving a bill as one person versus the four people that are involved in the delegation of authority, do you find that to be an issue.

Mr. Mai – Yes that would be a comment and an internal control issue.

Mr. Bruno – Do you also do any kind of internal control procedures on the systems of the company, the ERP systems, the budgeting system, the general ledger systems, etc.

Mr. Mai - Normally a municipality in New Jersey has one of three vendors, and we have experience with most vendors. Most vendors have some of their software approved by the State, so on and so forth. To that extent we do look at that but we look at the user controls around those things because that is what really matters and normally we try to see if you are running one of the latest versions of that system so that your maintenance is continuing and you are upgrading because sometimes there are changes.

Mr. Bruno - Do you feel there should be monthly closing of books, they should be posting the books monthly and they should be reconciling bank accounts monthly.

Mr. Mai - I don't know if I would go as far as saying close, but I do have one of my clients that does that. Your bank account should be reconciled monthly; your ledger should be proved to your subsidiary ledgers for the appropriations for taxes and any of those subsidiary ledgers that are maintained. That is a normal function.

Mr. Bruno - In the municipalities that you have been involved with, where you said there were CFO's there, do they prepare any kind of internal financial statements throughout the year to the council or whomever they report to.

Mr. Mai - Two do the other one the CFO goes to the meetings and reports pretty continuously.

Mr. Bruno - Do the majority of municipalities you deal with have Finance Committee that someone reports to a Finance Committee.

Mr. Mai - They do.

Mr. Bruno - When you receive adverse opinions there are certain reasons why you receive adverse opinions. Is it common that municipalities just continue to get adverse opinions for bank reconciliations and subsidiary ledgers not agreeing to the general ledgers?

Mr. Mai - We have a couple of mixed items in this question. Because you are not GAAP, the professional literature says we have to say, we give you adverse opinion accordance to the GAAP, we have to say that. But, then normally right after that we would say but in accordance with the regulatory basis of accounting, which you are, that you have an unmodified or good opinion. If your bank reconciliations and all the rest of those things are not done, and to the extent that they are not, we won't and we can't do them for you, they must be done internally. If they cannot be done internally then we have to look at helping you find someone to do them or we have to withdraw.

Mr. Bruno - The LOSAP Program, based upon our audited financial statements represents 49/48% of our current funding, which is basically 50% as far as I am concerned in terms of the assets and liabilities. I don't know if we have ever had it audited to be honest with you or if we have ever engaged anyone to audit it. We as a council would certainly want to get something done, I don't know if it overfunded, underfunded. Is that something you would do or you would bring outside consultant to do a LOSAP program.

Mr. Mai - Lincoln Financial does everyone's LOSAP in the State and there is a couple that are thrown in there. But, mostly it is Lincoln Financial, they are approved by the State, so on and so forth. The State has finally come out with some guidance with that, the audit should include looking at the basis for which you are paying the LOSAP funding, meaning like Mr. Calamari is on the Fire Department he attends 80% of the calls, and Mr. Bruno attends 60% and his funding should be x. There is a new criterion that we should be looking at, yes; there is a basis for which you are paying that money to the LOSAP fund.

Mr. Bruno - When you complete your audit, who do you generally meet with to discuss the audit.

Mr. Mai - We meet with management to understand the issues at hand and we also meet with finance. If there is a finance committee, we do that, but we normally like to meet with the finance committee before we start, just to speak with them about issues and concerns they might have.

Mr. Bruno - Prior to the audit, when you start the audit, do you prepare a list of due diligence of what you would like to see so that the CFO has a list to see what it is to circumvent timing and get things done.

Mr. Mai – Yes, for our initial meeting, we come in meet with the management, go over certain things then we have a checklist of items we ask for in advance, but we do not do until we made the initial interviews because you might not have the information that we have. A lot of times we ask the data processing provider to provide with a read only access to the system so we can to in and make inquiries so we do not interfere with the operation of the town, but we do make a checklist that we give to our clients in advance so they can be ready for us to make it as efficient as possible for both of us.

Mr. Bruno – The New Jersey Comptroller's Office issues reams and reams of internal control procedures, documents on how things should be done in the town/municipalities and guidelines for councils. I know there is a wealth of information, but do you back up and stop to look at certain things that the towns are doing to try and see it is in conjunction with the comptroller's office in terms of rules and regulations being followed properly.

Mr. Mai – Yes, there are two parts to our reports, the financial statement is your financial statement, the only thing that is in the whole book, basically are Comments/Recommendations, that we make which is similar to a management letter that you would get in a commercial enterprise, and two reports, you have one on your financial statements saying that they are fairly stated in terms of the regulatory requirements and the second report is a compliance report. It is not just did you pay John Jones x amount of dollars, but if you did it, did you get quotes. Those are all compliance issues, so we do compliance auditing as part of that second opinion.

Mr. Bruno – Thank you.

Mr. Ullman – I have a question. You mentioned some of the towns you audit today, you actually perform the financial audit, their CFO or their Finance Department are capable of producing debt statements.

Mr. Mai – Annual financial statements.

Mr. Ullman – And rolling over the systems, doing things that are typically based. We run a very thin finance department, and I am going to say it is too thin. How do you maintain your level of objectivity and independence if you are doing an audit report, you are preparing the debt statement and you may be offering opinions or guidance on other areas of finance that is typically done by finance department where it does not exist here. My biggest concern is in our current structure we have almost embedded, in my opinion, a level of audit in our day to day operations and is there that level of independence and objectivity. Can you speak to that.

Mr. Mai – That is a good question. What we try to do, and we have been pretty successful generally, is to get your CFO to understand more, so they can do more. It is like the old saying I can give you fish or teach you to fish. We try to move our CFO's up the professional....you are correct.

Mr. Ullman – Our CFO can only fish one day a week.

Mr. Mai – I understand that. We do not do any of your internal work, that is absolutely a positive. The Annual Financial Statement is actually a review report and by professional standards we are allowed to do that since we are issuing a report upon it. As to the budget, some places I sit with the council when they are working on their budget, and if they have an opinion that management or the CFO cannot handle, we will give advice on that, but again is it always up to the management and council to make those decisions. With respect to the financial statements, we are probably going to hire an outside reviewer to review the financial statements and how they stack up to your records to make sure that we are independent with respect to our audit work and the preparation of the financial statements, even though your management will sign a representation to us that they are responsible for financial statements and they have looked through all the adjustments and they agree with those adjustments and so on and so forth. That is how we are guaranteeing our independence.

Mr. Ullman – One last question, Ford Scott on April 3, 2013 you received a peer review rating of pass, it could pass, pass with deficiencies or fail. You received the highest rating. Has that been revisited since 2013.

Mr. Mai – I am waiting for mine for to be issued. The State changed their rules, my peer review has been done since April, but it can't be issued until the peer reviewer is reviewed by an external party and that has not taken place yet. The reviewer indicated to me I was going to get a pass, but I do have a draft of the letter but I can't share it with anyone.

Mr. Ullman – Just in case you are unaware, a peer review is an audit firm that goes and evaluates the Mai firm and checks their levels of control, thoroughness and things of that nature so it is a peer to peer review and it has passed.

Mr. Mai – Yes. When mine is issued, if we are engaged, we will send you a copy.

Mr. Ullman – Are there any follow ups.

Mr. Sears – Are the peer reviews posted on website.

Mr. Mai – Yes, the ASCPA does, you put the name of the firm and it will bring up the peer reviews.

Mr. Calamari – How many years approximately, have you been doing your longest municipality.

Mr. Mai – Up until last year I would have told you 30, but that firm changed because I was there too long.

Mr. Calamari – Do you see it as a detriment that you were there so long.

Mr. Mai – Me, no.

Mr. Calamari – I appreciate your honesty. You were there for a period and you are looking at things year to year, auditing, but there is nothing that should be looked at by another set of eyes or anything.

Mr. Mai – There is some merit to having a fresh set of eyes. We picked up a new town three years ago, the very first year I was there I found they were not billing all of their water and sewer customers that should have been billed and then I found out they were not billing themselves. Sewers and provide waters to certain part of the town, so it was not fair to that group.

Mayor Sobkowicz – Do you know the form of government that we have.

Mr. Mai – Yes, you are similar to Elizabeth, it is a Charter strong Mayor basically.

Mayor Sobkowicz – It is a Faulkner Plan E.

Mr. Mai – That is the city of Elizabeth also.

Mayor Sobkowicz – Do you have any towns that are Faulkner Plan E that you work with.

Mr. Mai – Well, a municipality that is the same is Mahwah, which is a strong Mayor also.

Mayor Sobkowicz – I was just curious if you worked with a Faulkner town before.

Mr. Mai – Yes we did. Elizabeth is a municipality just like you are.

Mayor Sobkowicz – You are the auditor for Elizabeth.

Mr. Mai – Yes.

Mayor Sobkowicz – How long has that been for?

Mr. Mai – Ten years.

Mayor Sobkowicz – I just would like to clarify this issue with GAAP. When you are finishing up the audit with one of the towns that you work and you write your preface in the audit report, where you talk about GAAP versus DLGS, do you write that it is adverse to that, you mentioned that before. Do you put that in writing in you document.

Mr. Mai – Yes I think I answered that, someone did ask that question.

Mayor Sobkowicz – I just wanted to clarify that.

Mr. Mai – It is very confusing.

Mayor Sobkowicz – People think that, we got an adverse opinion so I just want to make sure that everyone understands that has to be done when you talk about the GAAP in your introduction to the audit.

Mr. Mai – Yes.

Mr. Bruno – Just so you understand, these are standard opinions that the auditor writes.

Mayor Sobkowicz – You were the one that stated we received an adverse opinion, you wrote a letter in the newspaper.

Mr. Bruno – You did receive an adverse opinion because you are not reconciling any of the accounts.

Mr. Ullman – Thank you very much for your time.

Mr. Mai – I have nothing. Should we stay for after the meeting or do you want us to come back in if we are lucky enough to be selected.

Mr. Ullman – I don't think that will be necessary unless you want to voluntarily extend your night another half hour.

Mr. Mai – No, but I understand you will make a decision, but if you have any questions even after the decision is made please call me. Thank you.

Mr. Gary Vinci – Thank you for the opportunity to be here. My name is Gary Vinci, I am a partner with the firm Lerch, Vinci & Higgins. To my left is my partner, Donna Japhet. Donna is the partner in charge of the audit at the Township. We have for the past number of years served the Township as an independent auditor. Our firm started in 1990 and just to give you an idea of the growth, at that point in time we had probably about 30-35 government entities between school districts and municipalities that we served as independent auditor, today we are probably one of the largest in the State. We represent nearly 50 municipalities and 80 school districts as auditors. I think that is very important because our type of work is strictly auditing government entities, we do not have a tax practice, and that is by design. We audit county agencies, insurance funds, non-profits, municipalities and school districts so our area of expertise is strictly in a focused area and that where our expertise and our relationship with the State agencies, we are involved with the Division of Local Government Services, partners are sitting on government accounting committees so we have a very strong feedback and positive relationships with the State agencies that oversee municipal accounting. Currently we have 8 partners and I would think over 40 employees, half of which are Certified Public Accountants. Each engagement we have two partners assigned, the second partner is a quality control reviewer so somebody who really reviews the quality of the report, over and above what the engagement partner is responsible for.

Mr. Sears – Mr. Vinci I have your two proposals. Did you lower your numbers on your second proposal.

Mr. Vinci – No, I did not.

Mr. Sears – So your numbers are consistent with your 1<sup>st</sup> proposal.

Mr. Vinci – Correct.

Mr. Sears – In dealing with 50 municipalities, would you ever consider contracting out for help if you could not handle the Township.

Mr. Vinci – No, we have never in our years of service contracted out. We feel that is important that staff that are assigned to any engagement that we are ultimately responsible for our staff that we have trained, staff that have worked with that audit team so we would not subcontract out for additional staff, for example for the audit of the Township.

Mr. Sears – Let me just re-ask the first question again. Proposal 1 and proposal 2 did you change your numbers in any way, shape or manner.

Mr. Vinci – No.

Mr. Sears – To win a bid.

Mr. Vinci – No.

Mr. Sears – Thank you.

Mr. Calamari – I will be asking you the same questions that I asked of the firm that was in here before you, just to keep everything on a level playing field, some of them Mr. Sears already asked, but I want to be as transparent as possible. Did you communicate with anyone from the town regarding your RFQ when you looking to submit it.

Mr. Vinci – The initial RFQ or the second one? I think with the initial RFQ I was just trying to understand what the bid was based on, but other than that. The proposal mirrors typically what we submit for a government audit because we do know obviously from work that we have done for the Township as well our other communities that the auditor is asked to render an opinion and complete the audit as well as assist with the unaudited annual financial

statement which is a regulatory required document, as well as assist with the State budget document. So we had a sense as to what type of work was required of the auditor.

Mr. Calamari – The next question does not really apply to you, but I want to ask it and let it be known since everyone in the audience now knows it and I asked the other people. They changed their pricing structure from the first RFQ to the second, the second mirrors yours so closely and undercuts you by such a few dollars, I said the same thing to them, and I highly suspect that they didn't somehow get a copy of your first proposal. I don't know if you knew that up until now, their first proposal was for \$125.00 an hourly rate for everything they did, the second one virtually mirrored yours line for line for scope of work and charges, I think you should know that.

Mr. Vinci – Thank you.

Mr. Calamari – I believe you answered this question how many employees you currently have, you said about 40 and in your RFQ you wrote it down and since it is in your proposal I will read it quickly, seven partners, 6 managers, 9 supervisors, 6 senior accountants, 15 staff accountants, 4 administrative staff. Again, first proposal that the other company had put gave an hourly rate, I see your billing rate is according to who is doing the work, varying from \$45.00 an hour to \$170.00 per hour, I like to see that as opposed to a flat rate no matter what is being done. I will ask this question, I don't think it applies to the fact since you have 40 employees, what if someone is out for an extended time period during crunch time when you are doing a lot of towns audits.

Mr. Vinci – Let me go back, from the time we submitted the original proposal we actually promoted one of our senior managers to partner, so we do have 8 currently today. I think with the number of employees, the number of partners, the number of managers that if one person and I think speaking on behalf of the partnership, if one partner went out I think all of the partners would absolutely rework their schedule and help out just to make sure that the work of the entire firm was completed. We don't feel that is a risk for us.

Mr. Calamari – Mr. Sears I believe already asked this question, but it is in my list, do you subcontract work out?

Mr. Vinci – No, we do not.

Mr. Calamari – You already answered the question how many municipalities you currently serve, I believe you said 50 and 80 school districts in that area.

Mr. Vinci – Correct.

Mr. Calamari – How many municipalities have you served over the past five years, has that 50 number been stagnant.

Mr. Vinci – It has actually been increasing.

Ms. Japhet – Probably five or ten in the last five year, it has gone up.

Mr. Vinci – Yes, I would think in the last five years we probably have easily added 7 or 8 municipalities.

Mr. Calamari – Is it correct that GAAP is not used for municipalities.

Mr. Vinci – That is correct.

Mr. Calamari – As an auditor, is it your duty to find and report on unfunded ordinances.

Mr. Vinci – It is a discussion if I go back to the time of the budget adoption for this year, where I provided a memo regarding that, it was a discussion that we had with the administration at the end of most of our last few years audits. Just to briefly touch on that, it is a very common situation that happens with municipalities, they may bond a certain dollar amount and if they spend after they bond extra money, which they are legally allowed to, go up to that appropriation, you may have dollars that were not financed as part of the original bond issue, it is not uncommon, we have it in quite a few municipalities. If a State denies a grant that you relied on at the time of ordinance adoption, you may have the same situation. So there are numerous times that that could happen. Our report will note in one of the schedules how much money has not been financed, bond counsel makes that determination

after hearing from the CFO whether they should suggest to the Township Council about additional borrowing.

Mr. Calamari – I think you just answered my next question, but I will ask it, who do you usually interact with, the CFO on something like that?

Mr. Vinci – Absolutely, in fact we have a separate department that handles all of the financing. I am not involved with that, that is a separate department that it is really in conjunction with a financial advisor with bond counsel and the Township CFO.

Mr. Calamari – In your duties of being an auditor, is your duty to force or insist that municipalities fix any discrepancies.

Mr. Vinci – We can report, obviously we cannot be part of management that says this is what you have to do. We have to disclose if we feel there are areas that need improvement. It is really the responsibilities of the Chief Financial Officer to develop the Corrective Action Plan submit that to the governing body for their review, which should then determine what procedures should be implemented to correct the deficiencies that were noted as part of the audit.

Mr. Calamari – Have a lot of your customers been with you long term, by that I mean more than ten years.

Mr. Vinci – Yes, I would say there is a high percentage of that. The firm has a large client base, but that does not necessarily mean that that one partner oversees that engagement. As I mentioned Donna is the partner in charge of the audit, with the partnership of currently 8 partners, we actually rotate partners to oversee the audit and that is a firm policy.

Ms. Japhet – We not only rotate the partners, we also rotate the entire engagement team on a regular basis, that way it kind of gives you a fresh set of eyes on the job, the staff almost every year, the manager or supervisor every few years and the partners as well every few years. Given the size of our firm is gives us the ability to do that, we have resources to do that.

Mr. Calamari – You must have known my next question, which would have been are the same set of eyes always looking at things or it varies.

Mr. Vinci – It varies, absolutely, we make a conscientious effort to rotate.

Mr. Calamari – That answers all of my questions. I am going to voice the same concern to you as I did to the others, I find this improper that we are doing this interview process in an open public session, it is usually not done this way. I don't happen to agree with it. Thank you for answering my questions.

Mr. Vinci – Your welcome.

Mr. Sears – With regard to the peer review, there are only three categories that you can be graded, it is pass, pass with deficiencies or fail. Can you explain what your rating is today.

Mr. Vinci – Ours is pass. In fact we have just had an independent firm from Rochester, New York to review our audit practices, procedures, administrative policies, review our work papers, review the quality of the audits that we issue and currently we are awaiting confirmation of a pass.

Mr. Sears – It is only those three categories, it is not a high pass, low pass.

Mr. Vinci – No, those are the only three categories.

Dr. Cascio – I have no questions.

Mr. Bruno – This is really for my own edification, over the years we have had not had a CFO that has full time, which I always felt was an issue. Are you involved in any of the internal preparation throughout the year, financial statements.

Mr. Vinci – No, in other words you have an accounting system in place here that the CFO, as well as the tax office will use for your financial reporting, we do not come in to do any type of interim financial statements.

Mr. Bruno – I am just trying to understand how we get all of this financial prep done without having anyone here, how you do an audit without having information that I feel as a CFO in private practice, has to be given to an auditor.

Mr. Vinci – Well, the information is within the Township's records.

Mr. Bruno - I understand that. You should be getting year end unlimited preliminary financial statement from somebody in this municipality in order for you to audit. Am I correct?

Mr. Vinci - Or as what is customary in the State of New Jersey only because I can tell you from the fact that we represent so many....

Mr. Bruno - I am trying to understand this town. I understand the State.

Mr. Vinci - Even when you had a full time CFO, the CFO did not complete the unaudited financial statement. The CFO completed the general ledger, the general ledger as well as your CFO today, completes or has maintained a general ledger on a monthly basis. So, we would use the general ledger to obviously then audit towards your subsidiary records, your ledgers and that started the process into developing the unaudited financial statement.

Mr. Bruno - In your reports, which I have read, we seem to getting written up lack of bank reconciliations, lack of subsidiary ledgers agreeing to the general ledgers. To me, in all honesty, I guess to you it is basic accounting. Whether we are here or in any business, it makes me nervous that we keep getting written up for the same issues, which I feel is so basic for any accounting. You make a statement that says that due to the fact that the bank statements are not reconciled, and the subsidiary ledgers don't agree with the general ledgers, that there could be a misstatement in the financial statements, is that correct?

Mr. Vinci - Correct.

Mr. Bruno - So the fact that we don't have this information, you don't information, what we as a town have provided improperly, is it so that our financial statements could be misstated because you don't have the full reconciliations.

Mr. Vinci - You absolutely have that risk. I think one of the issues last year is that the reconciliations were not prepared on a timely manner.

Mr. Bruno - I am not attacking you, I am trying to understand. When we look and present numbers and you make a statement that says the financial statements could be misstated due to the fact of x, y and z that technically, what we are looking at is not 100% accurate.

Mr. Vinci - There is a possibility that it may not be accurate.

Mr. Bruno - Right because you are making that statement, it has nothing to do with you, that is your job and I think it is great you are making that statement, it has to be made. When you give opinions, how many opinions are there on financial statements?

Mr. Vinci - Depending on the situation, you could have various types of opinions. If there is a scope limitation, in the sense of municipal auditing in the State of New Jersey, there is an adverse opinion because the financial statements of a municipality are not in accordance with generally accepted accounting principles. School districts followed generally accepted accounting principles, authorities follow, certain State agencies do not follow and municipalities never have followed. So, there is an adverse opinion so that the public reader knows that the financial statements on a regulatory basis, do not comply with generally accepted accounting principles. The State is actually is far more conservative with their accounting requirements. That is why you have had very few municipalities in the State that have had financial or borderline of bankruptcies. We can talk about Atlantic City, but that is an anomaly, but most other municipalities are not experiencing that because it is basically a cash basis revenue side so there is regulatory procedures in place that the State has had for a number of years to basically protect the taxpayers.

Mr. Bruno - If our records, in conclusion of your audit, were in compliance with reconciliations and subsidiaries, and it wasn't a qualification that you had to say that the financial statements could be misstated due to the fact of these reconciliations, would the Township in fact receive a non-qualified opinion providing it was in compliance or does it still get an adverse opinion.

Mr. Vinci - You would still receive an adverse opinion because the financial statements are not in accordance with generally accepted accounting principles, that would continue if the municipality had zero recommendations,

had bank recs done on a monthly basis, and your general ledger produced information for the CFO to do an unaudited financial statement, that opinion would not change.

Mr. Bruno – So every municipality gets an adverse opinion.

Mr. Vinci – Correct.

Ms. Japhet – What you do get is an unmodified opinion on a regulatory basis. On a regulatory basis, which is what the Division of Government Service for the State of New Jersey that all municipalities report on, you receive an unmodified opinion on that basis.

Mr. Sears – Can you repeat that.

Ms. Japhet – You do receive an unmodified opinion on what we call a regulatory basis of accounting. As a municipality in the State of New Jersey you are required to adhere to this regulatory basis, so you do receive an unmodified opinion on that basis, but you will always receive an adverse opinion to GAAP because you do not adhere to GAAP.

Mr. Bruno – So did we receive an unmodified opinion.

Ms. Japhet – Yes, on a regulatory basis, yes.

Mr. Bruno – Is that in your financial review reports?

Mr. Vinci – Yes, there are actually two paragraphs that detail the type of opinion that are rendered on the financial statements.

Mr. Bruno – If you are reviewing internal controls and you are looking at check and invoice sign offs, our invoices have four or five signatures that have to be signed by a department head, administrator, mayor, cfo. If things are being signed off by one person versus four different signatures, is that a material weakness. In other words, it is not going through the proper delegation of authority for approvals, it is bypassing them to get a check cut.

Mr. Vinci – I would say it depends on the specific example. You may have situations where you would have multiple signatures, if it is one department where the administration basically sign off, that does happen, depending on the dollar amount also.

Mr. Bruno – Our charter, Faulkner has certain regulations and administrative principles we are supposed to adhere to. I have reviewed several invoices where it is signed off by one person in four different spots, then a check is cut. I personally whether it is here or anywhere I have an issue with that because I feel it is an internal weakness. Would you say that is a material internal weakness.

Mr. Vinci – I wouldn't say necessarily it is yes, unless we look at the documents. There is more than one signature on the check also.

Mr. Bruno – Do you do any kind of spot checking?

Mr. Vinci – Absolutely.

Ms. Japhet – Yes.

Mr. Bruno – I found a bunch of things but I didn't see it written up in your report, but that is a different situation. In terms of our systems, do you feel that we have the right and proper systems in place, ERB systems, computer systems, the controls in the systems.

Mr. Vinci – Well, you work with Edmunds accounting system, which is probably the most common accounting system providing financial reporting to municipalities. There are obviously options in place within the system that control who has the ability to view, who has the ability to generate reports, who has the ability to issue checks. From what we have tested and reviewed those procedures, from our perspective are fine.

Mr. Bruno – When you do your testing, do you do a large population of invoice testing or how do you do it.

Ms. Japhet – We do it both randomly and what we call substantively, so randomly is just what is sounds, a random testing but the substantive is based on planning materiality, so we test certain purchase orders above a certain amount for each of the individual funds. So we test quite a large population.

Mr. Bruno – Thank you for your time.

Mr. Ullman – Was your firm involved with rolling over the Edmunds system at year end.

Mr. Vinci – Rolling over, no, I would think it is a function of the finance office. I am not sure in what sense of the rolling over...we are not involved in any type of internal reporting.

Mr. Ullman – Your firm and your staff do not participate in any day to day.

Mr. Vinci – No, absolutely not.

Mr. Ullman – In terms of some of the work you provide to the Township, you mentioned there is a separation within your firm of the finance group, things such as repayment schedules for Memorial Field and the schedule was prepared. Do you see any conflict in any of the work that your firm is performing and how do you maintain a level of independence and objectivity if you are providing potentially guidance or opinion to the council, to the administration and then are auditing that.

Mr. Vinci – First of all, we are actually precluded from serving as financial advisors of the FCC regulations a few years ago. We can run debt maturity schedules based on the request of management, but we would not be there to structure the bonds, that is where your financial advisor would become involved. We would be involved with or work with bond counsel, your financial advisor and your CFO if we were asked to review the official statement, however, financial statements typically go into that document and we normally interact as a group of those professionals and individuals so that everybody has an opportunity to review the official statement. There is a statute that lays out basically how long you can sell bonds based on the useful life of the project you have authorized, but today we would absolutely not be there telling you that this is your debt schedule and next year you should have \$500,000 and the following year \$600,000. We would not be doing that, that is really the role of your financial advisor.

Mr. Ullman – Are there any follow up questions.

Mr. Bruno – You have been here a while, we have gone through Ms. Do, God Bless her soul, who was here for a while, after that I am not really sure who we have had here. I personally just feel we have a lack of financial support, there is a CFO here. Do you see that? We had someone here last year and I don't even know how many hours they worked and based on what we paid, there was hardly anything. I am trying to understand how you pay someone \$4,000 per year and we are getting all of these financial statements, and they are not being reconciled. Do you work with municipalities that have a non-absent CFO that work 20 hours a month.

Mr. Vinci – There are a couple of points. We have worked with municipalities that have part-time CFO's, part-time CFO's rely upon the support staff that are within the Finance Department. I think there has been turnover within the finance officer here, there has been turnover in administration here. We obviously have made comments in our audit report about various findings that we felt were important enough to disclose in the audit report. I think it is very important that if you decide and go and continue with a part-time CFO there is set number of hours that the individual has to work for or is here on site for the support staff, if you have enough bodies within that Finance Department to perform all the work that is required. Obviously, we do not like having audits with repeat finding recommendations, that is always a concern, and I think over the last few years you have absolutely had repeat recommendations, so from our perspective, we have concerns.

Mr. Bruno – We have been trying to build up a Finance Department, it has nothing to do with you, it is weakness on us as a municipality that we cannot get a finance team together to properly have information. I get that and the fact that you keep on repeating the same things over again it is showing why it is happening.

Mr. Ullman – You did issue an audit report and you had to issue an amended report this year. Where was the process breakdown on the audit side that a resolution that had been passed wasn't surfaced and resulted in an audit being issued with a finding that really wasn't. My question on top of that is the audit takes place is the day to day interaction of staff, in doing those

reviews, at least in my experience with both regulatory, internal and external auditors, there is a review, there is a second review, there is an exit interview, there are multiple levels that took place of interaction. Can you explain where the breakdown was.

Mr. Vinci – We did go through all of those reviews and we did have an exit conference and the documents were just not available nor was it known that those documents existed until I think Mary Anne was able to research it even further it even further after probably a good week and a half, two weeks after the exit conference and then when Mary Anne provided the information...we didn't release the report the day after the exit conference, we waited and once we were provided with that documentation, we realized that one of the findings really needed to come out of the report. We did have all of those reviews, we did have an exit conference with the administration, with the CFO on the phone.

Mr. Ullman – The CFO did not attend in person.

Mr. Vinci – No.

Mr. Ullman – You mentioned you have approximately 50 municipalities.

Mr. Vinci – 50 municipalities and 80 school districts.

Mr. Ullman – Are there any more above that, so it is 130 entities you are looking at per year.

Mr. Vinci – We have various authorities that we serve as auditors, 12 to 13 authorities involved with the insurance fund audits, part of the Bergen County Insurance Fund. I am involved as the lead partner of those fund audits, then we have non-profits that we audit also.

Mr. Ullman – How many non-profits.

Mr. Vinci – 10 to 15 non-profits, 6 insurance funds, I would say 15 authorities.

Mr. Ullman – Just off the top is 130 schools and municipalities, 15 non-profits, JIF and other areas, let us just say 160 entities you are looking at and you have 40 staff.

Mr. Vinci – Correct.

Mr. Ullman – That would be a ratio of 4 entities per staff. Thank you.

Mr. Bruno – On the document Mr. Ullman was asking about, that was discovered after the audit, where you reissued the audit. Usually you are sitting down, you have your list and everyone goes through the list, check it off, have it don't have it. Is that the CFO that said we don't have that and then Ms. Groh went and found it? You wrote it up because you didn't have it and obviously you had to ask someone where the document is.

Mr. Vinci – I think after we left a week or so later on is when they researched the minutes further to find out. Was it the gasoline?

Administrator Groh – Yes.

Mr. Bruno – I understand that, but the initial that "I don't have it" was it a conversation with the CFO, you have points....

Mr. Vinci – It could have been various, it could have been with the Clerk's office, it could have been with the CFO.

Mr. Bruno – Basically you exhausted whomever was here and they stated we don't have it.

Mr. Vinci – Yes.

Mr. Ullman – Do you have any questions for us?

Mr. Vinci – No, I am fine.

Mr. Ullman – We appreciate you coming to speak with us and we will evaluate and make a decision this evening.

Mr. Vinci – I thank you for the opportunity to be here tonight as well as for the ability to serve the Township as auditor.

LOSAP Discussion – Mr. Ullman stated Mr. Sears raised a concern to the administration about delays in funding of the LOSAP, 2015 qualifiers that would be funded in 2016. Administrator Groh stated the Director of the Fire Department had raised a concern with her before Mr. Sears. Mr. Ullman spoke of the discussion he was a part of with members of the Fire Department. He stated the fund will be funded for the 2015 fund year, but does need to be

clarified for 2016. Mr. Sears spoke of his concerns of holding off payment for three months. He stated it has been the same way since 1999, he understands things need to be made right, but he feels it is a disgrace to hold off payment. Mr. Ullman spoke of meeting with Administrator Groh and the Mayor and he also had quite a few concerns. He stated he feels the Administrator does have a fiduciary responsibility to make things right. Administrator Groh spoke of the delays incurred, items that were brought to her attention and the proper channels which need to be followed. Mr. Sears asked if the check was forwarded to Lincoln Financial. Mayor Sobkowicz stated both requisitions were signed and both checks were made out. Mr. Ullman stated it is safe to say the ambulance has been funded and if it has not been done already, the Fire Department will be funded.

Fire Department members present in the audience were as follows:

Adam Ehrenfels  
Peter Insetta  
Brendan O'Sullivan  
Jim Zaconie

Jim Zaconie, 668 Clinton Avenue – Mr. Zaconie stated he has been a member of the Fire Department for 41 years. He gave a history of how LOSAP began in 1999 in the Pascack Valley area and the LOSAP being done uniformly between all of the towns. He stated longevity was added, it did pass and for the last 14 years we have been getting paid based on longevity, that being after 5 years of service 5 points are accumulated. Mr. Ullman stated this need to be codified and become part of our ordinance. He stated even though this has been done for the x amount of years the fact is it doesn't exist as law. The ordinance needs to be amended in 2016 for 2017, it currently doesn't exist in 2015 for 2016 but the payment will be made based on historical process. Mr. Bruno commented on this being audited, either unfunded or overfunded. Mr. Calamari stated he had first considered having a CFO doing things remotely, but he has changed his mind and feels we do need a CFO on site.

Washington Township Fire Department – Mr. Ullman stated he would like to summarize the discussion from yesterday, there were three areas of concern, one is fire apparatus, some of the equipment and the firehouse itself, all of which were touched on very broadly yesterday but would like it summarized for the council and Administrator. Mr. Calamari asked why Mr. Sears was not invited to this meeting, since he is the unofficial liaison to the Fire Department, he would like to know how long ago this meeting was put together schedule wise. Mr. Ullman stated he was informed Friday afternoon for meeting on Sunday. A conversation followed regarding why Councilman Sears was not invited. Mr. Ullman stated in Mr. Sears last email, he did indicate he didn't want to be the director. Mr. Sears stated he cannot speak for the director. Mayor Sobkowicz stated that Mr. Sears did indicate in his email that he is not taking the director's job. She stated she called Adam, since she thought this could be resolved before Monday's meeting. She stated she also left a message for Brendan O'Sullivan, but he was on vacation. Mr. Calamari stated he finds it insulting that Mr. Sears wasn't invited. Mr. Sears stated that Mr. Ullman sent out an email to the whole council requesting the Fire Department to come to discuss the issues. He stated it seems the full council wasn't invited and the Mayor ran the meeting right before the Fire Department was supposed to come before council. Mr. Ullman stated we had a very productive discussion. Mayor Sobkowicz stated we were trying to get the facts. Mr. Sears replied you are the mayor, you should know what the facts of the Fire Department are already. Mr. Calamari stated for the future, if any council member is invited to a meeting, the whole council should be made aware through a bulk email since we are supposed to act as a body. Mr. Ullman stated when meetings are held down at the county and Mr. Calamari and Mr. Sears attend, we don't hear about it. Mr. Calamari stated we are not invited

guests, we just show up. Mr. Bruno stated these gentlemen have been waiting for hours, please let us try to move this along. Mr. Calamari stated he would like to the right to raise this discussion later.

Adam Ehrenfels – Fire Chief – Fire Chief Ehrenfels spoke at length of the various trucks that have been out of service due to preventive/general maintenance and his frustrations of delays with PO's. He spoke at length of getting the trucks repaired locally at the Paramus DPW or Westwood, which would also offer a loaner instead of Fire & Safety which is an hour and a half away. A conversation followed regarding the contract from the County and getting the trucks repaired at the Paramus DPW. The need for repairs to the tower ladder was discussed along with the ladder not functioning on the truck. A discussion followed on a Truck Committee, which was put together and the specs for a new ladder truck which was given to the prior administration. Mayor Sobkowitz spoke of conversations that were had regarding a stick or a bucket truck. Fire Chief Ehrenfels the Fire Department does have mechanics on duty are labeled in the books as mechanics and can handle smaller repairs. He spoke of the chain of command and the lack of communication. Mr. Bruno stated that the Fire Chief can email council and address whatever the Fire Department may need. A conversation followed on the various maintenance and preventive maintenance that need to be done on certain apparatus in the Fire Department so that the trucks are ready for the life and safety of this community. Fire Chief Ehrenfels spoke of the budget that is given every year, but he feels that every time something is needed we have to beg for it. He spoke of an incident where he had to wait 4 weeks to get a truck fixed, and he feels it should not be like that. A conversation followed of procedures being followed with regard to paperwork, getting quotes and having one person in the Fire Department that can handle the paperwork. Mr. Insetta spoke of blanket PO's, warning lights which were requested, delayed by 3 to four months, punch lists and a repair to a chainsaw. He also spoke of the 7 Scott Bottles that are expiring, which is a State contract item. Hose replacement was discussed along with equipment purchases. The retaining wall quotes were also discussed, which is on the priority list. The Fire Chief's vehicle was discussed along with all of the vehicles, which have no high mileage but have hard mileage since during the winter the cars are not warmed up when responding to calls. The current condition of the firehouse was discussed. A conversation followed with regarding to timeline of purchase orders, what departments they go to from when they are received to the time they are signed off by the Mayor. Fire Chief Ehrenfels thanked the council for listening to them and invited council to come down to the firehouse at any time. A conversation followed of having members from the Fire Department attend a council meeting every once in a while to update council.

Video Taping – Mr. Ullman stated Mr. Ricky Wojcicki will be our contact, and the backup person will be Nick Besnick, who performs the same function in Oradell. Mr. Wojcicki would be responsible for being at the meeting 45 minutes prior, he will do the taping, loop it onto WCTV, getting it off WCTV and then putting it on to the YouTube channel. The start date is September 12<sup>th</sup> and it will be a flat rate of \$300 per meeting. Mr. Calamari stated he would like to revisit this in six months to see how many people are looking at the video so we can determine if we want to continue since this is an expense. A conversation followed on what would be needed to put the audio online.

Memorial Field – Administrator Groh spoke of the estimates that came in with regard to hydruseeding, which would be done August at the earliest and it does require no activity on the field for a period of 5 to 6 weeks. Administrator Groh spoke of the silt fence, which was installed by Raymond Brothers for \$1,100, for which they haven't been paid yet. She stated the fence is not doing what it is intended to do, it is not at all functional and was installed without any supervision. A letter was written to Raymond Brothers to remove the fence within 5 days or we will remove it ourselves and store it. A conversation followed on spending additional monies on hydruseeding and the current

maintenance that is being done on the field. Mr. Calamari spoke of a video which is posted on the "Friends of Memorial Field" Facebook page by Mr. Hanson which shows even after a mild rain, everything washes off the field and goes into the waterways, which is doing more harm than good. A conversation followed on aerating the field again and seeding, which would be at a cost of approximately \$1,000, whereas hydroseeding would cost in the vicinity of \$7,000. Suggestions were made with regard to having teams practice on other fields so that Memorial Field could rest for the 5 to 6 weeks which is needed for the hydroseeding. Mr. Ullman stated he is in favor of the hydroseeding versus the fertilizer. Dr. Cascio stated he is also in favor of hydroseeding, but it is ultimately the Mayor's call. Mr. Sears agrees with Dr. Cascio. Mr. Calamari stated it is not in his area of expertise, but whatever gives it the best shot. Mr. Ullman stated we are not going to get a decision at this time.

Pascack Road & Washington Avenue - Dr. Cascio stated he put in a call to Freeholder Sullivan but has not received a call back. Mr. Sears stated Mr. D'Urso did give him a photo of a planned exit that the Garden State Parkway had going to Saddle River Road, and Mr. D'Urso is going to forward more information to him. Administrator Groh stated in the conversation with the Turnpike Authority they stated there would be no way for that to be done. Mr. Calamari asked who asked for this meeting to take place. Mayor Sobkowicz explained at the last council meeting she did ask if anyone had any ideas and Ms. Toni Plantamura offered to get together with her to discuss some ideas. Mayor Sobkowicz stated that Ms. Toni Plantamura wanted to have a meeting with the Highway Authority, and they were willing to have a conference call and we just brainstormed some ideas, it was not a meeting. Administrator Groh stated it was basically trying to do fact finding, to find out what the potential options are. She stated it was more of an education for herself as to what their position is with regard to Exit 171, and they stated the only way it could go away is if a lawsuit was filed. With regard to the toll booths being take away at Exit 165, that cannot be done since that is what funded the expansion of Exit 168. She stated we did ask them for traffic counts, and she further spoke of writing a letter with regard to exit 168 through the normal channels. A conversation followed with regard to this being an administrative matter. Comments were made with regard to this conference call, if it was a planned meeting, and the fact that Ms. Plantamura did have a statement that she read and did bring someone along with her. Mr. Calamari voiced his displeasure of no one from council being invited to this meeting, yet Mr. Ullman was invited to the meeting with the Fire Department. Mr. Bruno suggested that when a meeting is planned, that something be circulated to council.

Dr. Cascio asked to suspend the rules and take a vote on Resolution No. 16-230.

Resolution No. 16-230 was re-numbered to 16-239.

A motion was made by Dr. Cascio, seconded by Mr. Calamari to approve Resolution No. 16-239.

Ayes: Councilmen Calamari, Cascio, Sears, Ullman.

Nays: Councilmen Bruno.

#### Resolution No. 16-239

##### Bond Anticipation Note

Section 1. Pursuant to a bond ordinance of The Township of Washington, in the County of Bergen (the "Township") entitled: "Bond ordinance providing for the purchase of equipment by The Township of Washington, in the County of Bergen, New Jersey, appropriating \$44,000 therefor and authorizing the issuance of \$41,800 bonds or notes of the Township for financing such appropriation", finally adopted on July 12, 1999 (#99-7 as supplemented by #05-1), bond anticipation notes of the Township in a principal amount not exceeding \$33,778 shall be issued for the purpose of

temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 2. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the purchase of equipment and renovation of the firehouse by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$50,000 therefor and authorizing the issuance of \$47,000 bonds or notes of the Township for financing such appropriation", finally adopted on August 23, 1999 (#99-12), bond anticipation notes of the Township in a principal amount not exceeding \$26,657 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 3. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of the storm water drainage system in and by the Township of Washington, in the County of Bergen, New Jersey appropriating \$700,000 therefor and authorizing the issuance of \$161,500 bonds or notes of the Township for financing such appropriation", finally adopted on April 9, 2007 (#07-4), bond anticipation notes of the Township in a principal amount not exceeding \$8,775 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 4. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the acquisition of new equipment for use by the Fire Department of the Township of Washington, in the County of Bergen, New Jersey, appropriating \$21,000 therefor and authorizing the issuance of \$20,000 bonds or notes of the Township for financing such appropriation" finally adopted on April 9, 2012 (#12-06), bond anticipation notes of the Township in a principal amount not exceeding \$17,777 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 5. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for acquisition of new and additional vehicular equipment by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$162,000 therefor and authorizing the issuance of \$154,000 bonds or notes of the Township for financing such appropriation", finally adopted on July 23, 2012 (#12-12), bond anticipation notes of the Township in a principal amount not exceeding \$136,888 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 6. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement to Memorial Field in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$160,000 therefor and authorizing the issuance of \$152,000 bonds or notes of the Township for financing such appropriation", finally adopted on July 23, 2012 (#12-13), bond anticipation notes of the Township in a principal amount not exceeding \$146,758 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 7. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of various roads in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$908,692 therefor and authorizing the issuance of \$865,000 bonds or notes of the Township for financing such appropriation", finally adopted on May 6, 2013 (#13-06), bond anticipation notes of the Township in a principal amount not exceeding \$819,473 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond

ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 8. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of Colonial Boulevard in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$300,000 therefor and authorizing the issuance of \$285,000 bonds or notes of the Township for financing such appropriation", finally adopted on May 6, 2013 (#13-07), bond anticipation notes of the Township in a principal amount not exceeding \$126,881 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 9. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$285,897, and authorizing the issuance of \$218,274 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on May 20, 2013 (#13-11), bond anticipation notes of the Township in a principal amount not exceeding \$185,384 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 10. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of the municipal complex site in and by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$94,320 therefor and authorizing the issuance of \$89,604 bonds or notes of the Township for financing such appropriation", finally adopted on May 20, 2013 (#13-12), bond anticipation notes of the Township in a principal amount not exceeding \$86,514 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 11. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$235,400, and authorizing the issuance of \$223,630 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on September 23, 2013 (#13-20), bond anticipation notes of the Township in a principal amount not exceeding \$102,046 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 12. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the installation of new fencing at Memorial Field in and by The Township of Washington, in the County of Bergen, New Jersey, appropriating \$110,000 therefor and authorizing the issuance of \$104,000 bonds or notes of the Township for financing such appropriation", finally adopted on September 22, 2014 (#14-11), bond anticipation notes of the Township in a principal amount not exceeding \$64,100 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 13. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$100,000, and authorizing the issuance of \$95,000 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on October 20, 2014 (#14-13), bond anticipation notes of the Township in a principal amount not exceeding \$95,000 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance,

including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 14. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of Memorial Field in and by the Township Of Washington, in the County of Bergen, New Jersey, making an initial appropriation of \$150,000 and authorizing the issuance of \$142,800 bonds or notes of the Township for financing such appropriation", finally adopted on March 23, 2015 (#15-04), bond anticipation notes of the Township in a principal amount not exceeding \$142,800 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 15. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the improvement of various roads in and by The Township of Washington, in the County of Bergen, New Jersey, appropriating \$750,000 therefor and authorizing the issuance of \$714,000 bonds or notes of the Township for financing such appropriation", finally adopted on June 1, 2015 (#15-07), bond anticipation notes of the Township in a principal amount not exceeding \$699,800 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 16. Pursuant to a bond ordinance of the Township entitled "Bond ordinance providing for the acquisition of new and additional vehicular equipment by the Township of Washington, in the County of Bergen, New Jersey, appropriating \$765,000 therefor and authorizing the issuance of \$728,000 bonds or notes of the Township for financing such appropriation", finally adopted on July 20, 2015 (#15-09), bond anticipation notes of the Township in a principal amount not exceeding \$653,256 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 17. Pursuant to a bond ordinance of the Township entitled "Bond ordinance appropriating \$1,009,000, and authorizing the issuance of \$958,550 bonds or notes of the Township, for various improvements or purposes authorized to be undertaken by the Township of Washington, in the County of Bergen, New Jersey", finally adopted on April 18, 2016 (#16-02), bond anticipation notes of the Township in a principal amount not exceeding \$958,550 shall be issued for the purpose of temporarily financing the improvement or purpose described in Section 3 of said bond ordinance, including (to any extent necessary) the renewal of any bond anticipation notes heretofore issued therefor.

Section 18. All bond anticipation notes (the "notes") issued hereunder shall mature at such times as may be determined by the treasurer, the chief financial officer or the acting chief financial officer of the Township (the "Chief Financial Officer"), provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer and shall be signed and sealed by officials and officers of the Township in any manner permitted by N.J.S.A. §40A:2-25. The Chief Financial Officer shall determine all matters in connection with the notes issued hereunder, and the Chief Financial Officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. §40A:2-8. The Chief Financial Officer is hereby authorized to sell part or all of the notes at not less than par from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price. The Chief Financial Officer is directed to report in writing to the governing body of the Township at the meeting next succeeding the date when any sale or delivery of the notes hereunder is made. Such report must include the principal amount,

interest rate and maturities of the notes sold, the price obtained and the name of the purchaser.

Section 19. Any note issued pursuant to this resolution shall be a general obligation of the Township, and the Township's faith and credit are hereby pledged to the punctual payment of the principal of and interest on said obligations and, unless otherwise paid or payment provided for, an amount sufficient for such payment shall be inserted in the budget and a tax sufficient to provide for the payment thereof shall be levied and collected.

Section 20. The Chief Financial Officer is hereby authorized and directed to do all other matters necessary, useful, convenient or desirable to accomplish the delivery of said notes to the purchasers thereof as promptly as possible, including (i) the preparation, execution and dissemination of a Preliminary Official Statement and Final Official Statement with respect to said notes, (ii) preparation, distribution and publication, if necessary, of a Notice of Sale with respect to said notes, (iii) execution of a Continuing Disclosure Undertaking, with respect to said notes in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission and (iv) execution of an arbitrage and use of proceeds certificate certifying that, among other things, the Township, to the extent it is empowered and allowed under applicable law, will do and perform all acts and things necessary or desirable to assure that interest paid on said notes is not included in gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 21. All action heretofore taken by Township officials and professionals with regard to the sale and award of the notes is hereby ratified, confirmed, adopted and approved.

Section 22. This resolution shall take effect immediately.

A conversation followed on inviting Buldo and Waste Management to the next council meeting or holding off until September's meeting since the auditor needs to be discussed at the next meeting.

Time noted: 11:59 p.m.



Elaine Erlewein  
Township Clerk

  
Michael Ullman  
Council President

Approved: August 15, 2016