

**MINUTES  
SPECIAL COUNCIL MEETING  
TOWNSHIP OF MONROE  
JULY 11, 2018**

**A.) OPENING CEREMONIES**

**CALL TO ORDER**

The Special Council Meeting of the Township of Monroe was called to order at approximately 6:00PM by **Cncl. Pres., Rich DiLucia** in the First Floor Meeting Room of the Municipal Complex located at 125 Virginia Avenue, Williamstown, New Jersey.

This meeting was advertised pursuant to the New Jersey Open Public Meetings Act (*N.J.S.A. 10:4-6 thru 10:4-21*). Notices were placed in the official publications for the Township of Monroe (i.e.: South Jersey Times, Courier Post and The Sentinel of Gloucester County). A copy of that notice is posted on the bulletin board at the Municipal Complex and on the Monroe Township website.

**SALUTE TO THE FLAG**

**Cncl. Garbowski** led the Assembly in the Pledge of Allegiance to Our Flag.

**ROLL CALL OF PUBLIC OFFICIALS**

Cncl. Marvin Dilks	Present	
Cncl. Ron Garbowski	Present	
Cncl. Bob Heffner	Present	
Cncl. Joe Marino	Present	
Cncl. Bart McIlvaine		Excused
Cncl. Cody Miller	Present	
Cncl. Pres. Rich DiLucia	Present	
Mayor Daniel Teefy	Present (6:04pm)	
Solicitor, Teresa Lentini	Present (6:16pm)	
Business Administrator, Kevin Heydel	Present	
Engineer, Chris Rehmann		Excused
Dir. of Finance, Karyn Paccione		Excused
Dir. of Public Safety, Jim Smart		Excused
Dir. of Public Works, Mike Calvello		Excused
Dir. of Comm. Dev./Code Enf., Rosemary Flaherty		Excused
Dir. of Parks & Recreation, Jim Bonder		Excused
Deputy Mayor, Andy Potopchuk		Excused
Police Chief John McKeown		Excused
Deputy Municipal Clerk, Aileen Chiselko	Present	

**B.) REPORTS AND OTHER MATTERS**

**Cncl. Pres. DiLucia** announced this Special Council Meeting was scheduled to discuss responses to the RFP for Architect and Engineering Services for Renovations to Existing Cecil Firehouse and Renovation and Expansion of Williamstown Firehouse.

**Cncl. Marino** reported the Township desired to seek proposals on this project in 2017, however, the RFP submissions were rejected. He explained the bid form needed to be amended to classify and separate the bids, and be clarified for us to be able to evaluate the pricing and the services that were being provided. He further explained we need more options to be able to choose particular professionals for particular projects for each firehouse. The second set of RFP submissions were received on May 21, 2018. There were (6) respondents from architects and engineers. The Committee met a week later with the Williamstown Fire Company and Cecil Fire Company, and decided to narrow the submissions to (3) RFPs to review. Cncl. Marino said the recommendation of the Solicitor was not based on price alone, it was based on qualifications and experience; the Committee could pick the highest bid or the lowest bid, because of the need for qualifications and experience. The professionals' RFPs to review were (1) Robbie Conley Architect, LLC (2) Rodier Ebersberger Architects and (3) The Design Collaborative. Interviews

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**B.) REPORTS AND OTHER MATTERS (cont'd)**

were conducted and the Committee felt the best option for both firehouses would be to recommend to Council, Rodier Ebersberger Architects for the Williamstown Firehouse and Robbie Conley Architect, LLC for the Cecil Firehouse. These choices were based on experience, previous firehouse projects they have worked on, and change order percentages from previous projects. **Cncl. Marino** said, though one of the firm's cost was a lot less than the other, there were concerns with experience, change order percentages; with the difficulties in some of the job conditions which these two firehouses present, we want someone who has more background in renovation and new construction. **Cncl. Garbowski** asked if we received information from Solicitor Lou Cappelli on the firms' ratings on past projects. Cncl. Marino said we had the Fire Chiefs choose to reach out to each firm and ask them about the past projects and how the buildings are holding up a year or five years later, and what they would have done differently. He said we wanted the Fire Departments, who have the most experience in this, to do their due diligence and ask the questions that only they would know to ask, such as code upgrades or which equipment works and how it is designed overall. He said all of the six firms met the qualifications, which is why we had the initial meeting, because the Solicitor wanted to review each RFP and make sure they fell within the requirements. **Cncl. Miller** added to the response by saying he thinks Conley and Rodier have both won awards for firehouse designs, so they do have a good reputation. **Cncl. Pres. DiLucia** made clear that the two firms whose costs seem to be considerably the lowest, did not have the qualifications. Cncl. Marino said it is partly that reason, but basically it was the experience with these firehouses, which have unique situations with different needs, designs, existing buildings and one has different restraints as far as the Pinelands go with setbacks and wetlands. He explained that one firm has not done research on the Pinelands in that area, which was a concern with the Committee. Cncl. Marino noted a 0% change order record is hard to come by and said a firm was sort of representing they basically work off a 0%, or less than 1%, in change orders. He explained with renovation work, which these possibly both could be renovations, or one and not the other, it is very difficult to not have change orders; this means they are putting a lot of verbiage in to hold the contractor accountable and sometimes that is not a good thing, because they may cut corners and do things differently to try to get around to make up the short fall, to which Cncl. Garbowski reiterated the same sentiment. Cncl. Garbowski mentioned The Design Collaborative. Cncl. Marino explained they gave a presentation during the interview which included examples such as a project they took-over, and the other project was a 2-bay firehouse and addition, which was a cookie-cutter, simplistic design and not overly complex; he believes they are more on the project-management side and not so much on working on designs from ground-up. Cncl. Pres. DiLucia asked what the estimate cost will be for the conceptual design. Cncl. Marino replied, if going with the recommendation of Conley and Rodier, Conley is at \$17,592 for Cecil with the concept design and Rodier is at \$56,500 for Williamstown with the concept design. He said he would like to ask Solicitor Cappelli if we can move things around, because the price is a little high for that phase. **Business Administrator, Kevin Heydel** said he thinks if we stay within the price of the overall pricing, we should be able to negotiate during the process. Cncl. Marino said he would like to see Rodier's cost amount closer to Conley's amount for the concept design cost. Cncl. Garbowski reminded everyone that we only need to award the concept design first and if we do not like how it is perceived from that point, we always have the right to cancel the rest of the project and seek other proposals; this is the investigational portion of the project to determine that we can move forward with what we requested. Cncl. Marino explained to Cncl. Pres. DiLucia that the Committee would like to recommend to Council, Robbie Conley Architect, LLC for the Cecil Firehouse and Rodier Ebersberger Architects for the Williamstown Firehouse, and if this is accepted by Council via Resolution, they will meet with these two firms to discuss the pricing structure. Cncl. Pres. DiLucia polled Council in attendance and it was in favor to place a Resolution on the Agenda for the Council Meeting of July 23, 2018.

**Business Administrator, Kevin Heydel** reported to Council that there is not enough money to pay for this project. He said only approximately \$300,000 was budgeted for the architect and there is only \$2 million available for each firehouse; we will need more. He figures approximately \$1.2 million more is needed for each firehouse. **Cncl. Marino** stated he thought, from what Mr. Heydel had once mentioned, we were at \$2.1 million and \$2.3 million, between both buildings. Mr. Heydel said yes, which was also including the architectural portion of it. Cncl. Marino asked what our total was with the architectural we budgeted, to which Mr. Heydel

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said it was about \$2.3 million and if we bond for a little less than \$3 million, we will have \$2 million for each building. **Cncl. Garbowski** mentioned the house next to the Williamstown Firehouse that we purchased and did demolition on, asking if it came out of the budget. **Mr. Heydel** replied, he already factored it out, it is already paid, and is looking at balances we probably have right now. **Cncl. Pres. DiLucia** confirmed that Mr. Heydel has taken \$4 million and has applied \$4 million, to which Mr. Heydel said yes and it means we are going to have to pass another Bond Ordinance by October. Mr. Heydel said he understands there is concern about adding to the debt and the impact on the debt, so he did an impact study, which he then distributed copies of to Council. **Cncl. Miller** asked if there is concern that the rates are going to go up, so we will be paying more on the bond. Mr. Heydel said the rates will go up and currently the municipal bond rates have been holding very well. **Cncl. Pres. DiLucia** asked, if we bond now and get a good rate, hypothetically for 20 years, can we prepay or are we locked in for 20 years; Mr. Heydel clarified there is no prepayment. Mr. Heydel continued with his report and explaining of his spreadsheets. He provided a 2014-2018 Capital Bond Ordinance Analysis, which was an overall analysis of what bond ordinances we have out and that we did not go out and actually do serial bonds for. The analysis began in 2014 and gave total amounts, less the 5% down to put in the budget and the net amount, which is \$14.1 million that is out there. He explained he made principal payments on these 2014-2018 bonds every year and this is where we see each year what he budgeted to reduce the principal money that we had out there, further explaining we have paid half a million dollars down on all these bonds through our budget. The outstanding balance on the bonds is \$13,562,125 and Mr. Heydel is figuring we need to do another Bond Ordinance for \$2.4 million, of which we need to put \$120,000 down, giving us \$2,280,000, and leaving us with \$15,842,125 to go out to bond for. **Cncl. Pres. DiLucia** confirmed \$2.2 million will be "new money". Mr. Heydel further explained why he made these payments. He said what we want to try to do, when we have Bond Ordinances and want to go out for serial bonds, we have bonds that "roll-off", so we try to line up the amount that is rolling-off, for example \$1.1 million, we want to start out at \$1.1 million to match that so we are not having a huge impact on our budget. This has been his philosophy he has been doing the past 10 years, looking forward to 2019, when this was going to happen. He said, by making principal payments, of up to \$240,000 last year, this is not inclusive in trying to match the bond payment we used to make to the new bond payment. He put this in so that when we got to 2019, we had a cushion in the budget; this cushion is \$240,000, plus adding in the short-term interest of \$100,000, he put a cushion in next year's budget of roughly \$340,000. He said the reason this was done is because we know what our revenue streams are, during all these years of budgeting and trying to get to a low percentage rate, we factored in payments in order to dwindle down what our debt was going to be once we went out to bond. Mr. Heydel explained the following spreadsheets for four different scenarios, which were a 15-year bond going out in November 2018, a 17-year bond going out in November 2018, a 15-year bond going out in March 2019 and a 17-year bond going out in March 2019. If we go out for a 15-year bond in November 2018, our debt payments are going to be reduced to \$2,285,000. He stated we are probably going to bond at least \$2 million per year, because that is what it takes to operate our business. According to his chart, we actually have a lot of room in the budget for future capital to bring us back up to the \$2.5 million payments we were making. If we go out for a 17-year bond in November 2018, it will give us a \$413,000 cushion in our budget, so payments will be lower. If we go out for a 15-year bond in March 2019, there is approximately a 20 basis points increase in the interest rate that has been factored in. If we go out in March, our payments will be \$1,469,000, giving us approximately a \$1 million swing. The reason for this is if we go out in 2019, we are not required to make a principal payment, are only required to make an interest payment, which is something we can take advantage of. Mr. Heydel said, what we will get, is there will be a \$1 million savings in next year's budget, which we can utilize in order to be able to keep tax rates at a minimum increase. He said revenues are not increasing, we know we will have pressure because of increase in our operating costs, salaries, benefits, and most likely pension payments. He said, what this does, is it allows us to not have to make a principal payment in 2019, giving us a lot of flexibility for the next couple of years along with a solid balance of \$2.5 million we have in our surplus balance. If we go out for a 17-year bond in March 2019, we are over \$1.1 million in savings. **Cncl. Marino** said, technically, we are saving over \$1 million, but in 17 years we will be paying about \$2 million more in payments, according to the spreadsheets. Mr. Heydel said we would not be paying \$2 million more in interest, and **Cncl. Marino** clarified he

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meant total payments, with interest and principal. Mr. Heydel said the principal would be the same whether it is 15 years or 17 years, it is the additional interest we would be paying for the extra 2 years, and the rate would be the same. **Cncl. Miller** said, with 17 years, we also would be fairer to the tax payers, the ones who would be utilizing this building. He personally feels more comfortable with a 17-year bond, because he does not feel it is fair to hit the future tax payers that will utilize this. **Mr. Heydel** does not think there is much difference in the overall and **Cncl. Marino** does not think there is going to be that many new people moving in during the 2-year span. **Cncl. Miller** is aware it is good budget practice to pay down the principal, however, he is more of a firm believer that we spread it out equally for the individuals that are going to be utilizing the building long after, and not front-load it on the current tax payers. Mr. Heydel reminded everyone that we will be adding Capital every year and we are now taking advantage of an opportunity where the useful life of everything combined is 17 years, and going forward, we have useful life of 5 years. He said it is better going with the 17 years, because we are not going to get the spread in future Bond Ordinances, because of the purchase; we are not doing any new buildings. He thinks, over the next 5-8 years, we will be bonding for things that will have a 5 or 10-year useful life and will not be able to spread it. **Cncl. Pres. DiLucia** clarified with Mr. Heydel, that with a \$1.5 million payment in 2019, we could have a \$3.5 million cushion. Mr. Heydel said he reviewed this plan with our Bond Counsel and Auditor. **Cncl. Marino** asked what their feedback was, if they had any concerns or red flags, and Mr. Heydel said they did not have any, however, the Auditor said we have really good flexibility with the 17-year bond and Bond Counsel recommended we go out for bond in November, but the spread of 20 basis points is not necessarily that big, the market has been good, our credit rating is really good and with a bond close to \$16 million, we will get more institutional terms. **Cncl. Marino** agreed, saying it makes sense to wait until March 2019. **Cncl. Pres. DiLucia** asked Mr. Heydel what the total amount would be to borrow, to which Mr. Heydel replied it would be \$15,842,125. **Cncl. Pres. DiLucia** asked how much we would set aside for this project from that amount. Mr. Heydel said this project will cost approximately \$6.3 million. Mr. Heydel noted, if we want to go out to bond in November 2018, in order to do a new Capital Ordinance, we would have to do a Special Emergency for a down-payment of \$120,000 that would get rolled into 2019. He said if in January, we choose to go out for bond in March, it will be in the temporary budget. He also said if we go out for \$2.4 million, we will have \$120,000 as a down-payment. If we do a Capital Ordinance next year for \$2 million, that down-payment will be \$100,000, which would be \$220,000. This year, our down-payment was \$350,000, so we get an additional \$130,000 of flexibility in the budget, just based on the Capital down-payments for next year, inclusive of the \$1.1 million; it is up to \$1.2 million that we will have flexibility to utilize over the next few years.

**C.) GENERAL PUBLIC DISCUSSION**

**Cncl. Miller** made a motion to open the General Public Discussion. The motion was seconded by **Cncl. Garbowski** and unanimously approved by all members of Council in attendance.

**Jim Solomon, Chief of Cecil Fire Company** addressed **Business Administrator, Kevin Heydel** in reference to a shed for the Cecil Fire Company. He said their committee traveled to two different locations. They found a shed that would work for them and out of the two locations, Springville came in at a lower price for a shed that will be very helpful to place in the back of the firehouse. He handed Mr. Heydel a quote for this shed. They would like to get a shed with a roll-up door to make it easier to move equipment in and out of, and two 3-foot side doors to allow them better access to equipment in the shed. They looked at fifteen different configurations and found this shed to be the most economical pricing they could find, compared to their previous shed, which was almost \$15,000. Mr. Solomon said the previous shed was utilized for 10-15 years and destroyed during the move of the tower. He also mentioned Springville will not charge for removal of the old shed. **Cncl. Pres. DiLucia** asked if Council already gave them the approval for this purchase. Mr. Heydel said he is going to charge this to Building Improvements of the Capital Budget. Mr. Solomon said this shed is already built and on the store's property, so the fire company can have it within less than two weeks.

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C.) GENERAL PUBLIC DISCUSSION (cont'd)

With no one else wishing to speak, **Cncl. Miller** made a motion to close the General Public Discussion. The motion was seconded by **Cncl. Marino** and unanimously approved by all members of Council in attendance.

D.) ADJOURNMENT

With nothing further to discuss, **Cncl. Garbowski** made a motion to adjourn the Special Council Meeting of July 11, 2018. The motion was seconded by **Cncl. Miller** and unanimously approved by all members of Council in attendance.

Respectfully submitted,

Aileen Chiselko  
Aileen Chiselko, RMC  
Deputy Municipal Clerk

A. D. Luciani  
Presiding Officer

*These minutes were prepared from excerpts of the tape-recorded proceedings of the Special Council Meeting of July 11, 2018 and serve as only a synopsis of the proceedings. The official tape may be heard in the Office of the Township Clerk upon proper notification pursuant to the Open Public Records Law.*

Approved as submitted asc  
Approved as corrected \_\_\_\_\_

Date 8/27/18  
Date \_\_\_\_\_