

TOWNSHIP OF OCEAN
WORKSHOP/CAUCUS AGENDA
May 14, 2009 – 7:00 pm

NOTICE OF THIS MEETING HAS BEEN PUBLISHED
IN ACCORDANCE WITH THE REQUIREMENTS OF
THE OPEN PUBLIC MEETINGS ACT.

Flag Salute

1. Roll Call Mayor Kraft X Deputy Mayor Reilly X
 Committeeman Lachawiec X

Also Present: Mr. Mosca Absent Mr. McGuckin X

Presentation – Pepco Energy, Ron Marks and Sean Angelini

Mayor Kraft stated Pepco Energy will be giving a presentation on the town’s solar photovoltaic power proposal. The town sent out a Request for Proposal for the installation of approximately 20-30 acres of photovoltaic solar rays on the landfill.

Ron Marks is responsible for product development on this project. Sean Angelini, Ray Angelini Incorporated, has done many projects in New Jersey.

Pepco Energy is a non-regulated subsidiary of PHI Holdings. PHI Holdings is an investment rated company traded on the exchange. Some of the services Pepco Energy offers are renewable energy projects, solar, landfill gas, generation projects, a 2.37 megawatt solar system on top of the Atlantic City Convention Center. Pepco has entered into a 20-year power purchase agreement, where the energy is being sold to the Atlantic City Convention Center for that term. Pepco also sells power, gas supply retail, energy savings and district energy.

Mr. Marks stated Pepco is using a crystalline base technology. That is solar modules, which have numerous cells. When the sun shines, it creates a DC current. The DC energy is converted into AC, which is what a residence would use. From there it goes into the main electric service and then out to the grid or use it internally within the building. It is all electric-metered. All projects include a data acquisition system, which is connected to the internet. At any time, energy production off the solar system can be viewed via the internet. This is a 5.6 megawatt project. A DC rating will be built on the flat portions of the landfill. About 7.1 million kilohours. 28,000 200-watt solar panels are being used with 11 large satcon inverters. There will be a solar giant racking system that will have a ballasted foot so the non-penetrating rack will not penetrate the landfill cap. A communications package will be used, with internet capability. The facility can be viewed at any point and time. The racking system will have a pre-caste foot, with a stone base under the foot, and tilted at a 20-degree angle. It will be

aluminum construction with stainless steel components. Conduit and inverters will be above ground. The system can last 50+ years.

The solar landfill plan is shown to the public. There are three arrays. Array "A" is on top of the main landfill. Array "B" is on the newer, capped landfill. Array "C" is on the flat parcel of land. They will all be interconnected and brought back to a switchboard substation near Wells Mills Road. The Atlantic City Electric Company will interconnect that facility to the grid.

John Petrosilli, 11 Vessel Road, inquired if the power of the modules is DC and where is it stored.

Mr. Marks stated, yes, it is DC, directory-connected and synchronized to the grid.

Michele Rosen, 29 Bradley Beach Way, inquired how many houses would be powered.

Mr. Marks stated approximately 710 homes.

Vince Anepete, 85 Clearwater Drive, inquired where the inverters will be housed and what will this do for the town.

Mr. Marks stated a building or skid-based system will mount right next to the solar array. All the equipment is designed to be outside.

Township Attorney McGuckin stated assuming the project goes forward, there will be a land lease agreement, which results in payments to the municipality. The final agreement will include language of payment to the municipality or a combination of payment and income from the sale and credits.

Spencer Hondros, 65 Pennsylvania Ave., is concerned about weed control and growth between the panels and inquired about the wind project.

Mayor Kraft stated gravel is put under the panels. There would be weed control. Wind is a second alternative. This is just Phase I to get the project up and running. It would be the contractor's responsibility.

Deputy Mayor Reilly stated the feasibility is that this could be operational before the end of the year.

Mr. Marks showed a video of the Atlantic City project. It is the largest single roof array in North America. The project in Waretown will be the largest East of Arizona.

Michele Rosen, 29 Bradley Beach Way, stated the solar project is not powering the Atlantic City Convention Center or the town hall or homes. The town is selling the electricity that is produced to Atlantic City Electric Company. What do the residents get out of this contract?

Mayor Kraft stated the town does not have a contract yet. This is a resolution authorizing Pepco to proceed, pursuant upon signing of the contract. The town was given different options. The town still has to decide which option to go with. The options are a land lease, partnership with a percentage land lease, participation in the selling of the racks and potential percentage in the sale of the electricity. A lot of work has to be done before the town can go to contract.

Ms. Rosen stated the township is authorizing Pepco to be the developer, without knowing what it is going to cost.

Mayor Kraft stated there is no cost to the township. You are wrong.

Township Attorney McGuckin stated the township went out for a Request for Proposals. The township received a number of proposals in response. The Township Committee reviewed those proposals. Those proposals outlined financial incentives to the municipality. The Pepco analysis projected a potential \$400,000 income stream to the municipality per year. The proposals were evaluated. Based on that evaluation it was determined that Pepco made the most sense. The resolution tonight would authorize the municipality to pursue that matter. It requires approval from the Department of Community Affairs. It is not a final contract as of yet. This is designating Pepco as the vendor for this project, subject to all of those items, which is in accordance with the RFP that was presented in March.

Mayor Kraft stated there was a field inspection. Thirty-six companies showed up and expressed interest. Four submitted proposals. One was a true proposal. Three were just qualification statements. Clearly Pepco was the best company to do business with. They own the wires outside. They have minimum intrusion, as far as upgrade of the existing infrastructure.

Deputy Mayor Reilly stated this is the first step toward finalization of a contract.

Township Attorney McGuckin stated the first step was the RFP's, the second step is designating a proposed developer. The final agreement would have to be voted upon by the Governing Body.

Committeeman Lachawiec stated various state agencies would approve this project.

Township Attorney McGuckin stated the agreement would be contingent upon the DEP approval and Department of Community Affairs approval.

Committeeman Lachawiec stated the bottom line is the town is trying to conserve energy.

Township Attorney McGuckin stated conserve energy and generate income from the facility, which is a drain, financially, in this municipality.

Joseph Titone, 109 Third Street, stated the town is not building this, Pepco is. It is not costing the town anything.

The Committee agreed.

Ralph Avellino, 10 Central Avenue, inquired if there is going to be income, benefits or tax reduction for the residents.

Township Attorney McGuckin stated the RFP submitted by this company proposed a \$400,000 annual payment to the municipality for 15 years. An option is to take a portion of that as direct income, annual payment, and then also take a percentage of the energy credits that are generated from this site. It could be a greater benefit or lesser benefit. The Township Committee will have to make a final decision as to whether they will be able to do a hybrid agreement, such as the income and credits or just based on the income and a straight revenue stream for 15 years. \$400,000 under the current tax rate is almost three cents.

Mr. Marks stated this project will create several hundred local jobs. The labor used on this site will be pulled out of Local IBEW 400.

2. Deputy Mayor's Report – Dick Reilly
- Update on Gov Deals Auction

Deputy Mayor Reilly reported on the sale of township items. The total amount received by the township is over \$23,000 for the sale of equipment. The town's next auction will include trucks and office equipment.

- Greenbriar Section 8

Section 8, formerly known as the Edgemont property, was finalized on May 7th. Section 8 will produce 90 homes. This is the final section for Greenbriar and brings the total number of homes to 1,425.

- Founders Day Events – May 23, 2009
 - o 9:00 am – 2:00 pm at Priff Elementary School
 - o Fireworks Display over Barnegat Bay at Dusk

Night Block Party event starting at 6:30 pm - (end of Bryant Road)

Sunday, May 17th is the Founder's Day Fundraiser, Night of Cash at the Lighthouse Tavern. There are two tickets remaining. There are 78 vendors who have requested space. Please participate and support the vendors.

Committeeman Lachawiec reported that Project Porch Light has an energy-saving light bulb for porch lights. They are requesting a vendor's table at Founders Day.

3. Committeeman's Report – Joseph Lachawiec
- New Jersey Natural Gas Request approval for Franchise

NJ Natural Gas inquired if the franchise could be extended for a term of 50 years. The last time this franchise was approved was 1959. Committeeman Lachawiec proposed that Township Administrator Mosca speak with NJ Natural Gas representatives to reduce the term to a reasonable amount of years. Committeeman Lachawiec inquired if Township Attorney McGuckin could research the town charging a franchise fee.

4. Mayor's Report – Robert Kraft
- Volunteer Way Expenditures

The town is contemplating approving a resolution authorizing CMX an additional \$82,000 to re-engineer certain aspects of the Volunteer Way extension. The drain swells and snake tunnels had to be changed. Vinyl bulkheading had to be designed and installed the whole length of the road. The town has a commitment from Congressman Adler to help receive stimulus money to assist in building the road.

- Police Vehicles

The town has to replace old vehicles with new vehicles. The Chief is looking to purchase two Dodge Durangos. Reports reflect that they last longer, use less gas, have a better resale and more storage space. Barnegat, Stafford and Lacey Townships all use this vehicle.

- First Aid - Ambulance

The Waretown Volunteer First Aid Squad has reported that their vehicles need to be upgraded. They have a 1986 back up vehicle and a 1998 or 1999 vehicle. The cost of the new vehicle is approximately \$135,000. The First Aid Squad will participate in payment. The town is considering going out and bonding for the balance. The First Aid Squad does an outstanding service to this town.

Deputy Mayor Reilly stated the old ambulance will be sold on the GovDeals internet auction.

6. Mr. McGuckin

Township Attorney McGuckin stated he is working with Township Administrator Mosca on the agreement for the Greenbriar Condominium reimbursement fees.

Township Attorney McGuckin received a local finance notice regarding federal statute, which requires water/sewer utility to adopt a policy to protect personal information from residents. Quarterly billing is considered a credit transaction. As a result, the town is working on a resolution and policy for consideration on May 28, 2009.

Committeeman Lachawiec stated New Jersey State Law created an Emergency Medical Technician Training Fund. The source of this fund is a fifty-cent surcharge collected for every moving violation. Every year about \$4 million is paid into it. Governor Corzine is proposing to withdraw \$4 million from this fund to balance the budget. Please support the opposition of this proposed withdrawing of this money.

PUBLIC COMMENT

Motion to open to the public was moved by Committeeman Lachawiec, seconded by Deputy Mayor Reilly.

Roll Call: Lachawiec: Yes, Reilly: Yes, Kraft: Yes.

Teri Kirchner, 1 Starboard Way, discussed a traffic accident on her property. Ms. Kirchner requested speed signs, speed humps and lighting at the intersection of Starboard and Poplar.

Mayor Kraft stated he will have the Police Chief look into the speed humps.

Chief Flatt stated he spoke to the Township Administrator about this. He is looking into the speed humps and lighting. Police cars and radar trailers have been placed there many times.

Mayor Kraft inquired if the intersection could be made a four-way stop sign.

Chief Flatt stated the State of New Jersey does not look upon four-way stop signs very well.

Mayor Kraft stated the town will work with JCP&L to get lighting on the street.

Michele Rosen, 29 Bradley Beach Way, inquired about the Executive Session minutes that have not been approved for the past four years. Are they going to be approved this evening?

Township Attorney McGuckin stated it will be discussed in Executive Session. The Executive Session minutes have to be reviewed. There will be some redactions that need to be made. It is anticipated that the Township Committee will be approving the closed session minutes as far back as February 2008.

Ms. Rosen stated there are several resolutions on the agenda this evening concerning the establishment of the cash fund. How is the town going to budget for the money spent out of petty cash for last year and this year? Approximately \$5,000 was spent without appropriate authorization.

Township Attorney McGuckin stated he is not sure if it would be in the budget as opposed to the audit. The CFO will have to provide an explanation for those.

Ms. Rosen inquired if the Township Committee is aware that township employees use credit cards.

Mayor Kraft stated yes.

Ms. Rosen inquired if the Township Committee is aware that Local Finance Notice AU2003-01 requires the Township Committee to pass a resolution authorizing the use of credit cards, setting limits, specifying users, employees name on card, and several other requirements. The township has spent \$18,000 at Staples over a period of one year. There are two accounts for Staples.

Ms. Rosen showed a voucher for the Department of Utilities. There is no signature of the Department Head. It says Township Administrator must have signature. The Township Administrator signed very few vouchers. When you order from staples, the town gets a lot of free product. Mr. Layton received a free wine tote, tote bag and spa set. Mr. Layton wrote "mine" next to each free item. Mr. Layton signed the certification of available funds. Mr. Layton has no right to sign it. There is not a single signature on these.

There are employees using Home Depot credit cards with no authorization whatsoever. Some of them have no requisitions.

Ms. Rosen counted \$18,000 to Staples, \$9,000 to Home Depot, an insignificant amount to Loews, \$11,000 to A-1 Garden. The town is purchasing products that are 15% of the bid threshold. You have to go out for quotes.

Ms. Rosen stated there are \$650,000 worth of vouchers. \$480,000 of that is over the bid threshold for last year. Not a single one of them have a township contract. They are all purchase orders.

One of them is for Point Bay Fuel for \$138,000. In 2006 there was a contract with Ocean County, as they had a cooperative program for fuel. There is nothing since 2006. Ocean County deals with Pedroni Fuel, as does Stafford's cooperative. The town has no contract for \$138,000.

There are thousands of dollars that are below the bid threshold but require two quotes. There are employees signing vouchers that are not authorized to sign them, saying that the money is available.

Ms. Rosen stated the reason she asked for the Executive Session minutes is on November 13th the Township Committee held an Executive Session. Everybody left and the Township Committee came back in to pass a resolution for a settlement agreement with Barbara Brown because the township had not paid three years of her pension. Ms. Rosen felt it was wrong.

Ms. Rosen discussed other expenditures. She did not agree with retirement dinners, Founder's Day, Recreation and Municipal Alliance.

Ms. Rosen referred to the contract for Redevelopment, which includes Edgemont Park, The Diocese of Trenton and the Wojciechowski property.

Township Attorney McGuckin stated the contract does not include the Diocese of Trenton property. The property was purchased and conveyed to the Township of Ocean. It is not part of the Redevelopment.

Ms. Rosen stated the 2009 budget stated last year's audit cost \$34,000. Mr. Allison billed the township \$50,000 for last year's audit, plus another \$4,000, as the township failed to file required reports with the National Recognized Municipal Securities Information Repositories on the 2006 bond.

Township Attorney McGuckin inquired if there were any other items outlined in the voucher besides the audit.

A discussion took place regarding purchase order/voucher.

The Committee will review the budget line item number to the 2008 actual cost.

Ms. Rosen stated she is asking the Township Committee to look at the budget number, which is \$34,000 and the amount paid in 2008, and determine what the correct figure is. There were many findings of significant deficiencies by the auditors. The town is paying a lot of money to replenish inventory. The town doesn't even know what the inventory is. Christine Thorne has asked to have the fixed asset system put into effect. The Utilities Dept. vouchers are paying retail price. She feels that is wrong.

Ralph Avellino, 10 Central Avenue, requested the Committee consider limiting speaking time at the podium at township meetings. Do not bad mouth Founder's Day Night of Cash. Founder's Day does not cost the township anything. The Founder's Day Committee works all year long to put on the Founder's Day activities for the residents. They run the fundraiser to pay for the event.

Spencer Hondros, 65 Pennsylvania Avenue, stated Chrysler went bankrupt. Mr. Hondros cautioned the Township Committee about purchasing the Dodge Durangos.

Deputy Mayor Reilly stated there are dealerships that are closing and Chrysler is not taking back the cars. It was up to the dealers to dispose of them.

Mr. Hondros stated the other problem is Fiat has 40% control of Chrysler. No one knows what is going to happen.

Debra Bataglia, Morey Place Road, presented pictures of the condition of Morey Place Road and samples of the rocks put down by the township Road Department.

Mayor Kraft stated the town never took over the maintenance of Morey Place Road. The town is only helping with the maintenance.

Mrs. Bataglia stated the increase usage of the road and the rain moves the rocks to the sides and increases the potholes. The road was in better condition when the town used millings. The rocks are causing damage to the cars, flat tires. The dust is bad. Mrs. Bataglia's Expedition has had two flat tires in two days. Ken Mosca told her a portion of the road would be paved by the builder. Mrs. Bataglia is upset that a cul-de-sac is being placed at her property line. The cul-de-sac was never in the plans, just the five homes.

Township Attorney McGuckin inquired if Mrs. Bataglia received notice of the application from the Planning Board. If it is in the plans, then the residents were notified when the plan came in, subdivision with road improvements, etc.

Mrs. Bataglia stated she was not notified of the cul-de-sac. It's been two months since any work has been done. There are piles of dirt, big trucks and a port-a-potty sitting there for months.

She is concerned at the end of Morey Place Road, there should be access to the Parkway. Since the Parkway was constructed, it is all closed up.

Mayor Kraft stated he did not know if there will ever be another road off of Morey Place Road. He will have the Administrator and Township Engineer review what is going on with the project and the stone on the road.

Brian Higgins, 63 Bay Parkway, inquired why Volunteer Road is necessary.

Mayor Kraft stated due to the proximity of the Parkway, for marketing purposes, to get people to come into the Town Center. Buildings will not be allowed on the new portion of Volunteer Way. There will be no sidewalks, as per DEP and DOT.

Mr. Higgins inquired what is going on at the lake.

Mayor Kraft stated it is being dredged.

Mr. Higgins stated a machine fell in. Has the DEP been notified that a machine is completely submerged in water?

Township Clerk Ambrosio stated the contractor notified the proper parties.

Mr. Higgins stated he personally dealt with this contractor. He is a kitchen and bath remodeler. The flaws of his paperwork were overlooked.

Township Attorney McGuckin stated the paperwork was not defective or the Committee would have rejected them.

Mayor Kraft stated he is just as upset that the accident happened. There is a site meeting on Friday, May 15th with the Engineer and the Contractor, to go over corrective measures.

Motion to close to the public was moved by Committeeman Lachawiec, seconded by Deputy Mayor Reilly.

Roll Call: Lachawiec: Yes, Reilly: Yes, Kraft: Yes.

ADJOURNMENT

Motion to close Workshop/Caucus Agenda Meeting was moved by Committeeman Lachawiec, seconded by Deputy Mayor Reilly. Roll Call: Lachawiec: Yes, Reilly: Yes, Kraft: Yes.

Signed and Submitted:

Diane B. Ambrosio, RMC
Township Clerk

Date