

Minutes of a Special Meeting of the Mayor and Council, Borough of Keyport, held on the above date in the Keyport Senior Center, 110 Second Street, Keyport, NJ pursuant to the adoption of Resolution #151-01 at the Regular Meeting of April 16, 2001, in accordance with the Open Public Meetings Act. Notices were faxed to the Courier, Asbury Park Press, Independent and Two River Times and posted on the Bulletin Boards.

Mayor Graham called the meeting to order at 7:34 PM and read the Sunshine Law Notice.

ROLL CALL

On Roll Call the following were present: Councilmembers Ashmore, Antonucci, Merla, Atkins, Bergen, Pedersen. Others present: Gordon Litwin, Borough Attorney.

RESOLUTIONS

1. Resolution #186-01, Approving Contribution to D.A.R.E. Program

WHEREAS, Keyport D.A.R.E. Program is an organization located in the Borough of Keyport which conducts activities that benefit the public good; and

WHEREAS, the Keyport D.A.R.E. Program has requested that the Borough of Keyport contribute the sum of \$250.00 for the purpose of assisting them with funds for the D.A.R.E. Graduation program.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Keyport, that the sum of \$250.00 is hereby approved as a contribution to the Keyport D.A.R.E. Program and the Mayor and Chief Financial Officer are authorized and directed to pay said sum.

Offered for adoption by Mr. Pedersen, seconded by Mr. Antonucci

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla, Atkins, Bergen, Pedersen

2. Resolution #187-01, Authorize Borough Attorney to Submit Riparian Park Grant Application

Mr. Litwin said there are four parcels of land, which are the same four as in 1960 that were not finalized by the Borough. Mr. Merla said that he would have to abstain.

WHEREAS, the Borough of Keyport is the owner of record of Block 21.01, Lot 49, which contains certain improvements for the benefit of the general public; and

WHEREAS, some or all of the lands designated as Block 21.01, Lot 49 in the Borough of Keyport were flowed by the tide Raritan Bay prior to being filled during or after 1966; and

WHEREAS, the Mayor and Council find it to be in the best interest of the Borough of Keyport to file a riparian park grant application with the New Jersey Bureau of Tidelands Management with regard to four (4) parcels within said Block and Lot (as indicated on a map abstract on file with the Borough Clerk as Parcels A, B, D and D) so that the present public uses thereon may be continued and preserved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Keyport as follows:

1. The Borough Attorney is hereby authorized and directed to prepare and submit a riparian park grant application with

2. reference to said four (4) parcels of land within Block 21.01, Lot 49 to the Bureau of Tidelands Management; and
3. The Mayor and appropriate Borough officials are authorized to execute the application and other such documents as may be necessary in support of said application.

Offered for adoption by Mr. Pedersen, seconded by Mr. Antonucci

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen, Pedersen

3. Resolution #188-01, Payment of Bills

See full copy of Payment of Bills as pages 10-13 Of these minutes.

Offered for adoption by Mr. Pedersen, seconded by Mr. Antonucci

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen, Pedersen

4. Resolution #189-01, Authorize Realty Appraisal to Make Appraisal of Four Parcels of Land

Mr. Litwin said this is not an appraisal of the license modification which covers the extension of the pier as the pier avoids appraisal. Mr. Merla asked if the State would appear in Court and Mr. Litwin said this does not relate to litigation.

WHEREAS, there exists a need for a real estate appraisal in conjunction with the proposed riparian grant application for four (4) parcels of land located upon and within Block 21.01, Lot 49 in the Borough of Keyport; and

WHEREAS, the Borough Administrator and Borough Attorney have reviewed the Proposal and the Chief Financial Officer has certified that the funds for same are available; and

WHEREAS, the Local Public Contracts Law requires that the resolution authorizing the award of contracts for "professional services" without competitive bids and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE BOROUGH OF KEYPORT AS FOLLOWS:

1. The Mayor and Clerk are hereby authorized and directed to accept the attached proposal of Realty Appraisal Co., 4912 Bergenline Avenue, West New York, NJ, to appraise four (4) parcels of land upon and within Block 21.01, Lot 49 in the Borough of Keyport, said appraisal to be used in conjunction with the proposed riparian grant application by the Borough and the fee for same not to exceed \$6,500.

2. This Contract is awarded without competitive bidding as a "professional service" in accordance with the provisions of the Local Public Contracts Law because the Contract is for a service performed by a person authorized by law to practice a recognized profession that is regulated by law.

3. A notice of this action shall be published as required by law.

Offered for adoption by Mr. Pedersen, seconded by Mr. Antonucci

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen, Pedersen

5. Resolution #190-01, Authorization for Real Estate Surveying Services for License Modification/Schoor DePalma

WHEREAS, there exists a need for a real estate survey in conjunction with the proposed application for license modification pertaining to the license presently held for parcels of land located offshore of Block 21.01, Lots 24 and 27 in the Borough of Keyport; and

WHEREAS, on or about May 29, 2001, the Mayor and Council of the Borough of Keyport received the attached proposal (the "Proposal") from Schoor DePalma for surveying services at a total cost of \$3,000; and

WHEREAS, the Borough Administrator and Borough Attorney have reviewed the Proposal and the Chief Financial Officer has certified that the funds for same are available; and

WHEREAS, the Local Public Contracts Law requires that the resolution authorizing the award of contracts for "professional services" without competitive bids and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Keyport as follows:

1. The Proposal from Schoor DePalma for real estate surveying services in conjunction with the proposed application for license modification pertaining to the license held by the Borough for parcels of land located outshore of Block 21.01, Lots 24 and 27 in the Borough of Keyport at a total cost of \$3,000 is approved.

2. The Mayor and appropriate Borough officials are authorized to execute an agreement for same.

3. Annexed hereto is a copy of said agreement.

4. This action is approved without competitive bids as an award of a professional contract.

A notice of this award shall be advertised as required by law.

Offered for adoption by Mr. Pedersen, seconded by Mr. Antonucci

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen, Pedersen

6. Resolution #191-01, Authorization for Real Estate Surveying Services for Riparian Grant Application/Schoor DePalma

Mr. Litwin said that Mr. Kriskowski will check to see if the monuments are included. They are not needed and will be deleted if significant. The one agreement for the extension of the fishing pier license will be charged against the ferry and the other agreement for the riparian grant application will be charged against the bulkhead. Mr. Fallon concurred, that he had checked with the Bond Counsel who said yes. Mr. Merla asked once the application is submitted are an appraisal and survey required and did the Department of Environmental Protection need to be notified. Mr. Litwin said this will not hold up the bulkhead itself and that he has notified the Tidelands Bureau about the bulkhead project. Mr. Litwin will speak with Mr. Kriskowski about the bulkhead grant. Mr. Bergen asked where the lease modification would be charged. Mr. Fallon said that the escrow fees posted by Fast Ferry have been expended and they should be advised. The extension on the fishing pier is necessary for the ferry. Mr. Bergen said that costs pertaining to the riparian rights attribute to the Bond Ordinance, the other costs will have to be dealt with. If necessary, they can be charged against the Recreational Bayfront Improvement Trust

Account as the lease payments will be deposited into that account. If there are Borough obligations they would come out of the general fund.

WHEREAS, there exists a need for a real estate survey in conjunction with the proposed riparian grant application for four (4) parcels of land located upon and within Block 21.01, Lot 49 in the Borough of Keyport; and

WHEREAS, on or about May29, 2001, the Mayor and Council of the Borough of Keyport received the attached proposal (the "Proposal") from Schoor DePalma for surveying services at a total cost of up to \$7,500; and

WHEREAS, the Borough Administrator and Borough Attorney have reviewed the Proposal and the Chief Financial Officer has certified that the funds for same are available; and

WHEREAS, the Local Public Contracts Law requires that the resolution authorizing the award of contracts for "professional services" without competitive bids and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Keyport as follows:

1. The Proposal from Schoor DePalma for real estate surveying services in conjunction with the proposed riparian grant application for four (4) parcels of land located upon and within Block 21.01, Lot 49 in the Borough of Keyport at a total cost of up to \$7,500 is approved.

2. The Mayor and appropriate Borough officials are authorized to execute an agreement for same.

3. Annexed hereto is a copy of said agreement.

4. This action is approved without competitive bids as an award of a professional contract.

A notice of this award shall be advertised as required by law.

Offered for adoption by Mr. Pedersen, seconded by Mr. Antonucci

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen, Pedersen

7. Resolution #192-01, Authorize Borough Clerk to Advertise for Receipt of Bids for Ferry Service

Mr. Litwin said a formal resolution has not been adopted authorizing the advertisement for receipt of bids, that there were two laws to be considered, bidding services and leasing land. He has made minor modifications, and it complies with both laws.

BE IT RESOLVED by the Mayor and Council of the Borough of Keyport as follows:

1. The Borough Clerk is authorized to advertise for bids for the operation of a commuter and special events ferry service between the Borough of Keyport and the Borough of Manhattan, New York City upon premises to be leased from the Borough of Keyport.

2. The property described herein is hereby determined to be not needed for public use and is hereby authorized and directed to be leased at public bid to the highest bidder and subject to the terms and conditions prescribed herein.

3. The Borough of Keyport reserves the right to reject all bids should the highest bid not be accepted.

4. The highest bid shall be subject to acceptance or rejection by the second regular meeting following receipt of bids.

5. The successful bidder will be required to enter into a lease in the form now on file with the Borough Clerk as approved by the Borough Attorney, which lease shall be consistent with the terms of this Resolution.

6. The lease and tenancy are subject to the following specific conditions, restrictions and limitations.

A. Those set forth in the draft lease now on file with the Borough Clerk available for inspection.

B. Any and all covenants, easements and restrictions of record; to the Building and Zoning Ordinances of the Borough of Keyport, such facts as an accurate survey may disclose; to the receipt and continued existence of appropriate riparian licenses; and to the approval of Green Acres Program of the New Jersey Department of Environmental Protection;

C. The existing utilities, utility lines and cable lines which traverse the property, if any.

7. The term of the lease shall be for one (1) year commencing not later than four (4) months after execution of the lease and shall be renewable for one (1) additional year upon mutual agreement.

8. The property shall be leased solely for the purpose of operation of a ferry service from Keyport to New York City, for related parking and for related recreational and special events services, excursions and cruises.

9. The minimum bid shall be for \$40,000 for the year of the lease.

10. If the lease is not renewed at the end of the term, Tenant shall be obligated, upon written request of the Borough of Keyport to remove all structures and improvements from the premises at Tenant's cost.

11. Tenant shall carry public liability insurance naming the Borough of Keyport, the Keyport Harbor Commission and the State of New Jersey as additional insureds with minimum limits of \$2,000,000.

12. The premises shall be maintained by the Tenant in a neat and clean manner.

13. Tenant shall be responsible for obtaining all necessary approvals prior to any construction or alteration on the property.

14. Bids are to be received and opened publicly by the Borough Clerk on June 14, 2001 at 10:00 AM at the offices of the Keyport Borough Clerk, at the Keyport Borough Hall, 18-20 Main Street, Keyport, New Jersey. They shall be submitted to the Borough Clerk at Keyport Borough Hall, 18-20 Main Street, Keyport, New Jersey before that time.

15. All bids must be enclosed in a sealed opaque envelope bearing the name and address of the bidder and clearly marked "Ferry Service and Lease Agreement".

16. The Borough Clerk is hereby directed to advertise the method of bidding in a newspaper circulating in the Borough by two insertions at least once a week during two consecutive weeks, the last publication to be not earlier than seven (7) days prior to the letting of the lease.

17. All bids shall be accompanied by a certified or cashier's check in the amount of ten percent (10%) of the bid for the first year of the lease but not to exceed Twenty Thousand Dollars (\$20,000).

18. The Borough reserves the right to waive all informalities in bids.

19. The premises to be leased and utilized for the ferry operation is the pier owned by the Borough of Keyport adjacent to the American Legion Drive in Block 21.01, Lots 24 and 49 on the Tax Map of the Borough of Keyport with a length approximately 30 feet along said bulkhead and extending northwesterly approximately 135 feet offshore, as more particularly set forth on the map annexed hereto as Exhibit A and a limited number of parking spaces designated within a municipal lot commonly known as "Fireman's Lot" and located in Block 21.01, Lot 22 on the Tax Map of the Borough of Keyport.

Offered for adoption by Mrs. Ashmore, seconded by Mr. Merla

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen

Nays: Councilman Pedersen (opposed to the use
Of the Pier and extension of rights, the
Harbor Commission is also opposed)

8. Resolution #193-01, Authorize Borough Attorney to Submit Application for Tidelands License Modification

Mr. Litwin said this matter grew out of the Ferry Lease. Off to the right of the pier where the spud barge would be is not part of the riparian rights. The Tidelands Bureau will modify the fishing pier license to allow an L at the pier and cover the ferry operations. Mr. Merla asked about it holding up and Mr. Litwin said everything will catch up.

WHEREAS, in conjunction with its ownership of the municipal pier, the Borough of Keyport holds a tidelands license from the New Jersey Department of Environmental Protection, Bureau of Tidelands Management, for a parcel outshore of Block 21.01, Lot 24 and part of Lot 27; and

WHEREAS, the Mayor and Council find it to be in the best interests of the Borough to seek a modification of said license to accommodate the use of the municipal pier and those adjacent parcels outshore of Block 21.01, Lots 27 & 28 by a private commuter and special events ferry operator. Said use is in addition to the recreational uses presently facilitated by said pier, and

WHEREAS, the Borough of Keyport is the record title owner of those areas immediately upland of the outshore parcels for which a license is sought.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Keyport as follows:

1. The Borough Attorney is hereby authorized and directed to prepare and submit an application for a tidelands license modification application to the Bureau of Tidelands Management;
2. The Mayor and appropriate Borough officials are authorized to execute the application and other such documents as may be necessary in support of said application.

Offered for adoption by Mrs. Ashmore, seconded by Mr. Merla

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla,
Atkins, Bergen

Nays: Councilman Pedersen (opposed to the use of
the pier and extension of rights, the
Harbor Commission is also opposed)

9. Resolution #194-01, Salary Resolution-Part Time Summer Laborers

It was asked if the Borough should advertise. The
applications on file will be reviewed.

BE IT RESOLVED by the Mayor and Council of the Borough of
Keyport in accordance with the Salary Ordinance now in effect that:

SECTION I. The following hourly salaries are hereby
established for the indicated positions effective May 30, 2001 or
date of hire or transfer, whichever is later.

Part Time Summer Laborer \$10.00 per hour

Offered for adoption by Mr. Pedersen, seconded by Mr. Bergen

Roll Call Vote: Ayes: Councilmembers Antonucci, Atkins, Bergen,
Pedersen

Nays: Councilmembers Ashmore, Merla

DISCUSSION

1. Water/Sewer Operations. Mayor Graham turned the discussion over to Mr. Merla who had requested the meeting. Mr. Merla said the meeting was called to discuss the water/sewer rates and construction of the department. An agenda was prepared to formulate a plan. He thanked Pauline Redmond, Collector of Water/Sewer Utility Rents and George Sappah, Superintendent of Public Works for their help. Revenue-Water/Sewer Rates: the past two financial statements, 1999 & 2000 collection was under what was anticipated and there isn't the surplus. Billings generated more in 1999 than in 2000. There is something wrong with the Bayshore Regional Sewerage billings which do not cover general costs but is for litigation. The BRSA was fined \$50,000 by the Department of Environmental Protection. These costs are not fair to the Borough, they should have insurance to cover the litigation. Mr. Fallon said 70% of the BRSA costs are for debt service and that will not go away. The BRSA has Aberdeen on line and they do have other new accounts. Mr. Merla said to raise rates will not accomplish anything, that it is not the time and would be counterproductive. The only plus is that the collection rate is up. Mr. Fallon said the receivables fall in range and are consistent. All rents not paid are sold in the tax sale the following year and will be collected. Mr. Merla said the BRSA raised their rates and the Borough absorbed the costs and did not rate the rates. Residents don't know this. Mr. Fallon said 1994 was the last time the Borough raised its rates. The BRSA bills to the Borough went from \$750,000/800,000 to \$1,050,000 and the Borough has not increased its rate yet. Mr. Bergen said the only way to lower rates is to generate revenue. He wanted to lower the rates, but the BRSA eats up the surplus. The BRSA takes nine months of meter readings and then they estimate. In the first quarter the Borough gets the BRSA bill, there could be a credit or a bill. A stable source of surplus is needed, rates cannot be raised up and down. Mr. Merla said there is a consistent increase from the BRSA. Mr. Bergen said the sale of water is needed. Mr. Fallon said the Borough should set rates for 5 years. Mr. Bergen said the meter readings versus the actual billings are off \$100,000. Mr. Merla said the current surplus should be back up, but the receivables went down in the past years. Mr. Bergen said money was cut out of the Water/Sewer budget to keep the tax rate down. Can we lease the Water Plant? Yes. Mr. Bergen said he met with the Bond Counsel. A detailed financial analysis is needed and you don't need sealed bids, you

ask for a Request for Proposals. The Borough would pay off its bonds. There is a questions, who would be responsible for capital improvements, what would be the rates. The Borough would have to sit down and negotiate the price, operation, etc. which would determine the rates. Details are needed, with a lease the Borough maintains the assets. Meter Readings-Water/Sewer Department: the rate of collection is good. Mrs. Redmond questioned the Meter Reader working the same hours as her office. Some man hour emergencies are for water and some are for sewer. Mr. Bergen said in some cases an outside contractor had to be called in. The water meters are old. The high and low readings are checked. The life expectancy of a meter was questioned. The meters slow down. Mr. Bergen said if the Borough stays in the water business, new meters should be acquired. The Borough is not here to make money off the residents. A budget is struck and enough money has to be raised to operate that budget. Mr. Litwin said a private company is in business to make money. Mr. Bergen said that they have a different way of running the operation. There is about 18-20% of water unaccounted for due to leaks, etc. In 1998 the Borough had a company come in to check for leaks and found one on Beers Street and one by the House of Eng, E. Front Street. Mr. Merla said a lot of municipalities have gone out of the water business. The State ordered a cut back and they could do it again. Mr. Bergen said the Borough's wells were not shut down for water intrusion. Mr. Merla said that Old Bridge bought new meters (ride by and read) at a cost of \$250.00 each. It could cost \$260,000 plus \$20,000 for a system set up in the billing department. Mr. Litwin said it is illegal to tie sump pumps into the sewer system. Mr. Bergen said if they want to be connected then an extra fee should be charged. Mr. Merla said the rain water goes into the manholes and there should be an infiltration credit. Mr. Pedersen said it does not go into the sanitary sewer, it goes into the storm sewers. A handle is needed on this problem. Infrastructure:Phase I, mapping, was done with a grant. Phase II, there is no grant money. Mr. Merla asked if Mr. Kriskowski could check with the State on funding. There are at least 12 hydrants that need replacement. Mr. Bergen said that more summer help is needed so as to allow the Public Works employees the time to replace the hydrants. Water Plant: there are no big salaries. Improvements include Well #8, clarifier and a new roof on the water plant. Diversion Rights: this was discussed by Mr. Litwin. Financial Picture: Mr. Merla said the Borough is holding it's own and that the Borough should work toward the goal of reducing the rates. The water/sewer is 50% of the Borough budget (\$1,900,000). The sewer rates and costs even out. The outstanding debt for water is \$1,400,000. Mr. Bergen said he would look for \$5 million on a lease. Capital items include a vac truck, painting the clarifier, Well #8 and painting the two water towers. Mr. Merla asked Mr. Fallon if the Borough should take on debt or lease the water operation first. Mr. Fallon said it is a tough situation; increasing the value of the system. Mr. Litwin said the lease can be structured (on items), that the Borough negotiates with full disclosure as per a 1995 law. Mr. Bergen said he would like to include the sewer with the water is leased. Mr. Pedersen said someone could bid and shut the water plant down and not use it. Mr. Merla asked how a RFP is structured. Mr. Bergen said he would check with North Brunswick. Union Beach sold their water system. Mr. Bergen said the employees who work in the water/sewer department will have to be considered if the Borough sells or leases the operation. Mr. Merla said he is willing to sit down further, that he did explore options and that years ago he and then Mayor Flynn were opposed to the BRSA. Mr. Litwin said years ago there was an injunction regarding the BRSA and Keyport had to pay. Mr. Bergen said the matter of representation on the BRSA should be put on hold for now because of the bulkhead projects and the riparian rights. Mr. Merla said that he had written to the BRSA with questions pertaining to their budget and they didn't like it. We do not have any representation on the BRSA. Union Beach non payment has been put in escrow. The way to get a seat on the BRSA is legislatively. Mr. Merla said Manzo called for markouts for the

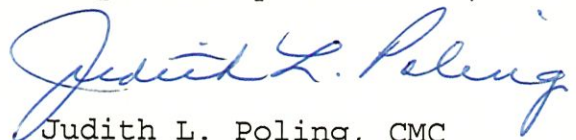
final paving of Washington Street and the gas company marked out Washington Street. Mayor Graham asked for goals and when they should be submitted. Mr. Bergen asked Mr. Fallon to get a RFP to everyone. Numbers have to be put together for next year and a lease would help with the debt. Mr. Merla said he was willing to serve on any committee and to set a goal of September regarding leasing. Mayor Graham said an RFP is a good first step. Mr. Bergen said the water towers have to be painted and Mr. Merla agreed that this must be done. Mr. Merla asked if feelers could be put out regarding representation on the BRSA, yes. Mr. Fallon said the 2002 water/sewer budget will be difficult to balance.

ADJOURNMENT

Motion to Adjourn moved by Mr. Pedersen, seconded by Mr. Merla, with Ayes by all present.

Time of Adjournment: 9:30 PM

Respectfully submitted,



Judith L. Poling, CMC
Borough Clerk/Administrator

