



***BOROUGH OF CALDWELL
NEW JERSEY***



**COUNCIL BUSINESS
MEETING July 16, 2013**

Borough Hall Council Chambers
1 Provost Square
Caldwell, New Jersey 07006
7:00pm



Council Chambers
1 Provost Square Caldwell, NJ

Borough of Caldwell Council Business Meeting

AGENDA

Phone: (973) 226-6100
Website: www.caldwell-nj.com

July 16, 2013

MAYOR
Ann Dassing

BOROUGH COUNCIL
Richard Hauser – President / CCC
Thomas O'Donnell / Public Safety
John Coyle / Public Works
John Kelley / Community Relations
Frank Rodgers / Personnel
Edward Durkin Jr. / Finance

CALL TO ORDER

Honorable Ann Dassing, Mayor of the Borough of Caldwell Presiding

Roll Call
Statement of Compliance w/ Open Public Meetings Act
Pledge of Allegiance to the Flag

APPROVAL OF MINUTES

July 2, 2013

PRESENTATION

1. Swearing in Robert Adams
2. CP Engineers

OPEN PUBLIC COMMENTS ON RESOLUTIONS

Members of the public are invited to comment at this time on any resolution.

RESOLUTIONS - CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council request specific items to be removed for separate action.

7-177	RESOLUTION APPROVING AN INTERMUNICIPAL SERVICE AGREEMENT BETWEEN THE BOROUGH OF CALDWELL AND THE BOARD OF EDUCATION OF CALDWELL-WEST CALDWELL
7-178	RESOLUTION CERTIFYING THAT ALL MEMBERS OF THE GOVERNING BODY HAVE REVIEWED, AT A MINIMUM, THE GENERAL COMMENTS AND RECOMMENDATIONS SECTIONS OF THE FISCAL YEAR 2012 ANNUAL AUDIT
7-179	RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR 2012 AUDIT REPORT
7-180	RESOLUTION TO CANCEL RESERVE BALANCES
7-181	AUTHORIZING THE APPOINTMENT OF RENT REVIEW BOARD MEMBER – Robert Christianson
7-182	AUTHORIZING THE ISSUING OF LICENSE FOR RAFFLE. APPLICANT AND APPLICATION HAVE BEEN APPROVED BY THE CLERK'S OFFICE – Kiwanis Club of Caldwell-West Essex, Off Premise / 50/50 Raffle – October 6, 2013 – 11:30AM – 5:00PM



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Edward Durkin Jr. / Finance

7-183	AUTHORIZING THE ISSUING OF LICENSE FOR RAFFLE. APPLICANT AND APPLICATION HAVE BEEN APPROVED BY THE CLERK'S OFFICE – Saint Aloysius Church, Off Premise / 50/50 Raffle – September 22, 2013 – 4:00PM
7-184	AUTHORIZING THE REFUND OF OVERPAYMENT OF 2012 TAXES FOR BLOCK 53 LOT 2, FOR 12 BROOKSIDE AVENUE, CALDWELL, NJ
7-185	AUTHORIZING AN AWARD OF A PROFESSIONAL SERVICES CONTRACT TO THE LAND CONSERVANCY OF NEW JERSEY IN THE BOROUGH OF CALDWELL
7-186	RESOLUTION AUTHORIZING A ONE YEAR EXTENSION OF EXISTING CONTRACT WITH BATTAGLIA ASSOCIATES, LLC FOR FINANCIAL MANAGEMENT SERVICES FOR THE BOROUGH OF CALDWELL
7-187	AUTHORIZING PAYMENT OF BILLS AND THE ISSUANCE OF CHECKS FOR THE PERIOD THROUGH JULY 16, 2013 FOR 2012/2013 BILLS IN THE TOTAL AMOUNT OF \$3,094,466.80

COUNCIL COMMITTEE REPORTS

Borough Council Members

Members of the Borough Council may choose to report on their respective committees.

REPORT OF MAYOR

Mayor Dassing

REPORT OF BOROUGH ADMINISTRATOR

Paul M. Carelli

1. Administrator Report July 16, 2013
2. Water and Road Improvement Project Update

REPORT OF ATTORNEY

Gregory Mascera

REPORT OF POLICE CHIEF

Chief James H. Bongiorno, CPD

REPORT OF ESSEX COUNTY LIASSON

James Jude Jorgensen, QPA



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OLD BUSINESS

1. 2013 Municipal Budget – Budget Amendment Resolution

NEW BUSINESS

OPEN PUBLIC MEETING

Members of the public are invited to comment at this time on any issues, whether or not on the agenda

EXECUTIVE SESSION

Closed Session

BE IT HEREBY RESOLVED in accordance with the provisions of N.J.S.A. 10:12 and 13, the public shall be excluded from the Executive Session of the Governing Body which is being held for the discussion of the following subject matters: 1. Pending or anticipated litigation or contract negotiation; 2. Personnel matters; 3. This Executive Session shall continue for an indefinite period of time and upon termination of the Executive Session, the Governing Body may choose to resume the public portion of the meeting. The discussion, which shall be conducted in closed session, shall be disclosed upon termination of litigation or contractual matter, upon resolution of the personnel matter with consent of said person or persons and as provided by N.J.S.A. 4-12 but in no case later than two (2) years from this date. These minutes shall be available as soon as the matter is resolved or not later than two years hence.

ADJOURNMENT

Additional items **may** be added to this agenda. Final action may be taken on all matters listed or added to this agenda. This agenda was prepared as of 7/1/2013 with all available information as of this date. This agenda has been sent to four official newspapers of the Borough on 7/1/2013 in compliance with P. L. 1975, c 213

Lisa O'Neill, Deputy Clerk.

**BOROUGH OF CALDWELL
COUNCIL BUSINESS/CONFERENCE MEETING
MINUTES – July 2, 2013**

The council Business meeting of the Borough Council of the Borough of Caldwell was called to order in the Council Chambers at **7:01PM**

PRESENT: Mayor Dassing, Council President Richard Hauser, Councilman Coyle, O'Donnell, Rodgers and Durkin

ALSO PRESENT: Lisa O'Neill, Deputy Clerk and Borough Attorney, Greg Mascera

ABSENT: Borough Administrator, Paul Carelli

Adequate notice of this Council Business/Conference meeting was given on January 1, 2013. Notice was posted on the bulletin board on the first floor of the Borough Hall, One Provost Square, Caldwell, New Jersey. Official newspapers of the Borough were notified of this meeting by mail. Notice was posted and all persons requesting notice were sent same.

**APPROVAL OF MINUTES:
June 13, 2013 – Special Meeting**

Moved by Councilman Coyle, seconded by Councilman O'Donnell. No Discussion. On roll call, Councilman Coyle, O'Donnell, Rodgers and Durkin voted in the affirmative. Councilman Hauser and Kelley abstained at Roll Call. Minutes approved 07/02/13.

June 18, 2013

Moved by Councilman Coyle, seconded by Councilman O'Donnell. No Discussion. On roll call, all present voted in the affirmative. Minutes approved 07/02/13.

OPEN PUBLIC COMMENTS ON RESOLUTIONS:

Moved by Councilman Coyle, seconded by Councilman O'Donnell to Open Public Comments on Resolutions.

RESOLUTIONS – CONSENT AGENDA

7-172: RESOLUTION AWARDING PROFESSIONAL SERVICE AGREEMENT TO SUPERIOR SERVICES, LLC FOR SERVICES IN CONNECTION WITH THE OPERATION OF THE BOROUGH OF CALDWELL WATER SYSTEM IN AN AMOUNT NOT TO EXCEED \$7,020 PER ANNUM PLUS THE COST OF ADDITIONAL SERVICES NOT TO EXCEED \$54,080.00 PER ANNUM

7-173: AUTHORIZING THE REFUND OF OVERPAYMENT OF 2011 & 2012 TAXES FOR BLOCK 54 LOT 16, FOR 11 ROSELAND AVENUE, CALDWELL, NJ

7-174: AUTHORIZING THE REFUND OF OVERPAYMENT OF 2011 & 2012 TAXES FOR BLOCK 1 LOT 4, FOR 87 ELM ROAD, CALDWELL, NJ

CONSENT

Moved by Councilman Kelley, seconded by Councilman Coyle. Discussions Ensued. On roll call, all present voted in the affirmative. Resolution approved 07/02/13.

7-175: RESOLUTION MODIFYING THE TITLE OF RESOLUTION 7-172 BY DELETING 54,080.00 AND REPLACING THAT WITH 27,040.00 FOR THE BALANCE OF 2013 AND NOT TO EXCEED 3,510.00 FOR THE BALANCE OF 2013.

Moved by Councilman Coyle, seconded by Councilman O'Donnell. Discussions Ensued. On roll call, all present voted in the affirmative. Resolution approved 07/02/13.

COUNCIL COMMITTEE REPORTS:

Councilman Durkin reported that the Finance Committee met last week except for the Mayor. There will be some changes that they want to make to the Introduced Budget. The Borough Administrator is not here tonight. We agreed as a Committee to table any discussion regarding the budget in tonight's meeting because our key member Paul Carelli could not be in attendance. His role this year as in prior years is very critical to any responsible discussion on the budget. It is my understanding that the Mayor would like to hold a discussion with the rest of the governing

**BOROUGH OF CALDWELL
COUNCIL BUSINESS/CONFERENCE MEETING
MINUTES – July 2, 2013**

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body tonight during old business. I have made it clear and the Mayor understands that the Finance Committee will not be joining in the discussion on the budget tonight. It was our recommendation to her that this conversation and review be done on July 16th. The Finance Committee will meet one more time before the 16th.

Councilman Hauser reported that at the Library Board meeting this past Thursday, Adele was awarded a couple of different grants roughly about \$5,000 in total for specific purposes. He received confirmation from Councilman Hladik in West Caldwell, that West Caldwell and the pool utility are interested in having a conversation about a joint Community Center and pool membership.

Councilman Kelley reported that Camp Wyanokie held its annual camp event. It was a big success. Brian Provost from the Corner Butcher Block was most generous in donating hamburgers and hotdogs we can't thank him enough. He has been a great addition to our Town. Also, as a member of the Finance Committee I definitely support Councilman Durkin with his communication to the Mayor and I. I made a strong recommendation that Lisa pull the item from the Agenda without Paul's input. Having been a member with the Finance Committee two years in a row and Paul Carelli's involvement last year without a CFO, he was critical, he understands the under workings of it and he has been very, very important to the process this year. To have a dialog or discussion at any length without his involvement it would be inefficient and I still encourage the Mayor to pull this item from the Agenda. I will not be participating in the discussion.

Mayor Dassing reported that she attended a Community Block Grants Committee meeting last week and the good news is while some towns in the Country have gone down in terms of their allotments the County of Essex, actually their amount has gone up for Community Block Grants. Hopefully we will be getting more money and of course that is not set in stone but that is the message we received. We are also able to hold seminars for residents that are in need of home repairs and do not have the finances to make them. We will be hosting a seminar here for people who are low income and need help.

Greg Mascara responded that he would like to discuss the emergency accommodations with the College. The Mayor received some correspondence this week from Bill Ortman from Caldwell College. Apparently there has been an informal relationship between the College and surrounding Municipalities in regards to Emergency accommodations, a location where misplaced residents can go during an emergency. The College has requested that the Borough allow members of the Caldwell College Community to gather at either the 2nd floor of the Fire House or the Community Center. The Mayor has recommended that we obviously enter into some kind of agreement because it would be receptacle the College would allow members of our Community to assemble whether it would be in the gymnasium or their student center. Greg said all they would need is a consensus to go ahead with that agreement.

7-176: RESOLUTION TO ENTER INTO A FORMAL AGREEMENT WITH CALDWELL COLLEGE WITH REGARDS TO EMERGENCY PLACEMENT OF THEIR STUDENTS

Moved by Councilman Rodgers, seconded by Councilman O'Donnell. Discussions Ensued. On roll call, all present voted in the affirmative. Resolution approved 07/02/13.

REPORT OF ATTORNEY:

Greg Mascara reported that Chief Bongiorno had advised me that a Caldwell resident has custody of minors and there has been some difficulty with the custodian parents. The Police department gets numerous phone calls from the non-custodian parent for welfare checks and what happens is anytime the police force gets a call to do a welfare check and it must be completed for obvious reasons. The custodian parent has now engaged an attorney to protest the Police Chief and the squads continual, is the allegation, harassment because of the multiple checks. I have correspondent with the attorney and they are threatening a law suit for civil rights. In case anyone heard about this alleged harassment of the Police department they are simply following the procedure that must be followed anytime there is a child welfare check.

OLD BUSINESS:

1. Discussion of Budget 2013

Mayor Dassing made a brief statement about the Budget.

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The reason she asked for this to be put on tonight is because as the Mayor of the Town and the CEO of the town I take very seriously the fact that we move this along. Back in the beginning of June I sent an extensive list of comments to the Finance committee Mr. Carelli included and what I received back was a very short variation of my total savings which I think on the current budget alone is \$152,000, the water utility was \$46,000 and the sewer utility was \$70,000. I don't think I need to go into every single one of these lines, however when I received back after a couple of weeks a reply I then went back in again and created another spread sheet based on Mr. Carelli's recommendation that we not go past the 10% cut in each line or we would have to amend the Budget. Of course my first draft of cuts and suggestions from other Council people who are not on the Finance committee as did the second draft. What I received back from the Finance committee was once again a shortened version of what I thought we could potentially reach as an acceptable budget for the residents of Caldwell keeping in mind the fact that we are stewards of their money and we went through carefully each line and I felt it needed to be reflected and so regardless as to whether or not Mr. Carelli is here, I think I would like the Finance Committee to listen to some of the suggestions that some of the other Council people have for our 2013 Budget and keep those, and if you want to meet next week, and I apologize that I was not at the meeting Tuesday but I did ask if we could have it Tuesday afternoon and I never got a reply other than to hear that it would be decided that we would not be talking about the Budget tonight. If there is anyone else who would like to talk about anything that they have for reducing these lines in the Budget I welcome that. **Councilman O'Donnell** responded that he cannot understand why we can't have a general discussion. If transparency has been an issue that people have brought up this is a transparent process. Our goal as a Council is to maintain services and strive for a zero percent increase in the Budget. That's a simple conversation to have and he doesn't know why it is becoming a difficult situation. **Mayor Dassing** responded that she agreed with him and she thinks this is the only forum legally that we can gather and speak on this topic and any topic for that matter. I think that at the last meeting we had in June, Councilman Hauser pointed out that we would want to have a discussion before an attempted adoption at the next meeting and so that's why we are here. From a practical stand point I felt it was necessary to leave this on the Agenda I have tried to be a team player in all instances but I do feel strongly that we need to move this forward. **Councilman O'Donnell** responded that he appreciates Mr. Carelli's role in the process of the nuts and the bolts. When I managed the Budget the goal was zero and I drove that Budget and I made the decision, I asked the questions and he executed. He doesn't need to be in a room for a philosophical discussion based on what I understand is occurring here. We are looking to reduce the cost, reduce the tax increase to the residents of Caldwell. **Councilman Hauser** responded that he echoed that and for whatever it is worth to the public Mayor Dassing, Mr. Coyle and I had a meeting for 2 ½ hours on Saturday morning we felt strongly enough that there was more that needed to be discussed that had not been addressed and I feel confident that there is a very large chunk of money that can be pulled. He doesn't understand what the issue is here. Mayor Dassing responded that from a point of efficiency we took that document and sent it to the Finance chair complete with explanation as to who we spoke to; to reduce this numbers we talked to Department heads and I asked the Finance Chair to please disseminate to the Council and that was not done. What we have identified there is eight things, there is a \$40,000 savings to eliminate the discretionary raise and the other is the extra money Mr. Carelli wanted in the salary and wage line and we didn't feel it was necessary. I spoke to the CFO and if someone came in with an incentive program it can be paid out of the savings and could be paid from that department so that is another \$5,000 that can come out of that line. The part-time DPW seasonal help line can go from \$15,000 to \$10,500. Contingency for overtime with DPW we can reduce by \$7,500 and we can reduce the weekend coverage by \$3700 for DPW. The composting line can be reduced to \$10,000 and the Police Maintenance line can be reduced by \$7,000 because we practically have a new fleet. Couple that with the previously proposed cut by the Finance committee of \$62,000 and you are at a \$140,067.50 that could be cut from the current fund. In the Sewer we did get verification from the sewer director that we can cut the miscellaneous line from \$10,000 to \$1,000 that is a \$9,000 savings and we can also cut the legal fees from \$50,000 to \$25,000 based on the schedule for litigation. There is also a revenue that I am not sure if it is in here but we are due \$3,960 from the leaf composting operation. We also have a Hatch Mott McDonald contract and part of the contract it does say that part of the 2.4 million dollars that we pay \$100,000 goes for maintenance and capital expenses and we also have a maintenance and capital expenses in our sewer line so is that something that we are duplicating. Every dollar we can save the residents we should be doing. She also has an explanation on the fund balance the definition of a fund balance is primarily the amount of cash that allows for delays in collections and to cover ourselves in case of emergencies. This does not mean that money is spent from this line the budget lines and other reserves are where the expenses are

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recorded. We don't actually put money into the fund balance if the net result the year ends in more receipts than disbursements then the money flows into the fund balance. So the only way you take money from the fund balance is when you anticipate surplus in the current fund.

Councilman O'Donnell responded that we had a fund balance discussion when Paul was in the room and the concern was are we replenishing this fund and he told us that the FEMA monies and there was a payment from Hatch Mott and those monies would certainly replenish the fund so I don't know what the discussion is that we are having tonight about cutting obvious costs. **Mayor Dassing** responded that in theory if you don't spend the money it's in the line and you don't cut it then that money would ultimately get flushed into next year's fund balance. **Councilman O'Donnell** responded that we are not looking to increase a fund balance we are looking to keep the taxes as low as possible for our residents. **Mayor Dassing** responded that she hopes the Finance Committee looks at my communication from yesterday and considers the recommendations from the other Council people who sit on various committees and who have double checked with their department chair people to make sure the adjustments that there making are responsible and proper. **Councilman Coyle** responded that he also submitted a number of changes and he has not heard back from the committee he was curious because he has not heard back from them and how is communication supposed to work in terms of the committee do they meet then decide. **Mayor Dassing** responded that your input was put into a spread sheet by Paul and he noted your name next to it whether it was a reduction or increase and then it was spoken about at the Finance meeting. **Councilman O'Donnell** asked if we are not having a discussion with the Finance Committee because they are unable to discuss and are waiting for Mr. Carelli to return. **Councilman Durkin** responded that if we were to discuss legal matters we wouldn't if we didn't have our Borough Attorney present if we are to discuss financial matters the Budget we would want the COO present. Paul is the COO and he is not present so that is my answer. **Councilman O'Donnell** responded that this is a discussion of philosophy are we looking to reduce the tax impact on the residents. **Councilman Kelley** responded that Paul Carelli is the key to the Budget. **Councilman Hauser** responded that Councilman Kelley you missed numerous meetings last year with a valid reason I am sure but at no point did we ever say we are not going to talk about this because Councilman Kelley isn't here. Some of these things have been submitted over 1 ½ month to 2 months ago and to suggest at this point that it is something out of the blue is just absurd. This whole conversation about transparency that you two have talked about at the last two meetings is so ridiculous this should be an easy conversation. **Councilman Kelley** responded that you have received multiple responses from the Borough Administrator on the many different changes that have been suggested and recommended. He has emailed them back and he has put them through the Mayor. **Councilman Hauser** responded that the last two years the Budget Chairs have been involved in the discussion and have been leading the process. It has become pretty evident that Mr. Carelli is leading the process because you are depending on him to recite information and give some information to the rest of the Council. This responsibility is our responsibility it is not Mr. Carelli's responsibility and to suggest that we can't have this discussion is irresponsible. **Councilman Kelley** responded that he attended all the Finance meetings and you looked to Paul Carelli for guidance, direction and information every meeting. You did not lead the charge here Councilman Hauser I was at those meetings and to imply otherwise is totally inaccurate. He is the key to it and when we lost our CFO last year he was even more the key to it. This year we are operating with a quasi CFO for you to suggest we cannot involve the Borough Administrator in a discussion and should involve him in a discussion it is a waste of time he is key to it because he has all of the information associated with the bill of that Budget and we have been actively involved with throughout that process. It is to have a sewer board meeting to discuss the construction process at the sewer plant and not have Greg Seaman sitting her with us. That is the analogy and it is appropriate. He is very disappointed that the Mayor has not continued to participate with the Finance Committee and that has kind of diverged in a totally different process here in regards to the Budget. We received an email yesterday at 4:00 with new changes we had reviewed the changes the ones that were sent the week before we had address in a Finance meeting that the Mayor did not attend. The Changes that were brought back to the Mayor were a reduction from 1.4 which is lower than the Budget that Councilman Hauser introduced and we adopted last year was reduced to .7 percent did you share that with other committee members that you met with last Saturday. The town needs to realize that the Finance Committee is working towards a reduce tax and we all have the same goals. **Mayor Dassing** responded that her point tonight was for the Finance Committee to please listen to these changes.

NEW BUSINESS:

1. The Land Conservancy of New Jersey

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COUNCIL BUSINESS/CONFERENCE MEETING
MINUTES – July 2, 2013**

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Moved by Councilman Rodgers, seconded by Councilman O'Donnell to put the Land Conservancy of New Jersey on for July 16th Council meeting. All in favor

OPEN PUBLIC MEETING:

Moved by Councilman Coyle, seconded by Councilman O'Donnell to Open Public Meeting.

On a motion made by Councilman Coyle and seconded by Councilman O'Donnell, unanimously affirmed, the Council moved into Executive Session at 7:51PM.

Mayor Dassing read the following statement: BE IT HEREBY RESOLVED in accordance with the provisions of N.J.S.A. 10:12 and 13, the public shall be excluded from the Executive Session of the Governing Body which is being held for the discussion of the following subject matters: 1. Pending or anticipated litigation or contract negotiation; 2. Personnel matters; 3. This Executive Session shall continue for an indefinite period of time and upon termination of the Executive Session, the Governing Body may choose to resume the public portion of the meeting. The discussion, which shall be conducted in closed session, shall be disclosed upon termination of litigation or contractual matter, upon resolution of the personnel matter with consent of said person or persons and as provided by N.J.S.A. 4-12 but in no case later than two (2) years from this date. These minutes shall be available as soon as the matter is resolved or not later than two years hence. Mayor Dassing responds that the Executive Session will be discussion of potential litigation.

The Executive Session was adjourned and upon a motion by Councilman Coyle, seconded by Councilman O'Donnell, the Council Business Conference Meeting was opened to the public and the press at 8:03P.M.

There being no additional business to be conducted a motion to adjourn the meeting was made by Councilman Coyle, seconded by Councilman O'Donnell, unanimously affirmed by all members present, the meeting was adjourned at 8:04P.M.

Prepared by: _____
Lisa O'Neill, Deputy Borough Clerk

DATE



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-177

Date of Adoption: July 16, 2013

TITLE:

**RESOLUTION APPROVING AN INTERMUNICIPAL SERVICE AGREEMENT BETWEEN THE
BOROUGH OF CALDWELL AND THE BOARD OF EDUCATION OF CALDWELL-WEST
CALDWELL**

WHEREAS, the Borough of Caldwell operates an indoor swimming pool facility at the Caldwell Community Center (the “swimming pool”); and

WHEREAS, the Board has established the James Caldwell High School interscholastic swim team (“Caldwell Swim Team”); and

WHEREAS, the Board does not have a facility to accommodate the requirements of the Caldwell Swim Team; and

WHEREAS, the parties have agreed to enter into an agreement whereby the Borough would make available to the Board the swimming pool facility to allow the Caldwell Swim Team to conduct team practices and to host swim meets; and

BE IT RESOLVED by the Borough Council of the Borough of Caldwell, County of Essex, as follows:

- (1). The Mayor and Borough Clerk are hereby authorized and directed to execute the attached Intermunicipal Services Agreement with the Board of Education of Caldwell-West Caldwell, which agreement shall be maintained on file with the Borough Clerk and be available for public inspection.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor

INTERMUNICIPAL SERVICES AGREEMENT

THIS AGREEMENT made this **16th** day of **July 2013**, by and between THE BOROUGH OF CALDWELL, located at One Provost Square, Caldwell, New Jersey (hereinafter referred to as "Borough"), and the BOARD OF EDUCATION OF CALDWELL-WEST CALDWELL, located at the Harrison School Building, Gray Street, West Caldwell, New Jersey (hereinafter referred to as "Board").

WITNESSETH:

WHEREAS, Caldwell operates an indoor swimming pool facility at the Caldwell Community Center (the "swimming pool facility"); and

WHEREAS, the Board has established the James Caldwell High School interscholastic swim team ("Caldwell Swim Team"); and

WHEREAS, the Board does not have a facility to accommodate the requirements of the Caldwell Swim Team

WHEREAS, the parties have agreed to enter into an agreement whereby the Borough would make available to the Board the swimming pool facility to allow the Caldwell Swim Team to conduct team practices and to host swim meets; and

WHEREAS, this Agreement is authorized by the Interlocal Services Act, N.J.S.A. 40:8A-1, et.seq. and has been authorized by appropriate resolution of the appropriate resolution of the Board

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the parties do hereby enter into his Intermunicipal Services Agreement with terms as follows:

1. The Borough shall permit the Caldwell Swim Team to use exclusively the swimming pool facility for three interscholastic swim seasons, beginning with the 2013- 2014 season, and continuing through the 2017-2018 swim season.

2. The Borough will make the swimming pool facility available for use by the Caldwell Swim Team:

- from November 18, 2013 through March 8, 2014
 - from November 17, 2014 through March 7, 2015
 - from November 16, 2015 through March 6, 2016
 - from November 15, 2016 through March 5, 2017
 - from November 14, 2017 through March 4, 2018
- during the assigned hours as set forth below.

Despite the foregoing, the specific dates of availability of the swimming pool facility for the Caldwell Swim Team shall be determined by the interscholastic swim season. The scheduling of the use by the Caldwell Swim Team of the swimming pool facility will be reasonably coordinated by the Board and the Borough Administrator no later than August 1 of each year of the agreement.

3. The assigned hours for use of the swimming pool facility by the Caldwell Swim Team are Monday through Friday, from 8:30 p.m. to 9:30 p.m. for practices, and from 7:00p.m. to 8:30p.m. for home swim meets; and
4. There shall be a maximum of eight home swim meets in any one interscholastic season
5. The Board must provide written notice of the home swim meet schedule to the Borough Administrator no later than September 15 of each year of this Agreement so as to allow the Borough Administrator reasonable time to schedule the use of the swimming pool facility.
6. The Board shall pay the Borough the sum of \$17, 500 for each year that the Caldwell Swim Team utilizes the swimming pool facility pursuant to the terms of this Agreement.
7. The Board will indemnify and hold the Borough and its agents harmless from and against any and all claims of whatever nature, actions or proceedings, costs, expenses and liabilities, including attorneys fees and disbursements incurred in connection with each such claim, action or proceeding, whether in contract or tort, arising from the Board's use of the swimming pool facility or from any default by the Board of its obligations hereunder.

8. The Board will observe and comply with the rules and regulations of the Caldwell Community Center during its use of the swimming pool facility under this Agreement and will provide adequate supervision for its students, personnel, staff and spectators.
9. The Board may not assign, license or otherwise transfer its rights under this Agreement to any other person or entity without prior written consent of the Borough, which consent may be withheld in the Borough's sole discretion.
10. The Board may not delegate its duties or allow any other person or entity to assume its duties under this Agreement without the prior written consent of the Borough, which consent may be withheld in the Borough's sole discretion.

IN WITNESS WHEREOF, the parties have caused their appropriate designees to sign this Agreement the date and year written below their names, with the last date of signing being inserted as the date of this Agreement.

Caldwell-West Caldwell Board of Education

Kerry Keane – Business Administrator Date

Borough of Caldwell

Ann Dassing – Mayor Date



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-178

Date of Adoption: July 16, 2013

TITLE:

RESOLUTION CERTIFYING THAT ALL MEMBERS OF THE GOVERNING BODY HAVE REVIEWED, AT A MINIMUM, THE GENERAL COMMENTS AND RECOMMENDATIONS SECTIONS OF THE FISCAL YEAR 2012 ANNUAL AUDIT

WHEREAS, N.J.S.A. 40A: 5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2012 has been filed by a Registered Municipal Accountant with the *Municipal Clerk* pursuant to N.J.S.A. 40A: 5-6, and a copy has been received by each member of the governing body; and

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and

WHEREAS, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each municipality shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled "Comments and Recommendations; and

WHEREAS, the members of the governing body have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and

WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE BE IT RESOLVED, that the *Borough Council* of the *Borough of Caldwell*, hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor

STATE OF NEW JERSEY
COUNTY OF ESSEX

We, members of the governing body of the Borough of Caldwell, in the County of Essex, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected (or appointed) members of the Borough Council of the Borough of Caldwell, in the County of Essex;
2. In the performance of our duties, and pursuant to N.J.A.C. 5:30-6.5, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A. 40A:5-6 for the year 2012;
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled "Comments and Recommendations."

(L.S.) _____	(L.S.) _____
(L.S.) _____	(L.S.) _____
(L.S.) _____	(L.S.) _____
(L.S.) _____	(L.S.) _____
(L.S.) _____	(L.S.) _____

Lisa O'Neill – Deputy Clerk

Sworn to and subscribed before me this

_____ Day of _____

Notary Public of New Jersey

IMPORTANT: This certificate must be sent to the Bureau of Financial Regulation and Assistance, Division of Local Government Services, P.O. Box 803, Trenton, New Jersey 08625.



One Provost Square · Caldwell, NJ 07006 · 973-226-6100 · Fax 973-403-1355

MEMORANDUM

July 10, 2013

TO: Hon. Mayor Ann Dassing
Hon. Council President Richard Hauser
Hon. Councilman John Coyle
Hon. Councilman Thomas O'Donnell
Hon. Councilman John Kelley
Hon. Councilman Frank Rodgers
Hon. Councilman Edward Durkin, Jr.

FROM: Paul M. Carelli, Acting Chief Financial Officer

RE: Resolution Certifying That All Members of the Governing Body Have Reviewed General Comments and Recommendations Section of the 2012 Audit (for approval at Council meeting, July 16, 2013)

I have attached a copy of the resolution entitled "*Resolution Certifying That All Members of the Governing Body Have Reviewed, at a Minimum, the General Comments and Recommendations Sections of the Fiscal Year 2012 Annual Audit*" to be sent to the NJ Division of Local Government Services, after your approval.

Kindly review the attached excerpts of the 'Schedule of Findings and Responses' and the 'Comments and Recommendations' from the annual audit for 2012.

If you have any questions, please feel free to contact me.

Paul M. Carelli
Borough Administrator
Caldwell Borough
1 Provost Square
Caldwell, N.J. 07006
(973) 403-4634

Cc: Chris Battaglia - Finance
Heidi Wohlleb, CPA, RMA

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2012

Summary of Auditors' Results:

- An unqualified report was issued on the Borough's financial statements prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- The audit did not disclose any material weaknesses in the internal controls of the Borough.
- The audit did not disclose any noncompliance that is material to the financial statements of the Borough.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2012 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2012-1

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments or offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the Tax Collector is responsible for collecting, depositing and posting all cash receipts to the Borough's finance software. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

This finding will be evaluated by the governing body and administration in 2013.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF CALDWELL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012

The Borough's prior year audit finding regarding segregation of duties was not resolved in 2012 and is therefore included as current year finding 2012-1.

BOROUGH OF CALDWELL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$36,000.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Collection of Interest on Delinquent Taxes, Utility Rents and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes, utility charges or assessments on or before the date when they would become delinquent.

On January 1, 2012, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

"BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ pursuant to R.S. 54:4-67, as amended and supplemented, that the rate of interest to be charged for the non-payment of taxes or assessments on or after the date when they become delinquent shall be as follows:

1. No interest shall be charged if payment of any installment so due is made within ten (10) days of the date the same shall be payable; and
2. Upon expiration of the ten (10) day period as aforesaid, the rate of interest shall be eight (8) percent on the first \$1,500.00 of the delinquency and eighteen (18) percent thereafter on any amount in excess of \$1,500; and
3. A penalty shall be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year in the amount of 6% of the delinquency.

FURTHER, BE IT RESOLVED that

4. Any water or sewer account remaining unpaid after due date on each billing shall be subject to a penalty of ten (10) percent of the unpaid balance."

It appears from tests of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

An accelerated tax sale was held on December 20, 2012.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

Year	Number of Liens
2012	-0-
2011	-0-
2010	-0-

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

Type	Number Mailed
Payment of 2012 and 2013 Taxes	30
Payment of 2012 and 2013 Water Rents	20
Payment of 2012 Excess Sewer Rents	15

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough maintains encumbrance, fixed assets and general ledger accounting systems.

Finance Records

Other Trust Funds

A dedication by rider has not been obtained for the LOSAP Surrender Fund Reserve in the Other Trust Funds. As there have been no expenditures to date in the Reserve and the Borough is in the process of investigating the funds for cancellation, no formal recommendation is judged to be warranted.

Also, the balance in the payable Due to State of New Jersey - DCA Fees does not appear to be valid. The fourth quarter 2012 balance due to the State of New Jersey for DCA fees was \$1,221. However, the balance at December 31, 2012 on the Borough's general ledger is \$6,160. The Borough has reviewed the balance and is in the process of cancelling the difference in 2013. Therefore, a formal recommendation is not deemed warranted.

Appropriated Grant Reserves and Grants Receivable

There are a number of older appropriated grant reserve balances and grant receivable balances in the Federal and State Grant Fund as well as several older grant receivable balances in the General Capital Fund. It is recommended that the Borough review the grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.

Management's Response

The Borough will review the grant receivable balances for collectability and whether the receivables should be cancelled. Also, the appropriated grant reserves will be reviewed for possible cancellation.

Computerized Accounting Records

During our review of the computerized expenditure records for the various funds, we noted that the disbursements per these records were not reconciled with the cash disbursement spreadsheets and the general ledgers prepared by the Finance Office. Also, we noted that not all cash transactions were recorded in the computerized accounting system for the various funds. It is recommended that the cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements records and the general ledgers prepared by the Finance Office on a monthly basis and that all cash transactions be posted to the general ledger.

Management's Response

Cash disbursements per the computerized expenditure reports will be reconciled with the cash disbursements spreadsheets and general ledgers prepared by the Finance Office on a monthly basis and all cash transactions will be posted to the general ledger.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Finance Records (Cont'd)

Interfunds

Our review of the Finance Office's records revealed that the balance sheets of the various funds reflect a number of interfund receivables and payables and that not all prior year interfunds were liquidated. It is recommended that interfunds be liquidated in a timely manner.

Management's Response

The Borough will liquidate all interfunds in 2013.

Capital Ordinances

During our review of the Borough's capital ordinances, we noted that a bond ordinance adopted by the Borough did not have the minimum required down payment. However, as the Borough is in the process of amending this ordinance, a formal recommendation is not judged to be warranted.

There are several ordinances over five years old that have unexpended balances at December 31, 2012 and have no activities during the year. It is recommended that older capital ordinances be reviewed for cancellation.

Management's Response

The Borough will review these unexpended balances and cancel if necessary.

Internal Controls

During our review of vouchers, we noted that not all vouchers contain all required signatures, such as department head and claimant's signatures. Also, we noted that certain vouchers were approved after goods were received or services performed. It is recommended that extra care be taken to ensure that vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services are performed.

Management's Response

The Borough will take extra care to ensure required signatures are obtained for all vouchers before they are released for payments and that prior approval are obtained before orders are placed or services performed.

The Borough has not prepared formal standard operating policies and procedures with respect to the accounting functions. It is recommended that formal standard operating policies and procedures with respect to the accounting functions be prepared and implemented.

Management's Response

The Borough will prepare and implement standard operating policies and procedures for accounting functions.

Payroll

During our review of the analysis of balance for the payroll agency account, we noted various adjustments were made for overpayments and underpayments of pension withholdings to the State of New Jersey which resulted in a net shortage in the payroll agency account of approximately \$3,400. This was due to the fact that the Borough does not reconcile the actual pension withholdings to the quarterly pension reports and adjust for any differences in subsequent payrolls.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Payroll (Cont'd)

It is recommended that pension withholdings be reconciled to the quarterly pension reports and steps be taken to adjust for any differences in subsequent payments.

Management's Response

The Borough will reconcile the quarterly pension reports with the actual payroll withholdings and make any necessary adjustments to future payrolls.

The net payroll account has a balance of \$11,266 as of December 30, 2012, which has approximately doubled from its 2011 balance. The net payroll account is a clearing account and should have a zero balance. It is recommended that the balance in the net payroll account be investigated and resolved as appropriate.

Management's Response

The Borough will review the net payroll account balance and transfer any excess funds to the Current Fund.

During our review of the Borough's payroll records, we noted that certain charges for salaries and the related employer share of taxes and benefits were not posted to the appropriate funds and/or budget lines each pay period. But rather, certain budget lines were fully charged first before salaries and the employer share of taxes and benefits were charged to another budget line or fund. It is recommended that charges for salaries and the employer share of taxes and benefits be posted to the appropriate funds and budget lines each pay period.

Management's Response

Procedures have been implemented in 2013 to ensure that charges and salaries and employer share taxes and benefits are posted to the appropriate budget lines as incurred.

Outside Offices

During our review of the Community Center operations, we noted that individual log ons are not assigned for each employee who utilizes the one Community Center cash drawer. Also, corrections to postings of receipts in the Community Center's accounting software are approved by either the Community Center Director or the Front Desk Supervisor, who are not independent of collections. However, their involvement with cash collections is kept to a minimum. In 2012, the Borough installed security cameras in certain areas of the Community Center, including the front desk where cash is collected. It is recommended that each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.

Management's Response

In 2012, the Borough installed security cameras in certain areas of the Community Center, including the front desk where cash are collected. The Borough will continue to evaluate job duties and systems controls at the Community Center.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Sewer Operating Utility

The Borough does not have formal written sewer fees contracts with the various municipalities in which sewer rates and terms are established to help ensure collection of sewer billings. It is recommended that the Borough has formal written contracts with the various municipalities for sewer fees.

Management's Response

The Borough will obtain formal written contracts with the various municipalities for sewer fees in 2013.

As of December 31, 2012, the Borough has a large sewer rents receivable balance that has not been subsequently collected as of the date of this audit. It is recommended that sewer rents receivable balance be reviewed and cancelled by the governing body if necessary.

Management's Response

The Borough will review its sewer rents receivable balance and take the appropriate action.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2012.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Receipts	Disbursements	Balance Dec. 31, 2012
Municipal Treasurer:				
Fines and Costs	\$ 29,800.12	\$ 347,751.73	\$ 359,518.06	\$ 18,033.79
P.O.A.A. Fines	176.00	2,114.00	2,158.00	132.00
Public Defender		250.00	250.00	
State Treasurer	15,672.38	227,078.27	228,728.94	14,021.71
County Treasurer	4,425.50	70,429.00	71,069.00	3,785.50
Conditional Discharge Fee	261.00	1,802.00	1,890.00	173.00
Weights and Measures		1,450.00	1,450.00	
Restitution		500.00	500.00	
Cash Bail	1,240.00	35,235.00	34,816.00	1,659.00
	<u>\$ 51,575.00</u>	<u>\$ 686,610.00</u>	<u>\$ 700,380.00</u>	<u>\$ 37,805.00</u>

During our review of the Municipal Court records, we noted that there were a large number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. Also, certain tickets selected for testing could not be located. It is recommended that the Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

Management's Response

The Court Administrator will pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

During our review of the bank reconciliations for the two Municipal Court accounts, we noted that there are older reconciling items on the bank reconciliations that are more than one year old. It is recommended that older reconciling items on the two Municipal Court bank accounts be investigated and cleared as appropriate.

Management's Response

The Court Administrator will review and resolve older reconciling items.

During our review of the Bail account, we noted that there are a number of items of bail held on account that related to cases that have been closed in prior years. It is recommended that older items of bail held on account be investigated and refunded or forfeited as deemed appropriate.

Management's Response

The Court Administrator will review and resolve older bail held on account.

Management Suggestion

During the course of the audit, it was noted that not all state contracts utilized by the Borough were formally approved by the governing body. It is suggested that extra care be taken in the future to ensure that all state contracts utilized by the Borough are formally approved by the governing body.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2011 audit report. The following prior year recommendations were resolved during the current year: 2 (with respect to pay-to-play political contribution forms), 3c (with respect to the authorized signatories on checking accounts), and 4a (with respect to the maintenance of a formal cashbook by the Police Department). The remaining prior year recommendations have been repeated in the current year's audit and corrective action with respect to these recommendations is in the process of being implemented.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. Finance Records:
 - a. The Borough reviews the older grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.
 - b. The cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements records and general ledgers prepared by the Finance Office on a monthly basis and that all cash transactions be posted to the general ledger.
 - c. Interfunds be liquidated in a timely manner.
3. Older capital ordinances be reviewed for cancellation.
4. Internal Controls:
 - a. Vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services are performed.
 - b. Formal standard operating policies and procedures with respect to the accounting functions be prepared and implemented.
5. Payroll:
 - a. Pension withholdings be reconciled to the quarterly pension reports and steps be taken to adjust for any differences in subsequent payments.
 - b. The balance in the net payroll account be investigated and resolved as appropriate.
 - c. Charges for salaries and the employer share of taxes and benefits be posted to the appropriate funds and budget lines each pay period.
6. Each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.
7. Sewer Operating Utility:
 - a. The Borough has formal written contracts with the various municipalities for sewer fees.
 - b. Sewer rents receivable balance be reviewed and cancelled by the governing body if necessary.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS
(Continued)

It is recommended that:

8. Municipal Court:

- a. The Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.
- b. Older reconciling items on the two Municipal Court bank accounts be investigated and cleared as appropriate.
- c. Older items of bail held on account be investigated and refunded or forfeited as deemed appropriate.

* * * * *



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-179

Date of Adoption: July 16, 2013

TITLE:

**RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR
2012 AUDIT REPORT**

WHEREAS, the Division of Local Government Services requires the Chief Financial Officer to file a “Corrective Action Plan”, attached hereto, outlining the actions to be taken by the Borough relative to the findings and recommendations in the annual audit report; and

WHEREAS, the “Corrective Action Plan” shall be prepared by the Chief Financial Officer with assistance from other officials affected by the audit findings and recommendations; and

WHEREAS, the governing body is required by resolution, to approve the “Corrective Action Plan”; and

WHEREAS, the “Corrective Action Plan”, as prepared by the Chief Financial Officer and approved by the governing body, shall be placed on file and made available for public inspection in the office of the Municipal Clerk.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Caldwell, in the County of Essex, State of New Jersey that it hereby approves the “Corrective Action Plan” for the Fiscal Year 2012 Audit Report submitted by the Acting Chief Financial Officer.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor



One Provost Square · Caldwell, NJ 07006 · 973-226-6100 · Fax 973-403-1355

MEMORANDUM

July 10, 2013

TO: Hon. Mayor Ann Dassing
Hon. Council President Richard Hauser
Hon. Councilman John Coyle
Hon. Councilman Thomas O'Donnell
Hon. Councilman John Kelley
Hon. Councilman Frank Rodgers
Hon. Councilman Edward Durkin, Jr.

FROM: Paul M. Carelli

RE: Resolution to Approve Corrective Action Plan for 2012
(Council meeting, July 16, 2013)

I have attached a copy of the resolution entitled "Resolution Approving the Corrective Action Plan for the Fiscal Year 2012 Audit Report" to be sent to the NJ Division of Local Government Services, after your approval.

Kindly review the attached "Corrective Action Plan for 2012", as action for your approval is scheduled for July 16, 2013. The Plan addresses one (1) finding relating to the Financial Statements which are required to be reported under Generally Accepted Auditing Standards and seventeen (17) in the financial audit.

If you have any questions, please feel free to contact me.

Paul M. Carelli
Borough Administrator
Caldwell Borough
1 Provost Square
Caldwell, N.J. 07006
(973) 403-4634

Cc: Chris Battaglia - Finance
Heidi Wohlleb, CPA, RMA

**Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012**

Borough of Caldwell
County of Essex
Audit Report Year: December 31, 2012

**Department: Finance/Administration
Respondent: Chris Battaglia/Paul Carelli**

Finding 2012-1:

The borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

Explanation and Corrective Action Plan

The Borough Administrator will work to reassign duties to allow for separation of functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Status/Date Completed: Ongoing

COMMENTS AND RECOMMENDATIONS:

Finance Records:

Finding 1: Other Trust Funds

A dedication by rider has not been obtained for the LOSAP Surrender Fund Reserve in the Other Trust Funds.

Recommendation:

No Formal recommendation is judged to be warranted.

Explanation and Corrective Action Plan

The borough has reviewed the balance and is in the process of cancelling the funds by resolution.

Date Initiated: June 2013

Status/Date Completed: A resolution has been prepared for July 16, 2013 to cancel \$10,758.55 to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 2: Other Trust Funds

The balance in the payable “Due to State of New Jersey – DCA Fees” does not appear to be valid. The fourth quarter 2013 balance due to the State of New Jersey for DCA fees was \$1,221. However, the balance at December 31, 2012 on the Borough’s general ledger is \$6,160.

Recommendation:

No Formal recommendation is judged to be warranted.

Explanation and Corrective Action Plan

The borough has reviewed the balance and is in the process of cancelling the difference by resolution.

Date Initiated: June 2013

Status/Date Completed: A resolution will be prepared in August 2013 to cancel remaining balance to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Finding 3: Appropriated Grant Reserves and Grant Receivables

There are a number of older appropriated grant reserve balances and grant receivable balances in the Federal and State Grant Fund, as well as several older grant receivable balances in the General Capital Fund.

Recommendation:

It is recommended that the borough review the grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.

Explanation and Corrective Action Plan

The Borough is in the process of reviewing grant receivables for collectability and appropriated grant reserve balances for possible cancellation.

Date Initiated: June 2013

Status/Date Completed: A resolution will be prepared in 2013 to cancel reserve and uncollectible receivable balances.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 4: Computerized Accounting Records

Disbursements per the computerized expenditure records for the various funds were not reconciled with the cash disbursements spreadsheets and the general ledgers prepared by the Finance Office. Not all cash transactions were recorded in the computerized accounting system for the various funds.

Recommendation:

It is recommended that the cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements records and the general ledgers prepared by the Finance Office on a monthly basis and that all cash transactions be posted to the general ledger.

Explanation and Corrective Action Plan

The general ledger is maintained in conjunction with the computerized expenditure reports and is reconciled on a monthly basis. All cash transactions are being posted to the general ledger.

Date Initiated: January 2013

Status/Date Completed: Complete

Finding 5: Interfunds

The balance sheets of the various funds reflect a number of interfund receivables and payables and that not all prior year interfunds were liquidated.

Recommendation:

It is recommended that interfunds be liquidated in a timely manner.

Explanation and Corrective Action Plan

All prior year interfunds have been liquidated. All future interfunds will be liquidated in a timely manner.

Date Initiated: May 2013

Status/Date Completed: Complete

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 6: Capital Ordinances

A bond ordinance adopted by the Borough did not have the minimum required down payment.

Recommendation:

A formal recommendation is not judged to be warranted.

Explanation and Corrective Action Plan

Bond Counsel has been contacted and the ordinance will be amended to include the minimum required down payment.

Date Initiated: February 2013

Status/Date Completed: Ordinance to be amended in August 2013.

Finding 7: Capital Ordinances

There are several ordinances over five years old that have unexpended balances at December 31, 2012 and have no activities during the year.

Recommendation:

It is recommended that older capital ordinances be reviewed for cancellation.

Explanation and Corrective Action Plan

The Borough is in the process of reviewing older capital ordinances for cancellation or re-appropriation.

Date Initiated: June 2013

Status/Date Completed: To be completed by year end.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 8: Internal Controls

Not all vouchers contain all required signatures, such as department head and claimant's signatures. Certain vouchers were approved after goods were received or services performed.

Recommendation:

It is recommended that extra care be taken to ensure that vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services performed.

Explanation and Corrective Action Plan

Extra care will be taken to ensure that vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services performed.

Date Initiated: January 2013

Status/Date Completed: Complete. New procedure is in effect.

Finding 9: Internal Controls

The borough has not prepared formal standard operating policies and procedures with respect to the accounting functions.

Recommendation:

It is recommended that formal standard operating policies and procedures with respect to the accounting functions be prepared and implemented.

Explanation and Corrective Action Plan

Formal standard operating policies and procedures with respect to the accounting functions will be prepared and implemented by year end.

Date Initiated: July 2013

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Payroll:

Finding 1: Payroll

Various adjustments were made for overpayments and underpayments of pension withholdings to the State of New Jersey which resulted in a net shortage of the payroll agency account of approximately \$3,400.

Recommendation:

It is recommended that pension withholdings be reconciled to the quarterly pension reports and steps be taken to adjust for any differences in subsequent payments.

Explanation and Corrective Action Plan

The Borough will reconcile the quarterly pension reports with the actual payroll withholdings and make any necessary adjustments to future payrolls.

Date Initiated: January 2013

Status/Date Completed: A resolution will be prepared in August 2013 to cancel remaining balance (net of Finding 8 and Finding 9) to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Finding 2: Payroll

The net payroll account has a balance of \$11,266 as of December 30, 2012, which has approximately doubled from its 2011 balance.

Recommendation:

It is recommended that the balance in the net payroll account be investigated and resolved as appropriate

Explanation and Corrective Action Plan

The Borough is in the process of investigating the balance in the net payroll account and resolving as appropriate.

Date Initiated: June 2013

Status/Date Completed: A resolution will be prepared in August 2013 to cancel remaining balance (net of Finding 8 and Finding 9) to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Payroll (continued):

Finding 3: Payroll

Certain charges for salaries and the related employer share of taxes and benefits were not posted to the appropriate funds and/or budget lines each pay period. But rather, certain budget lines were fully charged first before salaries and the employer share of taxes and benefits were charged to another budget line or fund.

Recommendation:

It is recommended that charges for salaries and the employer share of taxes and benefits be posted to the appropriate funds and budget lines each pay period.

Explanation and Corrective Action Plan

The Borough will take extra care to post salaries and the employer share of taxes and benefits to the appropriate funds and budget lines each pay period.

Date Initiated: January 2013

Status/Date Completed: To be fully implemented and correctly allocated upon adoption of 2013 Municipal Budget.

Outside Offices:

Department: Community Center
Respondent: Robert Paterson

Finding 1: Community Center

Individual logons are not assigned for each employee who utilizes the one Community Center cash drawer. Also, corrections to postings of receipts in the Community Center's accounting software are approved by either the Community Center Director or the Front Desk Supervisor, who are not independent of collections.

Recommendation:

It is recommended that each employee who is designated to collect funds at the drawer is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Outside Offices (continued):

Explanation and Corrective Action Plan

Individual logons will be assigned to employees and corrections to postings of receipts in the Community Center's accounting software will be approved by a Community Center employee independent of collections

Date Initiated: July 2013

Status/Date Completed: Ongoing

Department: Sewer
Respondent: Greg Seaman

Finding 1: Sewer Utility

The Borough does not have formal written sewer fees contracts with the various municipalities in which sewer rates and terms are established to help ensure collection of sewer billings.

Recommendation:

It is recommended that the Borough has formal written contracts with the various municipalities for sewer fees.

Explanation and Corrective Action Plan

The Borough will obtain formal written contracts with the various municipalities for sewer fees.

Date Initiated: January 2013

Status/Date Completed: To be completed by year-end 2013.

Finding 2: Sewer Utility

As of December 31, 2012, the Borough has a large sewer rents receivable balance that has not been subsequently collected as of the date of this audit.

Recommendation: Sewer Utility

It is recommended that sewer rents receivable balance be reviewed and cancelled by the governing body if necessary.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Outside Offices (continued):

Explanation and Corrective Action Plan

The Borough will review prior open balances on the Sewer Utility balance sheet and cancel by the resolution if necessary by year end.

Date Initiated: July 2013

Department: Municipal Court
Respondent: Leanne O'Hern

Finding 1: Municipal Court

There were a large number of tickets on the tickets assigned to an officer but not issued report which has been issued over six months ago. Also, certain tickets selected for testing could not be located.

Recommendation:

It is recommended that the Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.

Explanation and Corrective Action Plan

The court administrator will pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

Date Initiated June 2013

Status/Date Completed: Written policy to be implemented in 2013.

Finding 2: Municipal Court

There are older reconciling items on the bank reconciliations that are more than one year old.

Recommendation:

It is recommended that older items of bail held on account be investigated and refunded or forfeited as deemed appropriate.

Explanation and Corrective Action Plan

The court administrator will review and resolve older bail held on account.

**Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012**

Outside Offices (continued):

Date Initiated August 2013

Status/Date Completed: Essex county court to reconcile older bail held on account.

Prepared by:

Chris Battaglia

Paul M. Carelli

Dated: July 10, 2013

**Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012**

Borough of Caldwell
County of Essex
Audit Report Year: December 31, 2012

**Department: Finance/Administration
Respondent: Chris Battaglia/Paul Carelli**

Finding 2012-1:

The borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

Explanation and Corrective Action Plan

The Borough Administrator will work to reassign duties to allow for separation of functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Status/Date Completed: Ongoing

COMMENTS AND RECOMMENDATIONS:

Finance Records:

Finding 1: Other Trust Funds

A dedication by rider has not been obtained for the LOSAP Surrender Fund Reserve in the Other Trust Funds.

Recommendation:

No Formal recommendation is judged to be warranted.

Explanation and Corrective Action Plan

The borough has reviewed the balance and is in the process of cancelling the funds by resolution.

Date Initiated: June 2013

Status/Date Completed: A resolution has been prepared for July 16, 2013 to cancel \$10,758.55 to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 2: Other Trust Funds

The balance in the payable “Due to State of New Jersey – DCA Fees” does not appear to be valid. The fourth quarter 2013 balance due to the State of New Jersey for DCA fees was \$1,221. However, the balance at December 31, 2012 on the Borough’s general ledger is \$6,160.

Recommendation:

No Formal recommendation is judged to be warranted.

Explanation and Corrective Action Plan

The borough has reviewed the balance and is in the process of cancelling the difference by resolution.

Date Initiated: June 2013

Status/Date Completed: A resolution will be prepared in August 2013 to cancel remaining balance to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Finding 3: Appropriated Grant Reserves and Grant Receivables

There are a number of older appropriated grant reserve balances and grant receivable balances in the Federal and State Grant Fund, as well as several older grant receivable balances in the General Capital Fund.

Recommendation:

It is recommended that the borough review the grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.

Explanation and Corrective Action Plan

The Borough is in the process of reviewing grant receivables for collectability and appropriated grant reserve balances for possible cancellation.

Date Initiated: June 2013

Status/Date Completed: A resolution will be prepared in 2013 to cancel reserve and uncollectible receivable balances.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 4: Computerized Accounting Records

Disbursements per the computerized expenditure records for the various funds were not reconciled with the cash disbursements spreadsheets and the general ledgers prepared by the Finance Office. Not all cash transactions were recorded in the computerized accounting system for the various funds.

Recommendation:

It is recommended that the cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements records and the general ledgers prepared by the Finance Office on a monthly basis and that all cash transactions be posted to the general ledger.

Explanation and Corrective Action Plan

The general ledger is maintained in conjunction with the computerized expenditure reports and is reconciled on a monthly basis. All cash transactions are being posted to the general ledger.

Date Initiated: January 2013

Status/Date Completed: Complete

Finding 5: Interfunds

The balance sheets of the various funds reflect a number of interfund receivables and payables and that not all prior year interfunds were liquidated.

Recommendation:

It is recommended that interfunds be liquidated in a timely manner.

Explanation and Corrective Action Plan

All prior year interfunds have been liquidated. All future interfunds will be liquidated in a timely manner.

Date Initiated: May 2013

Status/Date Completed: Complete

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 6: Capital Ordinances

A bond ordinance adopted by the Borough did not have the minimum required down payment.

Recommendation:

A formal recommendation is not judged to be warranted.

Explanation and Corrective Action Plan

Bond Counsel has been contacted and the ordinance will be amended to include the minimum required down payment.

Date Initiated: February 2013

Status/Date Completed: Ordinance to be amended in August 2013.

Finding 7: Capital Ordinances

There are several ordinances over five years old that have unexpended balances at December 31, 2012 and have no activities during the year.

Recommendation:

It is recommended that older capital ordinances be reviewed for cancellation.

Explanation and Corrective Action Plan

The Borough is in the process of reviewing older capital ordinances for cancellation or re-appropriation.

Date Initiated: June 2013

Status/Date Completed: To be completed by year end.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Finance Records (continued):

Finding 8: Internal Controls

Not all vouchers contain all required signatures, such as department head and claimant's signatures. Certain vouchers were approved after goods were received or services performed.

Recommendation:

It is recommended that extra care be taken to ensure that vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services performed.

Explanation and Corrective Action Plan

Extra care will be taken to ensure that vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services performed.

Date Initiated: January 2013

Status/Date Completed: Complete. New procedure is in effect.

Finding 9: Internal Controls

The borough has not prepared formal standard operating policies and procedures with respect to the accounting functions.

Recommendation:

It is recommended that formal standard operating policies and procedures with respect to the accounting functions be prepared and implemented.

Explanation and Corrective Action Plan

Formal standard operating policies and procedures with respect to the accounting functions will be prepared and implemented by year end.

Date Initiated: July 2013

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Payroll:

Finding 1: Payroll

Various adjustments were made for overpayments and underpayments of pension withholdings to the State of New Jersey which resulted in a net shortage of the payroll agency account of approximately \$3,400.

Recommendation:

It is recommended that pension withholdings be reconciled to the quarterly pension reports and steps be taken to adjust for any differences in subsequent payments.

Explanation and Corrective Action Plan

The Borough will reconcile the quarterly pension reports with the actual payroll withholdings and make any necessary adjustments to future payrolls.

Date Initiated: January 2013

Status/Date Completed: A resolution will be prepared in August 2013 to cancel remaining balance (net of Finding 8 and Finding 9) to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Finding 2: Payroll

The net payroll account has a balance of \$11,266 as of December 30, 2012, which has approximately doubled from its 2011 balance.

Recommendation:

It is recommended that the balance in the net payroll account be investigated and resolved as appropriate

Explanation and Corrective Action Plan

The Borough is in the process of investigating the balance in the net payroll account and resolving as appropriate.

Date Initiated: June 2013

Status/Date Completed: A resolution will be prepared in August 2013 to cancel remaining balance (net of Finding 8 and Finding 9) to the Current Fund – Miscellaneous Revenue Not Anticipated to close out this finding.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Payroll (continued):

Finding 3: Payroll

Certain charges for salaries and the related employer share of taxes and benefits were not posted to the appropriate funds and/or budget lines each pay period. But rather, certain budget lines were fully charged first before salaries and the employer share of taxes and benefits were charged to another budget line or fund.

Recommendation:

It is recommended that charges for salaries and the employer share of taxes and benefits be posted to the appropriate funds and budget lines each pay period.

Explanation and Corrective Action Plan

The Borough will take extra care to post salaries and the employer share of taxes and benefits to the appropriate funds and budget lines each pay period.

Date Initiated: January 2013

Status/Date Completed: To be fully implemented and correctly allocated upon adoption of 2013 Municipal Budget.

Outside Offices:

Department: Community Center
Respondent: Robert Paterson

Finding 1: Community Center

Individual logons are not assigned for each employee who utilizes the one Community Center cash drawer. Also, corrections to postings of receipts in the Community Center's accounting software are approved by either the Community Center Director or the Front Desk Supervisor, who are not independent of collections.

Recommendation:

It is recommended that each employee who is designated to collect funds at the drawer is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Outside Offices (continued):

Explanation and Corrective Action Plan

Individual logons will be assigned to employees and corrections to postings of receipts in the Community Center's accounting software will be approved by a Community Center employee independent of collections

Date Initiated: July 2013

Status/Date Completed: Ongoing

Department: Sewer
Respondent: Greg Seaman

Finding 1: Sewer Utility

The Borough does not have formal written sewer fees contracts with the various municipalities in which sewer rates and terms are established to help ensure collection of sewer billings.

Recommendation:

It is recommended that the Borough has formal written contracts with the various municipalities for sewer fees.

Explanation and Corrective Action Plan

The Borough will obtain formal written contracts with the various municipalities for sewer fees.

Date Initiated: January 2013

Status/Date Completed: To be completed by year-end 2013.

Finding 2: Sewer Utility

As of December 31, 2012, the Borough has a large sewer rents receivable balance that has not been subsequently collected as of the date of this audit.

Recommendation: Sewer Utility

It is recommended that sewer rents receivable balance be reviewed and cancelled by the governing body if necessary.

Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012

Outside Offices (continued):

Explanation and Corrective Action Plan

The Borough will review prior open balances on the Sewer Utility balance sheet and cancel by the resolution if necessary by year end.

Date Initiated: July 2013

Department: Municipal Court
Respondent: Leanne O'Hern

Finding 1: Municipal Court

There were a large number of tickets on the tickets assigned to an officer but not issued report which has been issued over six months ago. Also, certain tickets selected for testing could not be located.

Recommendation:

It is recommended that the Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.

Explanation and Corrective Action Plan

The court administrator will pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

Date Initiated June 2013

Status/Date Completed: Written policy to be implemented in 2013.

Finding 2: Municipal Court

There are older reconciling items on the bank reconciliations that are more than one year old.

Recommendation:

It is recommended that older items of bail held on account be investigated and refunded or forfeited as deemed appropriate.

Explanation and Corrective Action Plan

The court administrator will review and resolve older bail held on account.

**Borough of Caldwell
Corrective Action Plan for Fiscal Year 2012**

Outside Offices (continued):

Date Initiated August 2013

Status/Date Completed: Essex county court to reconcile older bail held on account.

Prepared by:

Chris Battaglia

Paul M. Carelli

Dated: July 10, 2013



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-180

Date of Adoption: July 16, 2013

TITLE:

RESOLUTION TO CANCEL RESERVE BALANCES

WHEREAS, the reserves listed herein exist on the balance sheet of the Other Trust Funds; and

WHEREAS, it has been determined that the purpose for the creation of this reserve has been completed and the balance of this reserve should be cancelled;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ, that the following reserves be cancelled to Current Fund – Miscellaneous Revenues Not Anticipated.

LOSAP Surrender Fund Reserve - \$10,758.55

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser							Kelley				
Coyle							Rodgers				
O'Donnell							Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor



BOROUGH OF CALDWELL NEW JERSEY



Resolution No: 7-181

Date of Adoption: July 16, 2013

TITLE:

AUTHORIZING THE APPOINTMENT OF RENT REVIEW BOARD MEMBER

BE IT RESOLVED by Mayor Ann Dassing hereby appoints the following persons to the Rent Review Board for the terms set forth below. Mayor Dassing has requested the consent of the Council, that they do hereby authorize the appointment of the following Rent Review Board Members:

Robert Christensen
3 Ravine Avenue
Caldwell, NJ 07006

Homeowner Member

Expires December 31, 2015

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-182

Date of Adoption: July 16, 2013

TITLE:

AUTHORIZING THE ISSUING OF LICENSE FOR RAFFLE. APPLICANT AND APPLICATION HAVE BEEN APPROVED BY THE CLERK’S OFFICE – Kiwanis Club of Caldwell-West Essex, Off Premise / 50/50 Raffle – October 6, 2013 – 11:30AM – 5:00PM

BE IT RESOLVED by the Borough Council of the Borough of Caldwell, New Jersey that the following be and is hereby granted a raffle license in accordance with the application filed. Applicant and application has been approved by the Borough Council.

RA-1265 Kiwanis Club of Caldwell-West Essex
Off Premise – 50/50 Raffle
October 6, 2013 – 11:30AM – 5:00PM

FURTHER BE IT RESOLVED that the Clerk be and is hereby authorized to sign a statement of Findings and Determination granting said license and the Borough Clerk be and is hereby authorized to sign said license.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-183

Date of Adoption: July 16, 2013

TITLE:

AUTHORIZING THE ISSUING OF LICENSE FOR RAFFLE. APPLICANT AND APPLICATION HAVE BEEN APPROVED BY THE CLERK’S OFFICE – Saint Aloysius Church, Off Premise / 50/50 Raffle – September 22, 2013 – 4:00PM

BE IT RESOLVED by the Borough Council of the Borough of Caldwell, New Jersey that the following be and is hereby granted a raffle license in accordance with the application filed. Applicant and application has been approved by the Borough Council.

RA-1266 Saint Aloysius Church
Off Premise – 50/50 Raffle
September 22, 2013 – 4:00PM

FURTHER BE IT RESOLVED that the Clerk be and is hereby authorized to sign a statement of Findings and Determination granting said license and the Borough Clerk be and is hereby authorized to sign said license.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-184

Date of Adoption: July 16, 2013

TITLE:

**AUTHORIZING THE REFUND OF OVERPAYMENT OF 2012 TAXES FOR BLOCK 53 LOT 2,
FOR 12 BROOKSIDE AVENUE, CALDWELL, NJ**

WHEREAS, it has been determined by the Borough Tax Collector that the Attorney are entitled to a refund due to a Tax Court Judgment for 2012 resulting in an overpayment of taxes.

NOW THEREFORE BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ that the Tax Collector is hereby authorized to refund the following tax payment:

<u>BLOCK & LOT</u>	<u>RECIPIENT</u>	<u>REFUND AMOUNT</u>
Block 53 Lot 2	Brach Eichler LLC & Thomas Grasso Jr., 101 Eisenhower Parkway Roseland, NJ 07068	\$2,346.00

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-185

Date of Adoption: July 16, 2013

TITLE:

AUTHORIZING AN AWARD OF A PROFESSIONAL SERVICES CONTRACT TO THE LAND CONSERVANCY OF NEW JERSEY IN THE BOROUGH OF CALDWELL

WHEREAS, with the creation of a dedicated source of tax revenue ("Open Space Trust") and an Open Space Committee for the acquisition of open space, a need exists to retain the services of an open space preservation consultant whose staff members have technical expertise and experience in the field of open space and farmland preservation and stewardship; and

WHEREAS, The Land Conservancy of New Jersey is a nonprofit organization whose mission is to preserve and protect open space for natural, historic, agricultural and recreational purposes and to assist municipalities in the stewardship of open space lands; and

WHEREAS, the Borough desires to engage the Conservancy for the purpose of assisting the Borough Council and the Open Space Committee with a variety of open space services, including (but not limited to) landowner negotiations and the preparation of grant applications as may be required with regard to the possible acquisition of open space and farmland; and

WHEREAS, it is the desire of the Borough Council of the Borough of Caldwell, New Jersey to award a contract to The Land Conservancy of New Jersey, 19 Boonton Avenue, Boonton, New Jersey 07005 for a twelve (12) month period commencing on June 1, 2013 and ending on May 31, 2014.; and

WHEREAS, The Land Conservancy of New Jersey has agreed to provide these professional services for a not to exceed cost of \$10,500.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Caldwell that they do hereby award a contract to The Land Conservancy of New Jersey subject to an agreement to be approved and executed by the Mayor.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor

AGREEMENT

BY AND BETWEEN

BOROUGH OF CALDWELL, County of Essex
A Municipal Corporation of the State of
New Jersey, with offices located at
1 Provost Square
Caldwell, New Jersey 07006

Hereinafter referred to as “**Borough**”

AND

THE LAND CONSERVANCY OF NEW JERSEY
Open Space and Farmland Preservation Advisors
with offices located at
19 Boonton Avenue
Boonton, New Jersey 07005

Hereinafter referred to as “**Conservancy**”

WITNESSETH:

WHEREAS, with the creation of a dedicated source of tax revenue (“Open Space Trust”) and an Open Space Committee for the acquisition of open space, a need exists to retain the services of an open space preservation consultant whose staff members have technical expertise and experience in the field of open space and farmland preservation and stewardship; and

WHEREAS, The Land Conservancy of New Jersey is a nonprofit organization whose mission is to preserve and protect open space for natural, historic, agricultural and recreational purposes and to assist municipalities in the stewardship of open space lands; and

WHEREAS, the Borough desires to engage the Conservancy for the purpose of assisting the Borough Council and the Open Space Committee with a variety of open space services, including (but not limited to) landowner negotiations and the preparation of grant applications as may be required with regard to the possible acquisition of open space and farmland.

application no later than four (4) weeks prior to the State's deadline for submittal of the application. If the Borough does not give adequate notice to the Conservancy within four (4) weeks of the grant deadline, then the Conservancy reserves the right to charge a fee on top of the currently approved fee for services, not to exceed \$500.

- j. The Borough shall provide the Conservancy with both written and verbal notice of its intention to submit its 2013 county grant application(s) no later than four (4) weeks prior to the County's deadline for submittal of the application(s). If the Borough does not give adequate notice to the Conservancy within four (4) weeks of the grant deadline, or if the town requests the Conservancy to submit more than two (2) applications, or both, then the Conservancy reserves the right to charge a fee on top of the currently approved fee for services, not to exceed \$1,000 per grant.
- k. Develop up to three (3) maps, as required by granting agencies for the preservation of land in the Borough. Provide other mapping services, such as a new or updated Open Space Map, on a separate fee basis.
- l. Continue to explore available funding sources to leverage the Borough's Open Space Trust for open space acquisition.
- m. Provide ongoing communication and coordination with state and county agencies responsible for land preservation, including New Jersey Green Acres.
- n. Respond to regional initiatives as necessary in coordination with the Borough Open Space Committee.
- o. Provide regular progress reports to the Open Space Committee to assist with their deliberations and work.
- p. Discuss and work on open space preservation issues and projects that may arise within the Borough Open Space Committee and the governing body.
- q. Meetings attended by Conservancy staff will be done as needed to successfully advance the municipal open space program. Staff will

days written notice. However, both parties agree that any pending business will be completed to the best of the Conservancy's abilities, and that an orderly transition of all outstanding projects or activities will be made in cooperation with the Borough Clerk and the Borough will pay the Conservancy for all service rendered through the final date of service at the rate of \$45 per day for each day of service after the end of the preceding quarter

6. **Ownership of Records:** All records, maps, plans and data pertaining to any Borough open space issue and any other information utilized or gathered by the Conservancy on behalf of the Borough shall be surrendered to the Borough upon expiration or termination of this Agreement. The Conservancy may retain copies as it determines and will not disclose any non-public information.
7. **Mandatory Affirmative Action Compliance.** During the term of this agreement, the parties agree to comply with the Affirmative Action requirements set forth in N.J.A.C. 17:27, and hereby incorporate by reference the mandatory Affirmative Action language set forth in Exhibit "A" which is attached and made a part of this Agreement.
8. **Hold Harmless.** The Borough will indemnify and hold harmless the Conservancy and its employees and agents against claims and expenses (including legal fees and expenses) arising from the performance by the Conservancy of its obligations under this Agreement, unless involving gross negligence or willful misconduct by the Conservancy or any of its employees or agents, and will pay against invoice any legal fees and expenses incurred by the Conservancy or any of its employees or agents in defending against any such claims, against the undertaking by the indemnitee (s) to refund the amount(s) paid in the event of a final binding determination that it, he or she was not entitled to indemnification hereunder. The Borough may be entitled to recover from the Conservancy amounts paid by the Borough hereunder in the event of damages caused the Borough by the Conservancy or any of its employees or agents and shall not be entitled (in the absence of gross

WITNESS:

Barbara H. Davis

THE LAND CONSERVANCY OF
NEW JERSEY

By 

David J. Epstein, President

creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personal testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Public Contracts Equal Employment Opportunity Compliance as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

The Land Conservancy of New Jersey
Company Name



Officer Signature
David J. Epstein, President.

5/16/13.
Date

(973) 541-1010
Telephone Number

(Rev. 4/2010)



THE LAND CONSERVANCY OF NEW JERSEY

Preserve Now - Protect Forever

May 15, 2013

Mayor Ann Dassing
Borough of Caldwell Municipal Building
1 Provost Square
Caldwell, NJ 07006

Dear Mayor Dassing,

The Land Conservancy of New Jersey worked closely with the Borough of Caldwell over the past year to retain your state funding through the New Jersey Department of Environmental Protection Green Acres Planning Incentive program. At this point last year, the Borough was at imminent risk of losing \$383,078.50 in state grant funds. With the timely assistance of our staff, the Borough retained this funding and we are now working on a project to utilize these funds to create a new open space amenity for Borough residents. The Land Conservancy has helped Caldwell Borough secure \$1,400,000 in state funding for open space and \$450,000 in county funding to improve the Borough's recreational facilities.

Enclosed is our agreement to provide open space advising services to the municipality in the coming year. We have kept our contract amount the same as it was last year, \$10,500 for a year's service. In fact, we have kept our fee the same since 2010. Our contracts are designed to offer a range of open space advising services to the municipality including landowner negotiation, grant writing, coordination of due diligence, and ongoing coordination with state and county funding agencies on behalf of the Borough. We recommend the Borough consider retaining our services for the coming year. Support for our open space advising program is partially funded through a grant from the Geraldine R. Dodge Foundation, which allows us to keep the cost for our services as low as possible. The Dodge Foundation continues to support our program, but it has reduced its support by 8% over the past two years, although our costs continue to rise. The Land Conservancy recognizes the importance of the services we provide and are continuing to not raise our fees, although our costs are much higher.

If requested by the municipality, we will include the development of an open space/public lands map as part of the Borough's effort to complete its Environmental Resource Inventory (ERI). This would be an up to date map that shows all publicly held lands – whether they be preserved or used for general government purposes. This would be completed use ArcGIS 10.1 digital mapping software.



**Year-End Report: Caldwell Borough
Open Space Preservation Program
Prepared: May 15, 2013**

Open Space Achievements June 2012-May 2013

The Land Conservancy of New Jersey helped the Borough of Caldwell with the following activities over the past year:

- ✓ Worked with NJDEP Green Acres to extend the state deadline of the Borough's Planning Incentive (PI) Grant funds to ensure that the Borough's funding was not reprogrammed. The Borough successfully retained \$383,078.50 in state grant funding for open space preservation.
- ✓ Completed a Project Reference Map for the Columbian Club property. This is a requirement of the NJDEP Green Acres program for land acquisition.
- ✓ Coordinated due diligence for the Columbian Club project, including appraisal, survey, PAR and soil remediation associated with the underground storage tank. These reports are required by NJDEP Green Acres to ensure successful and timely completion of land transactions. Reviewed all reports prior to their submittal to NJDEP Green Acres.

Proposed Open Space Activities June 2013-May 2014

The Land Conservancy of New Jersey proposes to help the Borough of Caldwell with the following activities during another year of service:

- ✓ Work with the Borough to complete the Columbian Club project. Ensure the Borough is reimbursed from its Green Acres Planning Incentive account for transactional and land acquisition costs. Continue to coordinate the soil remediation as required prior to closing.
- ✓ If required, complete and update the Borough's Recreation and Open Space Inventory (ROSI) for compliance with NJDEP Green Acres.
- ✓ Conduct ongoing negotiations with landowners within the Borough.
- ✓ Oversee land preservation projects to ensure successful completion of the transactions.
- ✓ Coordinate the transactional due diligence and grant applications with funding agencies and partners, as requested.
- ✓ Prepare applications for funding through the NJDEP Green Acres and County Trust program when funding becomes available.
- ✓ Identify and conduct outreach for future open space projects, as funding allows.





**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-186

Date of Adoption: July 16, 2013

TITLE:

RESOLUTION AUTHORIZING A ONE YEAR EXTENSION OF EXISTING CONTRACT WITH BATTAGLIA ASSOCIATES, LLC FOR FINANCIAL MANAGEMENT SERVICES FOR THE BOROUGH OF CALDWELL FOR AN AMOUNT OF \$75,750

WHEREAS, on December 18, 2012 the Borough Council of the Borough of Caldwell authorized the Borough Administrator to enter into a six (6) month contract expiring on June 30, 2013 with Battaglia Associates, LLC., to provide financial management services to the Borough of Caldwell; and

WHEREAS, the Borough Administrator is recommending a one (1) year extension of the contract with Battaglia Associates, LLC; and

WHEREAS, pursuant to 40A: 11-15 (45), the Borough will extend its existing contract for an additional one (1) year with Battaglia Associates, LLC for an amount of \$75,750; and

WHEREAS, the Acting Chief Financial Officer has certified that funding is available pursuant to N.J.A.C. 5:30-5.4.

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Caldwell, in the County of Essex, State of New Jersey, that it authorizes the Borough Administrator to extend the contract with Battaglia Associates LLC for one (1) year effective July 1, 2013 through June 30, 2014.

BE IT FURTHER RESOLVED by the Borough Council of the Borough of Caldwell that the Borough Administrator is authorized to execute the necessary contacts and documents upon approval.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor

BATTAGLIA ASSOCIATES, LLC

Contract for Financial Management Services

Battaglia Associates LLC will assign Chris Battaglia as the engagement principal to undertake the duties as described in the solicitation for financial management services. Chris is a Certified Municipal Finance Officer as more fully described in NJ state law. His CMFO Certification Number is: N-894.

The Support Staff that will be assigned to undertake these duties are Roy Riggitano, CMFO, Gary Battaglia, Justine Puleo and any other CMFO or other staff that would be mutually agreed to by the Business Administrator, providing they have relevant experience in municipal government management.

Battaglia Associates LLC will provide a part-time CFO, for an average of 20 hours per week, on or off site, during regular business hours of 8:30 AM to 4:30 PM, Monday through Friday, to perform all of the activities as provided for in the RFP as follows:

- Provide general assistance and advice to the Borough Administrator in the management of and execution of financial management services.
- Provide technical and policy information and assistance to the Borough Council and Council Committees, and or staff members.
- Direct and coordinate the day-to-day operations of the Finance Department as well as provide guidance via internet and phone support as needed.
- Interface with the auditors and Division of Local Government Services on all routine financial business matters.
- Administer the central accounting system of the Borough.
- Review internal controls (financial related) of all departments to ensure compliance.
- Oversee the Treasury collection activity and custody of public funds.
- Prepare analysis and forecasting of financial information as requested.
- Provide analysis and budget preparation for Municipal, Capital, Water, and Sewer Utilities.
- Review financial operations and business/work processes in the Finance Department and drive changes to improve efficiency, promote economies and enhance performance.
- On a monthly basis, reconcile all bank accounts by the 12th of each month or within one week of receipt of all necessary bank documents, whichever is later.
- Work with Collector's Office to manage all cash reporting through the Borough's financial management system.
- Prepare a monthly Treasurer's Report including opening balances, receipts, disbursements, ending balances and current earnings rate for each account.
- Prepare and issue monthly budget reports including Budget to Actual status and Revenue reports.
- Manage State Grants. Monitor timely funding requisitions and draw downs by departments.

- On a monthly basis, maintain all journals and ledgers, including subsidiary ledgers for all funds.
- Prepare and record journal entries.
- Each month, all ledgers shall be closed and a trial balance shall be prepared indicating all accounts are in balance.
- Prepare Monthly Trial Balances by the 18th day of the month following the close of the ledgers.
- Prepare Supplemental Debt Statements.
- Review and complete all issues outlined in the 2012 Borough of Caldwell Corrective Action Plan.

Listing of typical services not included in the scope of services outlined above:

Outside Auditor to do Annual Financial Statement and Annual Dept Statement

Fees:

Flat fee of \$6,250/month from July 1, 2013 through December 31, 2013

Flat fee of \$6,375/month from January 1, 2014 through June 30, 2014

(with option to renew at the end of the contract)

If Battaglia Associates is still employed by the borough after term of contract, our fee will automatically increase a minimum of 2% per year, until further negotiated.

The billing rate for expanded services is \$125 per hour.

Signature:

Gary Battaglia, President

Battaglia Associates

Dated : 07/08/2013

Signature:

Paul M. Carelli, Borough Administrator

Borough of Caldwell

Dated: ____/____/2013



**BOROUGH OF CALDWELL
NEW JERSEY**



Resolution No: 7-187

Date of Adoption: July 16, 2013

TITLE:

AUTHORIZING PAYMENT OF BILLS AND THE ISSUANCE OF CHECKS FOR THE PERIOD THROUGH JULY 16, 2013 FOR 2012/2013 BILLS IN THE TOTAL AMOUNT OF \$3,094,466.80

BE IT RESOLVED by the Borough Council of the Borough of Caldwell, New Jersey that,

WHEREAS, certain bills which are contained on the bills list which is annexed hereto and incorporated herein have been submitted to the Borough of Caldwell for payment, and;

WHEREAS, pursuant to N.J.S.A. 40A:5:16, it has been certified to the governing body that the goods or services for which said bills were submitted have been received by or rendered to the Borough of Caldwell, and;

WHEREAS, the Director of Finance of the Borough of Caldwell has certified to the governing body that there are funds legally appropriated and available in the current operating budget for the payment of said bills and that the said payment will not result in the disbursement of public monies or in the encumbering of same in excess of the 2012 and/or 2013 appropriation for said purpose;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Caldwell that the, Borough Administrator and Deputy Clerk be and are hereby authorized to sign checks in payment of the bills set forth in the annexed schedule.

RECORD OF COUNCIL VOTE

Councilman: _____ presented the following resolution - Seconded by Councilman: _____

COUNCILMAN Yes No Absent Abstain COUNCILMAN Yes No Absent Abstain

Hauser						Kelley				
Coyle						Rodgers				
O'Donnell						Durkin				

Lisa O'Neill, Deputy Clerk

Ann Dassing, Mayor