Allamuchy Township
Special Municipal Services District Commission
Meeting Minutes
October 25, 2023 - 5:00 PM

Commissioner in Attendance:	Gary Sarno – Chairman Ed Fabula Salvatore Maggio
Legal Counsel in Attendance:	Edward Wacks Esq
Treasurer in Attendance:	James Kozimor

1) **Call to order with Roll Call**
   The meeting was called to order at 5:01 P.M by Chairman Sarno. Attendance by roll call.

2) **Approval of Minutes**
   Commissioner Sarno asked for a motion to approve the minutes.

   Commissioner Fabula, seconded by Commissioner Maggio, made a motion to approve the minutes from the April 12, 2023 meeting. Roll Call vote: Ayes – Commissioner Maggio, Fabula and Sarno.

3) **Attorney's Report**
   Mr**.** Wacks advised everything is going well, and he has nothing to report.

4) **New Business -** Discussion – 2022 Audit Report
   Mr. Kozimor confirmed that the 2022 Audit was completed by Weilkotz & Company LLC with no issues and no recommendations within it.

   Commissioner Sarno asked for a motion to approve the 2022 Audit.

   Commissioner Fabula, seconded by Commissioner Maggio, made a motion to approve the 2022 Audit. Roll Call vote: Ayes – Commissioner Maggio, Fabula and Sarno.

   Mr. Kozimor presented the Bill List for approval. Commissioner Sarno asked for a motion to approve the Bill List.

   Commissioner Maggio, seconded by Commissioner Fabula, made a motion to approve the Bill List dated 10/25/2023 totaling $1,087,919.62. Roll Call vote: Ayes – Commissioner Sarno, Fabula, and Maggio.

5) Public Discussion -

Commissioner Sarno opened the public discussion.

Mr. Matt Begley, General Manager of Panther Valley, posed a query from the Panther Valley Audit Committee regarding how they calculate their maintenance fee on an annual basis, and how they establish the hourly rate that is used for SMSD. Mr. Begley explained that historically, that rate has been used when performing different tasks such as plowing snow, working on the pools, street light maintenance, and maintenance on snow equipment, and this year the Audit committee added two additional line items, which are maintenance materials and other contractors. Mr. Begley further explained the reason for the additional lines is that the PV maintenance department is struggling to find qualified staff, and therefore, needs to hire subcontractors to complete some of the tasks that would usually be done in-house. The idea behind this change is to bring everything into the administrative budget so that the Maintenance Fees can recoup these costs. Mr. Begley concluded, that it was requested he inquire and that they were looking for a legal opinion and were not sure if it could come from this body as to whether those two additional line items would be acceptable for SMSD. If not, he would go back to the audit committee, as there is still time to create the budget and remove them. Mr. Begley referred to the SMSD Ordinance, which is vague, and only states to provide the necessary expenses to perform the task without specifying how to get to that particular dollar amount.

In response to Mr. Begley's inquiry, Commissioner Sarno asked who specifically is asking for this opinion, so that they are clear. Mr. Begley responded that it came from a homeowner through the Audit Committee. Mr. Begley reiterated that he just wanted to make sure they are doing the right thing when they come forth with a budget next March.

Attorney Wacks commented that when created the SMSD, what they did was abide by the Kelly Law. If the Kelly Law said that we had an obligation to provide it, that's what was incorporated into SMSD. Mr. Wacks stressed the point the SMSD is unique to us and was a creature of creation. The State of New Jersey has blessed it but they have not allowed any other towns to do it. Mr. Wacks went on to state that through the years, he's been very careful to make sure that what PVPOA has asked us to add to the SMSD budget is something that is within the Kelly Law. In this particular case, if the expense of hiring an outside contractor is for one of the Kelly Law matters, it doesn't matter if Panther Valley does it in-house or hires a contractor, it can be included in the budget, as long as it is one of the categories we are presently covering. Mr. Begley suggested that he email Attorney Wacks all the information for proper review so that he can provide his final opinion.

Gerald Bajc, 210 Wood Thrush, had a question, related to Mr. Begley's inquiry, regarding the wage rate that we charge the SMSD. Mr. Bajc ultimately questioned what control we have over our tax rate when the state has a 2% tax cap, and with this change, we are possibly looking at a 4% increase by his calculations. Mr. Bajc questioned where is the oversight in the handoff between the tax commission and Panther Valley.

Attorney Wacks chose to respond in part to Mr. Bajc's inquiry. According to Mr. Wacks, SMSD issues a separate tax bill that is not combined into one tax bill. He also mentioned that SMSD is not subject to the cap law since this particular arrangement was created by the courts in 1992 as part of a settlement with the PVPOA. Mr. Wacks further explained that technically speaking, because a separate bill is issued, the taxpayer could take a tax deduction for the payment, particularly before the $10,000 federal cap was introduced. Mr. Wacks concluded that what Mr. Bajc is questioning is something that does not apply to SMSD. The PVPOA SMSD budget will determine the amount that residents are charged in their tax bills.

Mr. Bajc rebutted by expressing concern that while PVPOA residents can vote on their PVPOA Assessment budget, they can't vote on the SMSD tax bill, and the only recourse an individual homeowner would have is with the commission here. Mr. Bajc believes there should be a better set of checks and balances put in place.

In response, Attorney Wacks, echoed by Commissioner Sarno commented that it appears to be a concern to address with Mr. Begley and the PVPOA Board of Trustees. Commissioner Sarno reiterated that if it involves non-Kelly Law work, then it could be an issue, but if it doesn't, then Panther Valley is the policing body on the matter.

Gerard McDermott, 12 Great Horned Owl, inquired as to whether there were documents that explained what SMSD is. Mr. Begley replied that he has copies of the SMSD Ordinance that he could send the resident and that it is also available on the Allamuchy Township website. Attorney Wacks pointed out that Gerald could contact him, and he would explain the creation of SMSD from its inception.

Efthimia Christie, 15 Whippoorwill Drive, inquired as to where to find the Kelly Law online. Attorney Wacks explained further what it was and confirmed the document Ms. Christie found online was correct.

Robin Gilfillan, 4 Ruffed Grouse, inquired as to how she could verify, as a resident, if the SMSD tax is being done correctly. Mr. Kozimor responded that Wielkotz & Company performs an annual audit for SMSD, and once it is finalized it is posted and available for public review on the Township website.

With no additional public comments received, Commissioner Sarno closed the public discussion.

The Committee discussed setting a date for their January Reorganization meeting but was not sure of the Township Council's first workshop date. The committee agreed they would set the meeting date at a later time.

5) Adjournment

Commissioner Sarno asked for a motion to adjourn.

Commissioner Fabula, seconded by Commissioner Maggio, motioned to adjourn. All in favor: Ayes - Commissioner Sarno, Maggio and Fabula. The meeting adjourned at 5:28 p.m.

Submitted by

Julia Curtis, Recording Security

Gary Sarno, Chairman

Attachments as part of this meeting are:

- April 12, 2023 meeting minutes
- 2022 Audit Report
- Bill List dated 10/25/2023