

Special Session The special meeting of the Harmony Township Committee was called to order by the Mayor and held on the Zoom virtual platform due to COVID 19 restrictions. The Mayor made the following announcement, “Adequate notice of this meeting was given in accordance with the Open Public Meetings Act by providing a notice of the meeting to the Express-Times, posting a copy thereof on the Township bulletin board and filing a copy thereof in the office of the Municipal Clerk.” The Pledge of Allegiance to the American Flag was led by the Mayor.

Roll Call Tipton, Yamrock

Also present were CFO Reinalda and Auditor John Mooney and Bond Counsel John Draikiwicz

Executive Motion by Tipton, seconded by Yamrock to adopt the following resolution:
**TOWNSHIP OF HARMONY
COUNTY OF WARREN
EXECUTIVE SESSION RESOLUTION**

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances present exist.

NOW, THEREFORE BE IT RESOLVED by the Township Committee of the Township of Harmony, County of Warren and State of New Jersey, as follows:

1. The public shall be excluded from discussion of and action upon the hereinafter specified matter.
2. The general nature of the subject matter to be discussed is as follows:
-Contractual Negotiations
It is anticipated at this time that the above stated matter will be made public at such time as deemed appropriate.
3. This Resolution shall take effect immediately.

I, Kelley D. Smith, Municipal Clerk of the Township of Harmony, do hereby certify the foregoing to be a true copy of a Resolution duly and unanimously adopted by the Harmony Township Committee at a meeting held on February 17, 2021.

Kelley D. Smith
Municipal Clerk

The meeting was reopened to the public at this time.

LMR Motion by Yamrock, seconded by Tipton to authorize the Deputy Mayor to execute the LMR garbage agreement. Roll Call: Ayes: Yamrock. Abstentions: Tipton

R:21-13 Tabled to March 2, 2021 pursuant to executive session discussion.

Bonding Mr. Draikiwicz said now is the time to bond. Interest rates are at an all time low. They could be around .9% but that depends on our bond rating. If you get an AA rating you get about .9%. He discussed the options Harmony is facing. The amount we will be borrowing is 3.275 million based on the two outstanding bond notes we have for the property acquisition and the fire pumper. There is no pay down required the year you do the bond deal. Mr. Mooney will work with the money allocated for that allocated payment to use some of it for the interest payment that will come due later in the year on this bond and use the other freed up cash for perhaps capital projects so we don't have to borrow any additional notes in the near future because the bond will take care of a lot of our debt issues for at least a couple years. He explained why you do not do bonds too often, it's due to the cost of issuance which are a lot more than when you do a note. The estimated cost for this bond is about \$50,500 total. We are at our limit for the current note timeframe. Mr. Mooney asked if there will be any premiums attached to the bond. He said the way the bond market works even though your interest rate could be 1.25% the interest rate coupon on the bond note may be 3% because investors like getting money on an annual basis and 1% is not that high so they will demand that the rate itself will be 3%, so if you get 3% that you have to pay back you have to get a premium to compensate you for that higher interest rate so you can get a premium for up to 3% of the bond transaction so the premium might be about \$100,000 that you can utilize to pay for the interest this current year or next year as well. Mr. Draikiwicz will create the bond resolution for the next meeting in March which gives us plenty of time. He said the timing is great for the Township because rates are low.

Montesano Agreement Motion by Tipton, seconded by Yamrock to extend the Montesano at Harmony agreement until March 3, 2021. Motion passed unanimously by all in favor.

Budget John Mooney prepared a new budget document. The rate has gone down since last review. The salaries will be looked at again after the evaluations are done. He would like to make these decisions at the March meeting in executive session. Mayor stated that it's about minimum of about \$5,000 to max. of \$14,000 between the 1%-3% so it's not a big number to insert. Mrs. Yamrock said she thought she was going to give her Community Day budget for training purposes but after speaking with the Fire Chief she found out they have an in-house instructor and do not require it. She said the Community Day budget will stay in place at this point. Mayor Tipton asked about "other" things. The larger items have to be addressed by Mr. Cornely. Kelley has not heard of anything other than the equipment. Randy would like to pursue the wheel loader and if a truck replacement is considered he would like another mason dump because it is a better all-around truck. Kelley looked up the tractor price for the roadside mower and the cost would be up to about \$70,000. She said Mr. Mooney has opportunity for more capital funding now that we are switching to the permanent bonding. Mr. Mooney said what is built into the budget that shows the 8.7% increase and he doesn't think we will be near that when budget is done. In capital improvement fund there is \$111,000.00 and \$137,000.00 in the reserve from sale of asset fund so without budgeting there is about \$250,000.00 that could be used for purchasing. With the budget there is a half of million dollars built in to pay off the bond anticipation note this year and when you convert to a bond you don't have a ban payment to make so that \$500,000 that is in there now could come out but he suggests to leave as much of it in but in different areas because you pull \$500,000 out of your budget you will see a drop off in your local tax rate and then the following year you will need to budget for the serial bond payment so you will see a spike upwards so his suggestion would be to use it towards capital items. He said you still have to put in the budget for the bond issuance and that would be about \$50,000. He asked where

we were at with salt and fuel. He also said that in this budget now is the wheel loader for \$150,000, improvements to roads for \$253,000 and that does not include the \$136,000 for the grant for Fox Farm Road section 2. There is already a lot of capital built into this budget already. Kelley stated that an updated budget for Fox Farm 2 has not been received from Finelli. Ms. Reinalda said that the DOT grant was not enough to offset everything so that is why there is a big amount in the road improvements. She also stated that the Court number had to go up. She said if what we received was correct, we are paying around \$40,000 now. We are waiting for a new report from Belvidere to get a better estimate. It was agreed to take Court up to \$45,000. Ms. Reinalda suggested backing down in the Roads OE with perhaps the stripping. Kelley said she thought all the roads were striped this year and only any new oil and chipped roads would have to be striped. Since Mr. Cornely is not present Mayor Tipton would like to wait for him to follow up on. He said since there is more freed up money this year perhaps this is the year to buy both the loader and truck. Kelley indicated that the wheel loader is already included in the budget as it stands and also includes the new fire department equipment for \$45,000. Budget needs to be introduced at April meeting. Kathleen would like to review his budget before his budget is set. Mr. Mooney stated that at the end of the year he put \$10,000 back from surplus so that is also available. Mayor Tipton said that an additional budget discussion will be held at the March 2 regular meeting. It will be limited to roads, equipment, Fox Farm input from Finelli, court information. Mr. Mooney would like more information on what the committee would like the tax rate to be so that helps him craft the budget. Mayor Tipton said at 9.12% it's approximately \$59 increase for local tax based on a \$205,000 home. Mr. Mooney said for every penny the tax is raised it generates \$20 annually from the taxpayer. If you go up 1 penny the local taxpayer sees a \$20 tax increase for the year. Mayor Tipton said he's not opposed to 2 pennies for a target. The Open Space tax was discussed. There is about 2.3 million in the open space trust so if you wanted to offset the taxes, unless there are some huge projects coming, you could back that down or leave it. Mayor Tipton said there is not that many projects coming to justify collecting that tax. This is an option to think about. Last year it was reduced. It's something that can always be reinstated. If the local rate went up 4 cents, and the open space came down 2 cents the budget would be at the 2-cent target. Mayor Tipton suggested taking down the open space to 0. Mrs. Yamrock would like to consider that at the next meeting. Mayor Tipton said shoot for the 2 cents keeping the open space as is and then work off of there.

Vouchers Motion by Yamrock, seconded by Tipton to pay vouchers as presented by the Finance Officer. Roll Call: Ayes: Tipton, Yamrock. Nays: None

Public None
 Comment

Budget The next budget discussion will be held at the March 3, 2021 regular
 Discussion committee meeting.
 Continued

Adjourn Motion by Yamrock, seconded by Tipton to adjourn the meeting at this time. The motion was carried unanimously by all in favor.

Kelley Smith, Municipal Clerk