

Minutes of the Lake Hopatcong Commission

July 6, 2004

A special meeting of the Lake Hopatcong Commission was held on July 6, 2004 at the Hopatcong State Park, Administration Building, Landing, New Jersey. At 6:10 p.m., Vice Chairman Klipstein called the meeting to order and stated that the meeting was being held in accordance with "Open Public Meetings Act."

Salute to the Flag: Vice Chairman Klipstein and all those in attendance joined in a salute to the flag.

Roll Call:

Present: Colleen DeStefano, Eric Grove, Betty Gantert, Richard Hodson, Walter Kerner, Wayne McCabe, Frank Hughes (Morris County Alternate), Brandon Phillips (Roxbury Alternate), and Ken Klipstein (Vice Chair)

Absent: Dave Jarvis, Richard Zoschak

Alternate Present: Daniel McCarthy (Hopatcong Alternate)

With nine members present at Roll Call, Vice Chairman Klipstein declared a quorum. The Vice Chairman welcomed the two newly confirmed members Mr. McCabe and Ms. Gantert. He further stated that this is a special meeting to discuss the FY05 budget and personnel issues.

Public Comment

At this time, Vice Chairman Klipstein opened the meeting for public comment. Tim Clancy, resident of Lake Hopatcong and not affiliated with any other organization, addressed the disparaging remarks from Jeff Tittel of the Sierra Club in the Star-Ledger article. Mr. Clancy stated to his knowledge Mr. Tittel had never attended a Commission meeting and it was unfair that he chose a public forum to condemn actions by the Commission. Ms. Macalle-Holly indicated that she placed a courtesy call to Mr. Tittel inviting him to see the Commission's operations. Vice Chairman Klipstein indicated that Mr. Tittel did attend an early Commission meeting.

New Business

Vice Chairman Klipstein indicated that the budget sub-committee met and he participated by telephone. He asked Mr. Grove to review the current budget status and afterwards he would provide an update on the recent budget developments and actions. Mr. Grove indicated the account balance for the BNY checking account as of the end of May was

LHC 7/6/04 Special Meeting Minutes

\$22,543.46 and the JP Morgan account was \$285,154.54 for a total balance of \$307,698. The June transaction amount to \$48,386.28 and remaining funds available for FY05 which begins July 1 is \$259,311.72. Mr. Grove reported that Commission requested budget was in excess of \$968K when submitted last October.

He further reported that the budget sub-committee discussed the Commission's ongoing expenses and ongoing activities such as the weed harvesting. When the sub-committee met on June 30th there was no evidence that any additional funds would be available. Mr. Grove provided the details of the plan discussed at the sub-committee meeting and how far they could stretch the remaining funds. The scenario discussed would allow for harvesting to continue through the end of August. Salaries for employees would last through September and included funds to pay employees for unused vacation time. Mr. Grove reviewed the list of operating expenses including insurance costs and discussed keeping the administrator on payroll into October to ensure employees would be paid while remaining on the books to use their vacation time. This scenario was based on the providing 60 day notice to employees. The last day of work for the staff would be September 17 and notices would need to be issued in mid-July. Mr. Grove further stated that if the Commission had to go out of business, the sub-committee agreed that Bill Clark and Donna Macalle-Holly should be the last two employees on payroll if additional money was not received in the interim. Mr. Grove asked Ms. Macalle-Holly to discuss how she modified the remaining funds to ensure money would be available to keep the Commission operations running into October.

Ms. Macalle-Holly reported she modified the budget slightly since the budget sub-committee met to extend operations into October. Line items modified included salary and employees benefits through November to give employees 30 days of benefits after termination. She stated that other operating expenses such as utilities and insurance were modified and costs were included to shrink wrap the harvesting equipment. Based on the budget projection, she indicated approximately \$3K would remain, but if close down was necessary, the office and other equipment would have to be put into storage.

Mr. Grove concluded his report by saying this was the direction the sub-committee took at the time given that the 60 day notice had to be dealt with at this meeting. He asked the Vice Chairman to provide any other information.

Vice Chairman Klipstein gave a brief overview of the Commission's budget situation. He indicated that when the budget request was submitted to OMB, DEP advised that they were not taking a position on the budget, which could stand on its own and be supported through the legislation process which is similar to the way DEP has handled other Commissions similar to the Lake Hopatcong Commission. OMB made a recommendation to the Governor's office. The Governor's budget was released to the legislature and no money was included in the budget recommendation and Commissioner Campbell said he would wait through the legislative process. The Vice Chairman stated that this left the Commission in a difficult position. The State budget was approved last week, although some finalizing is taking place. Vice Chairman Klipstein stated that when he advised the Commissioner that he would be presiding over a meeting that would

LHC 7/6/04 Special Meeting Minutes

address a shutdown scenario for the Commission, the Commissioner immediately responded and said he is committed to fully funding the Commission. The Vice chairman further reported that the Commissioner indicated he had a number of ways to effectuate that and his first choice is to go to the Joint Budget Oversight Committee (JBOC) that meets on July 22 and request funds from them. The Vice Chairman stated he spoke with them about how much of the Commission's operating expenses goes to insurance. When speaking with members of the JBOC, perhaps the potential of the insurance being shifting over to the State could be discussed. The Vice Chairman stated he has not received any feedback on that and is unsure of what the request to the JBOC will be. He restated that the Commissioner was quick to say that he is committed to fully funding the Commission this year. Vice Chairman Klipstein stated that it would be premature for the Commission to act on personnel issues and moving forward with 60 day notice at this point.

In response to Mr. Hodson's inquiry, the Vice Chairman stated he would follow-up to find out the answer on how exactly funding through JBOC works, but he indicated he believes it realigns the approved budget numbers. The Vice Chairman stated that would be the first choice to have the fiscal budget modified to include funding for the Commission, but there are other options being effectuated if JBOC moves not to provide funding.

Ms. DeStefano and the Vice Chairman questioned which case law required giving employees 60 day notice. Counsel Lewin responded that he thought the budget issue had been resolved. Mr. Grove questioned how to deal with the close-down scenario if funding does not materialize and the obligation to pay employees if they remain on payroll past September 17. Vice Chairman Klipstein restated that the Commissioner's first choice would be to fully fund the Commission through the JBOC process and if not that, there are other funds available which they are already in process to go the alternate route if necessary.

Mr. Grove inquired if it was possible to get a commitment of funding in writing. There was lengthy discussion about the necessity to provide employees with the 60 day notice. When questioned about the legal implication of not providing 60 day notice, Counsel Lewin responded that if the employee is entitled to compensation, then they would still have that claim. Mr. Lewin stated he was unsure if 60 day notice was required and that it may be 45 day notice. When Ms. DeStefano questioned where the 60 day notice came from, Ms. Macalle-Holly responded that this was from Counsel Chudzik when the Commission was going through this activity the last time. Mr. Grove stated that the 60 day notice was discussed at the budget sub-committee meeting and that was how the sub-committee developed its budget scenario around the 60 day notice.

In response to Mr. Kerner's inquiry, the Vice Chairman responded that the Commissioner had requested that the Commission not take any personnel action at this time to give him an opportunity to get funds for the Commission.

LHC 7/6/04 Special Meeting Minutes

Mr. Grove stated that anything other than giving the Commission the money needed for the entire year, just prolongs the agony for everyone on the Commission. Vice Chairman Klipstein stated that the Commission has a \$1M grant proposal pending and the Commission could have a \$1M in September from the federal budget.

In response to Mr. Hodson's inquiry about action needed on the budget, the Vice Chairman responded that action would be needed to adopt the budget recommended by the sub-committee now and modify it when additional funds become available because the Commission is currently operating without an FY05 budget.

Mr. Grove indicated that the Commission would not be adopting a revised budget but would stretch the remaining funds for as long as possible based on the scenarios discussed earlier. Mr. Grove stated that two issues need to be addressed: (1) to adopt the budget based on the sub-committee's recommendation which he would recommend and (2) to provide notice to the employee. Mr. Hodson made a motion for the Commission to approve adopting the remaining funds as an interim spending plan. Ms. DeStefano seconded the motion. [A copy of the FY05 interim spending plan is on file.]

ROLL CALL:

DeStefano	Yes	McGabe	Yes
Grove	Yes	Hughes	Yes
Gantert	Yes	Phillips	Yes
Hodson	Yes	Klipstein	Yes
Kerner	Yes		

Motion carried 9 to 0.

Vice Chairman Klipstein responded to an inquiry about the recently approved \$2M Bill stating he believed it was for a water monitoring program. The program was a recommendation from the EPA because there was a gap in monitoring of lakes and EPA recommended the lakes on the list to be monitored.

Vice Chairman Klipstein stated that the Commission did not take any action on the personnel issue and he would entertain a motion if one was presented. He also reported that the JBOC meets on July 22. There was discussion on when to have the next Commission meeting after the JBOC meeting and based on Commission members' availability. Vice Chairman Klipstein indicated that since there was a special meeting tonight and he was unsure of what pressing agenda items there would be for the regular meeting on July 19, he proposed rescheduling the regular meeting. It was agreed to have the next regular meeting on Thursday, July 29 at 7:30. Ms. Macalle-Holly would advise Commissioners of the meeting location. She also stated that there were insurance issues that needed to be addressed at the July 19th meeting. If the meeting was rescheduled to July 29 there would not be enough time to renew the workers' compensation insurance and public official insurance. Vice Chairman Klipstein questioned whether the action taken on the interim spending plan would approve those insurance issues. Mr. Grove stated that the insurance costs were included in the spending plan. Mr. Grove reiterated that the personnel actions were being deferred to the rescheduled July meeting.

LHC 7/6/04 Special Meeting Minutes

Ms. DeStefano reported that Senators Bucco and Littell have sponsored Senate Bill 1720 – Wastewater Treatment System Replacement Act which has been introduced to the environmental committee. It authorizes the issuance of \$50M in state general obligation bonds for state grants to local governments to finance cost of replacement or remediation projects specifically for failing septic systems affecting groundwater or surface water. This Bill would provide funding for Jefferson and Lake Hopatcong for a source of revenue to fund their sewerage projects. Ms. DeStefano brought copies of the Bill and asked members of the audience that may represent various groups to consider supporting the Bill.

Public Comment

Vice Chairman Klipstein opened the meeting for the second public comment period.

Mayor Art Ondish expressed his concern about DEP Commissioner Campbell's support of the Commission and stated he would like to see it in writing. Mayor Ondish addressed the difficult position Vice Chairman Klipstein was in as a DEP employee and trying to guide the Commission. He stated that being nice is getting the Commission nowhere and it is time to send a negative message. Mayor Ondish stated that he would like the Commission to send out employee notices to indicate how the Governor is treating the Commission. Ms. DeStefano stated she really believes the Commissioner has every intention of finding money for the Commission. Mayor Ondish remarked that people's lives are in the balance and they are working hard to protect the Lake that everyone enjoys. He also stated if the Commission goes under there will be an uproar.

Sam Hoagland, resident of Hopatcong, indicated he agreed with Mayor Ondish on taking action now. He stated that hopefully the Commission will receive the money.

Mayor Russ Felter, Jefferson Township, addressed the issue of newspaper articles that stated that the Commission has misspent money and he stated there is nothing further from truth. Mayor Felter stated both the current Commissioners and former Commissioners did a great job with the money received. Mayor Felter stated that it was a great Commission with great employees who unfortunately every year have to go through whether they will have a job or not. He further remarked that with a State budget that has a 16% increase in spending and the Commission's budget is less than \$1M, they can find the money to spend here. He stated that if the Commissioner cares about the Lake, he should have endorsed the Commission's budget during the budget process and not afterwards. He stated that he does take the Commissioner at his word, but there is a need to find permanent funding because this cannot be done every year because it's not fair to the Commissioners, the employees, the Lake or the residents or Lake users.

Tim Clancy, resident of Lake Hopatcong, stated that the Vice Chairman was in a difficult position and asked for clarification that Commissioner Campbell indicated he would fully fund the Commission. Vice Chairman Klipstein stated that it was the Commissioner's intention to fully fund the Commission. Mr. Clancy requested if it was possible to get a letter of intent from the Commissioner within a 72 hour timeframe. Mr. Clancy

LHC 7/6/04 Special Meeting Minutes

addressed the dedication of the Commission staff and their future employment. He indicated he would take Commissioner Campbell at his word but stated it would go a long way if something in writing was sent to the press stating the Commission would be funded. He stated to adequately fund the Commission is a drop in the bucket of the State budget. He stated that harvesting the weeds is treating the symptom and to cure the disease would take a holistic approach to address all the issues of the Lake which will take money and a commitment from Trenton.

Mr. McCabe made a motion to adjourn at 7:15 p.m. The motion was seconded. All those in favor signify by saying "aye" and those opposed by saying "no." There being a unanimous "aye" the motion was carried.

Submitted by: Donna Macalle-Holly