



**AGENDA FOR THE COUNCIL MEETING OF THE BOROUGH OF MOUNTAIN LAKES
HELD AT THE BOROUGH HALL, 400 BOULEVARD, MOUNTAIN LAKES, NJ, 07046
OCTOBER 9, 2017
PUBLIC SESSION BEGINS AT 8:00 PM**

1) CALL TO ORDER AND OPEN PUBLIC MEETINGS ACT STATEMENT – Mayor

This meeting is being held in compliance with the provisions of the Open Public Meetings Act, P.L. 1975, Ch. 231. It was properly noticed and has been posted, and certified by the Clerk. Notice of this meeting has been sent to The Citizen, the Morris County Daily Record and The Star Ledger and posted on the bulletin board in the municipal building.

2) ROLL CALL ATTENDANCE - Clerk

3) FLAG SALUTE – Mayor

4) EXECUTIVE CLOSED SESSION

R-155-17 Resolution providing for a meeting not open to the public in accordance with the provisions of the new Jersey Open Public Meetings Act, N.J.S.A. 10:4-12

Matters of contract negotiations: Lease of Borough property, Request to purchase Borough property.

5) COMMUNITY ANNOUNCEMENTS

6) SPECIAL PRESENTATIONS

7) REPORTS OF BOROUGH ESTABLISHED BOARDS, COMMISSIONS AND COMMITTEES

- a) Report from the Planning Board Sign Committee regarding revising the sign ordinance

8) PUBLIC COMMENT

Please state your name and address for the record. Each speaker is limited to one (1) comment of no more than five (5) minutes and no yielding of time to another person.

9) BOROUGH COUNCIL DISCUSSION ITEMS

10) ATTORNEY'S REPORT

11) MANAGER'S REPORT

- a) Best Practices

12) ORDINANCES

- a) Introduction

1. None

- b) Adoption

1. None

13) *CONSENT AGENDA ITEMS

Matters listed as Consent Agenda Items are considered routine and will be enacted by one motion of the Council and one roll call vote. There will be no separate discussion of these items unless a Council member requests an item be removed for consideration.

14) *RESOLUTIONS

- 1. R156-17, Authorization for the payment of bills
- 2. R157-17, Award contract for leasing of police vehicles



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3. R158-17, Reaffirming the Borough's commitment to sustainable land use
4. R159-17, Approval of treatment works approval application for Kings Mountain LLC

15) *APPROVAL OF MINUTES

Regular minutes

September 25, 2017, (All eligible)

16) *APPROVAL OF REPORTS FOR FILING (reports are included only if checked)

- ☐ Construction Department
- ☐ Department of Public Works
- ☐ Fire Department
- ☐ Health Department
- ☐ Police Department
- ☐ Recreation Department
- ☐ Code Enforcement/Property maintenance report

17) *BOARD, COMMITTEE AND COMMISSION APPOINTMENTS

Elizabeth Myatt to the Woodlands Committee

Robert Aiello to the Communications Advisory Committee

18) COUNCIL REPORTS

19) PUBLIC COMMENT

Please state your name and address for the record. Each speaker is limited to one (1) comment of no more than five (5) minutes and no yielding of time to another person.

20) NEXT STEPS AND PRIORITIES

21) ADJOURNMENT

BOROUGH OF MOUNTAIN LAKES
INTEROFFICE MEMORANDUM

TO: HONORABLE MAYOR & BOROUGH COUNCIL
SUBJECT: BEST PRACTICES WORKSHEET – CY 2017
DATE: OCTOBER 5, 2017
CC: VALERIE EGAN – BOROUGH CLERK
MONICA GOSCICKI - CFO
ROBERT OOSTDYK – BOROUGH ATTORNEY

Summary

As required by law (PL 2017, c.99), the Division of Local Government Services transmits the "Best Practices Worksheet" (BPW) to local government agencies. This memo will outline our review of the Worksheet.

Facts

The response was a joint effort between the Borough Clerk, CFO and Manager. This year the BPW was reduced from 30 questions to 25 with 21 needed to maintain State Aid. However, the biggest change from prior years gives the Director of the Division absolute discretion with regard to the responses and amount of Aid, if any, withheld.

In our responses, we have indicated "Yes" or "N/A" to 19 and 4 questions respectively or 92% in the affirmative. Our only "No" responses relate to the filing of labor contracts with the Public Employee Relations Commission (PERC) question #1 and Question #7 regarding review of outside employment of current employees.

Conclusion

Regardless of the issues we have with the process, this is an excellent way to self-examine a town's internal policies and procedures and as shown, Mountain Lakes does very well in this regard. We could only hope the Division would consider establishing a standardized list of all Best Practices in advance so we are all working in the same direction.



Richard J. Sheola
Borough Manager

Attachments: Best Practices Worksheet
Local Finance Notice 2017-14

Mountain Lakes Borough (Morris)			
1425	Please see Color Key at bottom of sheet for limits on answers		
Answer	Question	Comments	
1 No	N.J.S.A. 34:13A-8.2 requires public employers, including municipalities, to file with the Public Employment Relations Commission (PERC) a copy of all contracts negotiated with public employee representatives. This includes, but is not limited to, collective bargaining agreements, memoranda of understanding, contract amendments, and "side letter" or "side bar" agreements. Copies of same may be emailed to contracts@perc.state.nj.us . Has your municipality filed all current contracts with PERC?	Our labor contracts expire December 31, 2017. The new contract will be filed in accordance with statute.	
2 Yes	Has your municipality adopted a written vehicle use policy prohibiting personal use of municipal vehicles (except for commuting), and providing that employees authorized to use such vehicles for commuting to/from work have a fringe benefit value added to the gross income reported on the employee's W-2 (unless the vehicle meets the "qualified non-personal vehicle" criteria specified by the IRS)? Only answer "N/A" if your municipality does not have any municipally-owned vehicles.	Personnel policies adopted 2014	
3 Yes	Active monitoring management of a municipality's ratable base is fundamental to helping ensure fiscal stability. There should be communication with the municipal tax assessor to ensure that the municipality has sufficient time to factor potential exposure to tax appeal judgements into their budgetary planning. <u>Does your municipality have an established written policy requiring its tax assessor to notify the chief financial officer and the governing body of all tax appeals upon filing, but no later than June 1st each year?</u> The policy should, at minimum, require the assessor's report to break down by property class the number of pending appeals, the current assessed value, and the reduction in assessed value if all appeals were successful. If there are appeals for which complete information is unavailable as of June 1, those appeals should be reported as information becomes available. Only answer "N/A" if your municipality is in Gloucester County (county assessor pilot program) or participates in the Monmouth County assessment demonstration program.	Policy approved October 12, 2016	

		Mountain Lakes Borough (Morris)		
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>		
	Answer	Question	Comments	
4	Yes	Does your municipality maintain an up-to-date municipal website containing at minimum the following: past three years adopted budgets; the current year's proposed budget (including the full adopted budget for the current year when approved by the governing body); most recent annual financial statement and audits; notification(s) for solicitation of bids and RFPs; and meeting dates, minutes and agendas for the governing body, planning board, board of adjustment and all commissions?		
5	N/A	The "Director's Ratio" (the average ratio of assessed to true market value) for each municipality as determined by the Director of the Division of Taxation, in the Table of Equalized Valuations promulgated annually pursuant to <u>N.J.S.A. 54:1-35.1</u> . A Director's Ratio of lower than 85 percent generally denotes lack of uniformity in assessments and indicates a need for revaluation. <u>N.J.A.C. 18:12A-1.14</u> . If the ratio of assessed values to market values in your municipality is presently <u>less than 85%</u> , has your municipality at minimum awarded a contract for the updating of tax maps and earmarked funds in its budget for the hiring of relevant firms and/or professionals?	Ratio is 88.40%	
6	Yes	The Local Government Ethics Law, designed to ensure transparency in government, requires local government officers to file Financial Disclosure Forms. Compliance by local elected officials is particularly important. <u>Have all of your local elected officials filed their Financial Disclosure Form in 2017 that covers the 2016 calendar year?</u>		
7	No	While outside employment by municipal officials can sometimes be acceptable, it is imperative that no conflicts of interest impinge on municipal governance. Does your municipality have 1) an established documented process requiring department heads to submit notice of outside employment, and 2) upon receiving such notice, does your municipality have a documented process within its human resources function to determine whether or not a conflict of interest exists?		

		Mountain Lakes Borough (Morris)	
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>	
	Answer	Question	Comments
8	N/A	Many municipalities have created one or more authorities (including fire districts, utilities authorities, redevelopment authorities, housing authorities, port authorities, etc.) to provide greater focus and attention on addressing a public need, or to reduce governing body burdens. While creation of an authority is often appropriate, and many authorities successfully fulfill their missions, authorities with weak membership or insufficient local-level monitoring can become wasteful, inefficient and unresponsive to the public they serve. N.J.S.A. 40A:5A-20 allows a local governing body to dissolve an authority subject to certain parameters and with Local Finance Board approval. Municipalities should at least annually assess the authority or authorities they created and publicly discuss their findings and conclusions. Findings and conclusions should address whether their existing authorities 1) continue to serve the public interest, and 2) are more efficient than other potential alternatives in providing services and financing public facilities. <u>Within the past year, 1) has the above-referenced discussion appeared as a listed agenda item on a scheduled governing body meeting, and 2) do the findings and conclusion appear in publicly-available meeting minutes? Please identify the meeting date under "Comments".</u>	
9	Yes	Audit findings address areas needing improvement. Ignoring these findings devalues the process; therefore, municipalities should correct noted deficiencies. <u>Have all audit findings from the 2015 audit been 1) identified in the corrective action plan and 2) addressed such that they are not repeated in the 2016 audit? If the answer is no, please list the repeat findings, along with the date the corrective action plan was submitted to DLGS, under Comments. Only answer "N/A" if there were no audit findings in 2014.</u>	
10	N/A	Payments In Lieu of Taxed (PILOTs) are often used as a tool for economic development. It is imperative that municipalities monitor PILOT agreements to ensure recipients complying with all agreement terms, including but not limited to timely payment and reporting. Does your municipality 1) have an official designated to monitor exemptions granted pursuant to the Long-Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.) and Five-Year Exemptions/ Abatements granted pursuant to N.J.S.A. 40A:21-1 et seq., and 2) have in place a documented process for ensuring compliance with the terms of each PILOT agreement?	

Mountain Lakes Borough (Morris)			
1425	Please see Color Key at bottom of sheet for limits on answers		
Answer	Question	Comments	
11 Yes	N.J.S.A. 40A:5-4 requires municipalities to complete their annual audit for the preceding fiscal year within 6 months after the close of their fiscal year. Further, <u>N.J.S.A. 40A:5-6</u> requires the municipality's auditor to submit a certified duplicate copy of the audit report and recommendations with the Division within 5 days after filing the original with the municipal clerk. <u>Has your municipality received its completed audit for the preceding fiscal year within the statutory timeframe, and confirmed that your auditor has filed a certified duplicate copy of the audit report with the Division? You may only answer this question "N/A" if the Director expressly granted an extension in response to a governing body resolution petitioning for same.</u>	Audit filed April 3, 2017	
12 Yes	Pursuant to <u>N.J.S.A. 40A: 2-40</u> , the chief financial officer each municipality shall, before the end of the first month of the fiscal year, file its Annual Debt Statement with the Division of Local Government Services. The annual debt statement must be filed electronically following the procedure described in Local Finance Notice 2013-3. <u>Did your municipality file its electronic Annual Debt Statement for the preceding fiscal year with the Division no later than January 31 (July 31 for SFY municipalities)?</u>	Filed January 31, 2017	
13 Yes	While the issuance and renewal of bond anticipation notes can be a reasonable and prudent financing mechanism, failing to take advantage of low interest rates on permanent financing can cause municipalities to incur unnecessary carrying costs and inflated costs of issuance. Has your municipality evaluated its outstanding bond anticipation notes and developed a strategy to move toward permanent financing?	Accumulated Bond Anticipation Notes sold as a 20 year Bond on August 15, 2017	

		Mountain Lakes Borough (Morris)	
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>	
	Answer	Question	Comments
14	N/A	Pursuant to N.J.S.A. 40A:11-25, the Director of the Division of Local Government Services must approve all prequalification regulations enacted by contracting units subject to the Local Public Contracts Law. Prequalification requirements can be fixed according to experience, financial ability, capital, and equipment. Absent Director approval, bid prequalification regulations are of no force and effect and may not be required as a condition of bid acceptance on any public contract. Local Finance Notice 2016-12 goes into further detail concerning prequalification regulations under the Local Public Contracts Law. Is your municipality following the process set forth in <u>N.J.S.A. 40A:11-25</u> , including seeking Director approval prior to implementing and enforcing all prequalification regulations? "N/A" is only applicable where the municipality has not adopted any prequalification regulations.	
15	Yes	<u>N.J.A.C. 5:30-3.8(a)</u> requires that the introduced annual municipal budget incorporate a User-Friendly Budget section. Is your municipality providing the public with its introduced User-Friendly Budget at least one week prior to the date of the public hearing on adopting the annual budget?	Yes, on Borough website.
16	Yes	Unless the Director sets forth a later date pursuant to <u>N.J.S.A. 40A:4-5.1</u> , N.J.S.A. 40A:4-5 requires that calendar year municipalities approve their introduced budgets no later than February 10 (or August 10 for state fiscal year municipalities) and <u>N.J.S.A. 40A:4-10</u> requires that calendar year municipalities adopt their budgets no later than March 20 (or September 20 for state fiscal year municipalities). <u>Did your municipality introduce and adopt its current year budget no later than the dates provided by law or as extended by the Director in Local Finance Notice 2016-20? This question may only be answered N/A if your municipality is under State Supervision or if the Division instructed the municipality to delay budget adoption.</u>	Adopted April 24, 2017

		Mountain Lakes Borough (Morris)	
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>	
	Answer	Question	Comments
17	Yes	Does your municipality exclude from healthcare coverage part-time elected and appointed officials (less than 35 hours per week)? Only answer "yes" if no part-time elected or appointed officials receive health benefits. If your municipality has part-time elected or appointed officials who elect to take State Health Benefits Program (SHBP) health benefits (or receive a waiver for not doing so) by virtue of serving in their position continuously since May 21, 2010, you must answer "No". If you answered "No", please list in the Comments section the name and title of each elected or appointed official receiving either health benefits or a waiver payment in lieu of health benefits.	Only fulltime employees receive health benefits
18	Yes	Is your municipality collecting at least the amount set forth by the Chapter 78 Grid for health benefit contributions (or 1.5% of base salary, whichever is greater) for all officers and employees?	The Borough collects the contributions according to the Chapter 78 guidelines.
19	Yes	Payments for waivers filed before May 21, 2010, and maintained continuously since, cannot exceed fifty percent (50%) of the amount saved by the local unit as a result of the employee's waiver of coverage. For waivers filed on or after May 21, 2010, which is the effective date of P.L. 2010, c. 2, payments cannot exceed the lesser of twenty-five percent (25%) of the amount saved by the local unit as a result of the waiver, or \$5,000. When calculating an employee's waiver payment, the local unit must deduct the employee's healthcare contribution obligation from the total premium cost. Local units have sole discretion as to whether or not to offer employees payments for waiver of health benefits, and may offer waiver payments lower than the statutory maximum. Health benefit waiver payments are statutorily excluded from collective bargaining. See Local Finance Notices 2010-12 and 2016-10 for further discussion on health benefit waiver payments. Does your municipality 1) refrain from paying waiver payments in excess of the statutory maximum; 2) deduct employee healthcare contribution obligations from the total premium cost when calculating waiver payments; and 3) refrain from incorporating healthcare waiver payments in any labor agreement? "N/A" is only applicable where the municipality has a policy of not making payments in lieu of health benefits.	

		Mountain Lakes Borough (Morris)		
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>		
	Answer	Question	Comments	
20	Yes	<p>The Fair Labor Standards Act (FLSA) is a federal law requiring that overtime pay must be paid for all hours over 40 hours in a work week except for those employees classified as exempt and thus not entitled to overtime. Management employees such as elected officials, managers/administrators, municipal clerks, CFOs, public works superintendents, police chiefs and other department heads are typically classified as having exempt status and thus not entitled to overtime pay. Other municipal employees may also be classified as exempt under the FLSA (you should consult with labor counsel for more detailed guidance). Exempt status would also preclude overtime pay for time worked during emergencies, attendance at night meetings and participation in training sessions. Compensated leave time in lieu of cash payments is considered to be a form of overtime pay unless such leave is utilized in the same pay period. <u>Does your municipality refrain from paying overtime to employees classified as exempt under the FLSA?</u></p>	Only Police officers and Public Works employees receive overtime	
21	Yes	<p>For any employees covered by a collective bargaining agreement, has your municipality instituted a policy to not compensate said employees for sick leave accumulated after a certain date? If such provisions were imposed by an arbitrator in binding arbitration but the municipality is seeking to eliminate such a contractual obligation through collective bargaining, your answer can be "N/A". If answering "N/A", the municipality must identify under "Comments" each such provision imposed by an arbitrator, along with the status of the collective bargaining negotiations to eliminate each such provision.</p>	There is no carry over of sick leave from year to year so there can be no payout at retirement.	
22	Yes	Has your municipality instituted a written policy to not compensate non-union employees for sick leave accumulated after a certain date?	Yes, since January 1999	
23	Yes	Has your municipality adopted an ordinance, resolution, regulation or written policy eliminating longevity awards, bonuses or payments for non-union employees?	Yes, since January 1999	

Best Practices Worksheet CY 2017/SFY2018

		Mountain Lakes Borough (Morris)	
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>	
	Answer	Question	Comments
24	Yes	For any employees covered by a collective bargaining agreement, has your municipality eliminated all longevity awards, bonuses or payments for employees hired on or after a specified date, and refrained from increasing any longevity awards, bonuses or payments for employees hired before a specified date? The answer to this question can be "N/A" if such provisions were imposed by an arbitrator in binding arbitration but the municipality is seeking to eliminate such a contractual obligation through collective bargaining. If answering "N/A", the municipality must identify under "Comments" each such provision imposed by an arbitrator, along with the status of the collective bargaining negotiations to eliminate each such provision.	The Borough has not provided longevity since 1999, with the exception of two (2) grandfathered employees, one of which is covered under a Collective Bargaining Agreement.
25	Yes	Employee personnel manuals or handbooks serve as a valuable tool to convey a municipality's policies, procedures and benefits. Many insurance carriers encourage the adoption of such a document and offer discounted rates for their use. These publications should review employees' rights and obligations in areas ranging from discrimination, safety, violence, and harassment to vacation and sick days, holidays, use of township vehicles, smoking and political activity, among others. Has your municipality adopted or updated an employee personnel manual/handbook by resolution or ordinance within the last five years? If yes, please provide in the Comments section the date of the meeting at which the personnel manual was adopted or updated.	September 8, 2014

Best Practices Worksheet CY 2017/SFY2018

		Mountain Lakes Borough (Morris)	
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>	
	Answer	Question	Comments
	0	Select	
	19	Yes	
	2	No	
	4	N/A	
	25	Total Answered:	
	23	Score (Yes + N/A)	
	92%	Score %	
		Chief Administrative Officer's Certification	
		I hereby certify that the information provided in this Best Practices Inventory is accurate	Certification #(s)
		to the best of my knowledge.	CMFO O-0073; QPA 109
		Name & Title	Date
		Richard J Sheola - Borough Manager	Ocotber 9, 2017
		Chief Financial Officer's Certification	
		I hereby certify that the information provided in this Best Practices Inventory is accurate	Certification #(s)
		to the best of my knowledge.	CMFO O-0672
		Name	Date
		Monica Goscicki	Ocotber 9, 2017
		Municipal Clerk's Certification	
		I hereby certify that the Governing Body of the <insert Municipality> in the County of	
		<insert County> discussed/will discuss the CY 2017/SFY 2018 Best Practice Inventory as	
		completed herein at a public meeting on <insert date>, with the Inventory results, and the	
		certification thereof by the Chief Administrative and Chief Financial Officers, respectively, to	Certification #(s)
		be stated in the minutes of said public meeting.	C1250
		Name	Date
		Valerie Egan	Ocotber 9, 2017

		Mountain Lakes Borough (Morris)	
1425		<i>Please see Color Key at bottom of sheet for limits on answers</i>	
	Answer	Question	Comments
		Red = "Yes"; "No"; "N/A answers permitted	
		Green = Only "Yes" and "No" answers permitted	
	Question	Table of Weblinks	
	12	http://www.nj.gov/dca/divisions/dlgs/lfns/13/2013-3.pdf	
	14	http://www.nj.gov/dca/divisions/dlgs/lfns/16/2016-12.pdf	
	16	http://www.nj.gov/dca/divisions/dlgs/lfns/16/2016_20.pdf	
	19	http://www.nj.gov/dca/divisions/dlgs/lfns/10/2010-12.doc	
	19	http://www.nj.gov/dca/divisions/dlgs/lfns/16/2016-10.pdf	
	Score	Aid Withheld	
	21-25	No Penalty	
	16-20	25% of final CMPTRA and ETR payment withheld	
	11-15	50% of final CMPTRA and ETR payment withheld	
	6-10	75% of final CMPTRA and ETR payment withheld	
	0-5	100% of final CMPTRA and ETR payment withheld	

LFN 2017-14

August 1, 2017

Contact Information

Director's Office

V. 609.292.6613

F. 609.633.6243

Legislative and
Regulatory Affairs

V. 609.292.6110

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Financial Regulation
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Local Finance Board

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CY 2017/SFY 2018 Best Practices Inventory

The State's Fiscal Year 2018 Appropriations Act (P.L. 2017, c.99) requires the Division of Local Government Services (the Division) to determine whether some portion of a municipality's CMPTRA and ETR aid will be withheld based on the results of a Best Practices Inventory (the Inventory) to be completed by each municipality. The Inventory encourages municipalities to embrace practices that promote financial accountability, sound management and transparency. This Local Finance Notice provides guidance on how the Division will implement this statutory requirement.

Municipalities operating on a Calendar Year basis must return their completed Inventory to the Division by **Friday, October 20, 2017**. Those municipalities operating on State Fiscal Year budgets must return their completed Inventory by **Friday, April 6, 2018**. Completion and filing instructions are included in an Appendix to this Notice. **As in previous years, the maximum amount of aid that is subject to being withheld by the Division is the full amount of a municipality's final aid payment (December 1 for Calendar Year municipalities).**

CY2017/SFY2018 Best Practices Format

Noteworthy changes to this year's Best Practices include the following:

- The Inventory contains 25 questions (reduced from last year's 30)
- All questions have been asked in prior years' Inventories
- **Municipalities must receive positive credit ("Yes or "N/A" answers) on a minimum of 21 questions in order to avoid withholding of aid.** The following aid withholding schedule will be utilized for scores below 21:
 - 16-20: 25% of final CMPTRA and ETR payment withheld
 - 11-15: 50% of final CMPTRA and ETR payment withheld
 - 6-10: 75% of final CMPTRA and ETR payment withheld
 - 0-5: 100% of final CMPTRA and ETR payment withheld

The CY2017/SFY2018 Best Practices Inventory is in the form of an [Excel worksheet](#) that must be filled out and emailed to the Division. **Note that all of the questions asked this year have been asked in prior years' Best Practices and the majority are curable prior to the submission deadline.** The wording of Question 3 has been clarified from last year. Answers of "Prospective" are not permitted; the only permissible answers are "Yes", "No", and "N/A" (for select questions). The spreadsheet automatically computes the score, with "Yes" and "N/A" (not applicable) counted as positive answers for purposes of scoring.

Please read each question carefully. Certain questions may expressly state the circumstances under which a "yes", "no" or "N/A" answer must be selected, or under what circumstances additional information must be entered in the right column labeled "Comments". For questions with subparts, a "yes" answer means that the municipality is answering affirmatively to all parts of the question. The municipality must answer "no" if it cannot affirmatively answer all parts of the questions. Weblinks are provided on the bottom of the Inventory to items cited in Questions 12, 14, 16, and 19.

Questions are color-coded as follows pursuant to their permissible range of answers:

	Red = "Yes"; "No"; and "N/A" answers permissible
	Green = "N/A" answers are NOT permitted

The Division has identified certain questions that should be applicable to all municipalities. As a result, "N/A" answers will not be allowed for those questions color-coded green.

For those questions color-coded red, "not applicable" is only an appropriate answer if a municipality concludes that the requirement is not possible to meet given the municipality's circumstances, unless the question specifically limits an "N/A" answer to a particular circumstance. Using "not applicable" requires an explanation of why the question is not applicable in the comment space provided.

Once the municipality's Best Practices Inventory is transmitted to the Division, the worksheet cannot be amended and resubmitted except by making an appeal to the Director through the process outlined on Page 4.

Certifying to the Best Practices Inventory & Governing Body Acknowledgement

The municipality's Chief Administrative Officer, in addition to the Chief Financial Officer, must certify the Inventory. Space for these certifications is provided on the worksheet. Both officials must provide their certification number for all licenses they have been issued by the Division of Local Government Services. If the certifying official does not possess such a license, the space can be left blank or marked "N/A". All certifying officers must type in their names and certification numbers, rather than manually sign and enter same.

Note: The Chief Administrative Officer is the individual, whatever their title, who is in charge of the municipality's day-to-day operations. If a municipality does not have a business administrator or municipal manager, this person would be whatever individual (e.g. municipal clerk, chief financial officer) is charged with this responsibility.

Please be advised that Best Practices responses are subject to random auditing by the Division. Officials that certify Best Practices Inventories containing inaccurate responses may be subject to penalties including the Division taking action against their license.

As for the governing body's acknowledgement, the completed form must be an agenda item for discussion at a municipal governing body meeting. The Municipal Clerk must certify **on the worksheet** that the Inventory and the results thereof were or will be discussed at a public meeting, with the inventory results and the certification of same by the chief administrative and financial officers referenced in the meeting minutes. There is no separate certification document for municipal clerks to submit. The purpose of the acknowledgement requirement is to ensure that local officials are apprised of their municipality's Best Practices Inventory response.

Appeals Permitted

The State Appropriations Act permits the Director of the Division of Local Government Services to exercise discretion and make reasonable accommodations where the particular circumstances of a municipality warrant. **As in previous years, the maximum amount of aid subject to withholding is the full amount of the final aid payment.**

Municipalities may submit appeals before the submission deadline but not before their Best Practices Inventory is submitted. The Division encourages municipalities that wish to submit an appeal to do so in conjunction with their Inventory submission. Appeals to the Director must be submitted **no later than the close of business Friday October 20, 2017 (or Friday April 6, 2018 for SFY Municipalities).**

Approved: Timothy J. Cunningham, Director

Document	Internet Address
CY2017/SFY2018 Best Practices Worksheet	http://www.nj.gov/dca/divisions/dlgs/programs/best_practices.html

APPENDIX

INSTRUCTIONS TO COMPLETE AND SUBMIT THE CY 2017/SFY 2018 BEST PRACTICES INVENTORY

Step 1 -- Download the Excel spreadsheet from the Division's Best Practice webpage at http://www.nj.gov/dca/divisions/dlgs/programs/best_practices.html. The worksheet is locked and allows access only to relevant fields.

Step 2 – Select Name of Municipality: follow the instruction at the top of the worksheet. (Click in cell C1, then click on the down arrow on the right side of the cell, then choose the name of municipality.)

Step 3 – for each inventory question, click in the "Select" cell in Column C and choose the appropriate response.

For those questions that permit a non-applicable answer, if the answer to a question is "Not Applicable" insert an explanation in the "comment" cell (Column E). The cell can expand to fit the size of the comment.

Step 4 – The Chief Administrative Officer and Chief Financial Officer for the municipality insert their name, certifying to the application's accuracy, and provide any license number that has been issued to them by the Division of Local Government Services. For example, if a certified Chief Financial Officer is also a Certified Tax Collector, their CTC license number should also be provided. Do not manually sign the certification.

The Chief Administrative Officer is the individual, whatever their title, who is in charge of the municipality's day-to-day operations. If a municipality does not have a business administrator or municipal manager, this person would be whatever individual (e.g. municipal clerk, chief financial officer) is charged with this responsibility.

Step 5 – The Municipal Clerk will certify that the Inventory results, and the certification of same by the Chief Administrative Officer and Chief Financial Officer, was discussed with the governing body at a public meeting and will be incorporated into the minutes thereof. Any license number that has been issued to the Clerk by the Division of Local Government Services must be provided. Do not manually sign the certification.

Step 6 – Save the file using the following naming structure: **2017_best_practice_xxxx.xls** and replace **xxxx** with the municipality's 4-digit municipal code # (it appears in Cell B2 after the municipality's name is chosen).

Step 7 – Email the worksheet to: bestpractices@dca.nj.gov. Please include in the Subject Line the name of the municipality and the phrase "Best Practice Submission."

Email questions concerning completing the worksheet to dlgs@dca.nj.gov with the subject heading "Best Practices Question". The deadline for submitting the CY 2017 filing is Friday, October 20, 2017; the SFY 2018 deadline is Friday, April 6, 2018.

BOROUGH OF MOUNTAIN LAKES
INTEROFFICE MEMORANDUM

TO: HONORABLE MAYOR & BOROUGH COUNCIL
SUBJECT: MANAGER'S REPORT – OCTOBER 9, 2017
DATE: OCTOBER 5, 2017
CC: VALERIE EGAN – BOROUGH CLERK
ROBERT OOSTDYK – BOROUGH ATTORNEY

The following represents the Manager's Report for the meeting of October 9, 2017

1. **Borough Hall/Public Safety Facilities Tours** – all scheduled tours are completed (September 11th, 19th and October 1st). The RFP is being written and should be ready for comments by the end of October.

2. **Police Vehicles** – after two rounds of public bidding and separate negotiations with a lender, a Resolution is on the Agenda authorizing the signing of a lease agreement for two patrol vehicles. I have reviewed the vehicles and equipment list and while it is substantial and more expensive than the last lease arrangement, it does cover a significant amount of equipment due the fact a good portion of the equipment that normally would be transferred from the soon to be retired car to another has seen its useful life and should be replaced. The equipment includes, but is not limited to, warning lights, prisoner separators, storage cabinets and new radios (existing ones approximately 15 years old and out of production and not repairable) and new AED's (since all cars are not equipped).

The new lease is based on \$98,900 for a term of 4 years at 3.98% as compared to the expiring lease of \$72,000 for 4 years at 6.145%. The payments are \$2,247.19 per month or \$26,966 annually. The current lease (covering a 2013 vehicle and a 2014 vehicle) has been paid off as of October 1, 2017. Given the need for new vehicles and the anticipated delivery time of up to 90 days from order, I am strongly recommending the lease be approved. The Borough Attorney has reviewed the sample leases and has approved them.

3. **Midvale/Pocono Road Improvements** – as you recall, the Borough was awarded a Local Aid Grant in the amount of \$222,000 towards the reconstruction of Pocono Road/Midvale Road Phase II earlier this year. Since the work was not part of the 2017 Capital Budget, no funds were budgeted for design work. As we are nearing the end of the year, it would be prudent to have the Engineer begin the design work now with the goal of being out to bid as soon as funds are available in 2018. After reviewing our exiting capital accounts, there appears to be the needed \$15,000 in the 2016 Capital Account for Road Paving. Absent any adverse opinions from Council I am having proceed.

4. Request for Proposal's – Professionals – 2018 - the Personnel Sub-committee has reviewed the current Borough Professionals and has decided, after considerable discussion and evaluation, not to solicit proposals for those positions at this time.

5. Budget Timeline – after reviewing the proposed timeline with the Finance Advisory Committee, certain dates were revised. Attached is the updated timeline.

If there are any questions or you would like further information, please feel free to contact me. Or, if there are additional items you would like me to address, please let me know as soon as possible.


Richard J. Sheola
Borough Manager

Action Items

Next Step	Completed by	By date
Volunteer spending policies	Finance Committee	Reviewed and approved at FAC October meeting
Alarm for water systems, review response time for repairs and how to prevent in the future	Sheola, Engineer, DPW Superintendent	TBD; in review by Engineer & DPW Superintendent along with Water Division personnel

Attachments Items #2 & #5.



MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____

Master Equipment Lease Purchase Agreement Number _____ Dated _____	
"Lessee"	
Fax: _____	E-mail: _____
"Lessor"	
TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305	
Fax: 952-656-3273	E-mail: customerservice@tcfef.com

RECITALS:

1. Lessee desires to lease certain property from the Lessor described in the schedules to this Agreement that are to be executed from time to time by the parties hereto (such schedules, whether now or hereafter executed, are hereby incorporated herein and are hereinafter collectively referred to as the "Schedules," and the items of property leased to Lessee hereunder, together with all substitutions, proceeds, replacement parts, repairs, additions, attachments, accessories and replacements thereto, thereof or therefor, are hereinafter collectively referred to as the "Equipment") subject to the terms and conditions of and for the purposes set forth in this Agreement.
2. The relationship between the parties shall be a continuing one and items of property may be added to or deleted from the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein.
3. Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Master Equipment Lease Purchase Agreement No. 567153L including the Schedules and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, together with any amendments to this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" means, with respect to any Schedule, the date when the term of this Agreement with respect to that Schedule and Lessee's obligation to pay rent under that Schedule commence, which date (a) Lessee hereby authorizes Lessor to fill in on the executed payment scheduled attached to each Schedule, and (b) shall be the earlier of (i) the date on which the Equipment listed in that Schedule is accepted by Lessee in the manner described in Section 5.01, or (ii) the date on which sufficient moneys to purchase the Equipment listed in that Schedule are deposited for that purpose with an escrow agent.

"Equipment" means the property described in a Schedule and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto. Whenever reference is made in this Agreement to Equipment listed in a Schedule, that reference shall be deemed to include all replacements, repairs, restorations, modifications and improvements of or to that Equipment.

"Event of Default" means, with respect to any Lease, an Event of Default described in Section 12.01.

"Issuance Year" is the calendar year in which the Commencement Date occurs.

"Lease" means an individual Schedule and this Agreement.

"Lease Term" means, with respect to any Lease, the Original Term and all Renewal Terms of that Lease, but ending on the occurrence of the earliest event specified in **Section 3.03**.

"Lessee" means the entity described as such in the header of this Agreement, its successors and its assigns.

"Lessor" means, with respect to each Schedule and the Lease of which that Schedule is a part, (i) if Lessor's interest in, to and under that Schedule has not been assigned pursuant to **Section 11.01**, the entity described as such in the header of this Agreement or its successor, or (ii) if Lessor's interest in, to and under that Schedule has been assigned pursuant to **Section 11.01**, the assignee thereof or its successor.

"Maximum Lease Term" means, with respect to any Lease, the Original Term and all Renewal Terms through the Renewal Term including the last Rental Payment Date set forth on the Schedule that is part of that Lease.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

"Original Term" means, with respect to any Lease, the period from the first Commencement Date for any Schedule under that Lease until the end of the fiscal year of Lessee in effect at that Commencement Date.

"Purchase Price" means the amount set forth on any Schedule that Lessee may, at its option, pay to Lessor to purchase the Equipment listed on that Schedule.

"Renewal Terms" means, with respect to any Lease, the optional renewal terms of that Lease, each having a duration of one year and a term co-extensive with Lessee's fiscal year.

"Rental Payment Dates" means the dates set forth in the Schedules on which Rental Payments are due.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to **Section 4.01**.

"Schedule" means any schedule to this Agreement, executed from time to time by the parties hereto.

"State" means the State of Lessee's organization.

"Vendor" means a manufacturer of Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing Equipment.

ARTICLE II REPRESENTATIONS AND COVENANTS OF LESSEE

Section 2.01. Representations and Covenants of Lessee. Lessee represents, warrants and covenants for the benefit of Lessor as follows:

(a) Lessee is a political subdivision duly organized and existing under the constitution and laws of the State. Lessee will do or cause to be done all things to preserve and keep in full force and effect its existence as a body corporate and politic. Lessee has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.

(b) Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby and to perform all of its obligations hereunder.

(c) Lessee has been duly authorized to execute and deliver this Agreement by proper action and approval of its governing body at a meeting duly called, regularly convened and attended throughout by a requisite majority of the members thereof or by other appropriate official approval.

(d) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(f) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the current fiscal year and to meet its other obligations under this Agreement, and such funds have not been expended for other purposes.

(g) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.

(i) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.

(j) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

(k) The Equipment is essential to the function of Lessee or to the service Lessee provides to its citizens. Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future. The Equipment will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of Lessee's authority.

(l) Neither the payment of the Rental Payments hereunder nor any portion thereof is (i) secured by any interest in property used or to be used in a trade or business of a non-exempt person (within the meaning of Section 103 of the Code) or in payments in respect of such property or (ii) derived from payments in respect of property, or borrowed money, used or to be used in a trade or business of a non-exempt person (within the meaning of Section 103 of the Code). No portion of the Equipment will be used directly or indirectly in any trade or business carried on by any non-exempt person (within the meaning of Section 103 of the Code).

(m) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 141-150 thereof, and the applicable regulations of the Treasury Department that relate to each Lease in order to establish and maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation. In furtherance of the foregoing, Lessee covenants and agrees to prepare (or engage a tax professional to prepare on Lessee's behalf) and file all necessary informational returns on a timely basis with the IRS, including, but not limited to, IRS Series 8038 Forms, which must generally be filed on or before the 15th of the 2nd calendar month after the close of the calendar quarter in which the Commencement Date occurs. Lessee agrees to provide Lessor with copies of all such filed returns relating to each Lease contemporaneously with their filing. If Lessee fails to file the necessary informational returns with the IRS on a timely basis, Lessee hereby authorizes Lessor to engage a tax professional of Lessor's choosing to complete the required returns on Lessee's behalf and at Lessee's expense, which Lessee agrees to execute and file. If Lessee files informational returns containing incorrect or incomplete information, Lessee hereby authorizes Lessor to engage a tax professional of Lessor's choosing to file an amendment to the incorrect or incomplete informational return on Lessee's behalf and at Lessee's expense, which Lessee agrees to execute and file.

(n) Lessee will use the proceeds of this Agreement as soon as practicable and with all reasonable dispatch for the purpose for which this Agreement has been entered into. No part of the proceeds of this Agreement will be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of this Agreement, would have caused any portion of this Agreement to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the applicable regulations of the Treasury Department.

(o) Lessee represents and warrants that it is a governmental unit under the laws of the State; this Agreement is not a private activity bond as defined in Section 141 of the Code, and 95% or more of the net proceeds of this Agreement will be used for local governmental activities of Lessee.

(p) Lessee has never failed to pay payments coming due under any bond issue, lease purchase agreement or other indebtedness obligation of Lessee.

(q) The useful life of the Equipment will not be less than the Maximum Lease Term.

(r) The application, statements and credit or financial information reviewed by Lessor are true and correct and made to induce Lessor to enter into this Agreement and the escrow agreement, if any, and Lessee has experienced no material change in its financial condition since the date(s) of such information.

(s) Lessee shall pay the excess (if any) of the actual costs of acquiring the Equipment under the Agreement over the amount deposited by Lessor in the escrow fund, if any, established under any related escrow agreement and interest earnings thereon.

(t) Lessee understands and acknowledges that Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor; Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Agreement. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Agreement from its own advisors (including as it relates to structure, timing, terms and similar matters).

Section 2.02. Conditions to Lessor's Performance under Schedules. As a prerequisite to the performance by Lessor of any of its obligations pursuant to the execution and delivery of any Schedule, Lessee shall deliver to Lessor the following:

(a) An Opinion of Counsel to Lessee, in form and substance acceptable to Lessor in its sole discretion, respecting such Schedule.

(b) A Lessee's Closing Certificate executed by the Clerk or Secretary or other comparable officer of Lessee, in form and substance acceptable to Lessor in its sole discretion, completed to the satisfaction of Lessor.

(c) An Essential Use Certificate executed by a duly authorized officer of Lessee, in form and substance acceptable to Lessor in its sole discretion, completed to the satisfaction of Lessor.

(d) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time pursuant to **Section 6.02**.

(e) Such other items, if any, as are set forth in such Schedule or are reasonably required by Lessor.

This Agreement is not a commitment by Lessor to enter into any Schedule not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Schedule, it being understood that whether Lessor enters into any proposed Schedule shall be a decision solely within Lessor's discretion.

Lessee will cooperate with Lessor in Lessor's review of any proposed Schedule. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Schedule. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

ARTICLE III LEASE OF EQUIPMENT

Section 3.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment listed in each Schedule in accordance with the provisions of this Agreement and that Schedule for the Lease Term for the Lease of which that Schedule is a part.

Section 3.02. Lease Term. The Original Term of each Lease will commence on the Commencement Date and will terminate on the last day of Lessee's current fiscal year. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term for that

Lease. At the end of the Original Term and at the end of each Renewal Term until the Maximum Lease Term has been completed for a Lease, Lessee will be deemed to have exercised its option to continue that Lease for the next Renewal Term unless Lessee has terminated that Lease pursuant to **Section 3.03** or **Section 10.01**. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term, except that the Rental Payments will be as provided in the Schedules.

Section 3.03. Termination of Lease Term. The Lease Term for each Lease will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of that Lease and the nonrenewal of that Lease in the event of nonappropriation of funds pursuant to **Section 3.05**;
- (b) the exercise by Lessee of the option to purchase the Equipment granted under that Lease under the provisions of **Article X** and payment of the Purchase Price and all amounts payable in connection therewith;
- (c) a default by Lessee and Lessor's election to terminate that Lease under **Article XII**; or
- (d) the payment by Lessee of all Rental Payments required to be paid by Lessee under that Lease through the expiration of the Maximum Lease Term.

Section 3.04. Continuation of Lease Term. Lessee currently intends, subject to the provisions of **Section 3.05** and **Section 4.04**, to continue the Lease Term for each Lease through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Maximum Lease Term for each Lease can be obtained. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend a Lease for any Renewal Term is solely within the discretion of the then current governing body of Lessee.

Section 3.05. Nonappropriation. Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. In the event sufficient funds will not be appropriated or are not otherwise legally available to pay the Rental Payments required to be paid under a Lease in the next occurring Renewal Term, that Lease will be deemed to be terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice will not extend the Lease Term beyond such Original Term or Renewal Term. If a Lease is terminated in accordance with this Section, Lessee agrees, at Lessee's cost and expense, to peaceably deliver the Equipment then subject to that Lease to Lessor at the location or locations specified by Lessor.

ARTICLE IV RENTAL PAYMENTS

Section 4.01. Rental Payments. Lessee will pay Rental Payments, exclusively from legally available funds, in lawful money of the United States of America to Lessor in the amounts and on the dates set forth in the Schedules without notice or demand. Rental Payments will be in consideration for Lessee's use of the Equipment during the fiscal year in which such payments are due. Any Rental Payment not received on or before its due date will be assessed a late payment fee of 10% or the maximum amount permitted by law, whichever is less, from its due date. Lessee agrees to pay Lessor a fee, in an amount determined by Lessor, not to exceed the maximum amount from time to time permitted by applicable law, for any check or automatic payment withdrawal request that is returned to Lessor because of insufficient funds available in Lessee's account or a stop payment.

In the event that it is determined that any of the interest components of Rental Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on each Rental Payment Date thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

Section 4.02. Interest Component. As set forth on the payment schedules attached to the Schedules, a portion of each Rental Payment is paid as, and represents payment of, interest.

Section 4.03. Rental Payments To Be Unconditional. Except as provided in Section 3.05, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the equipment or any accident, condemnation or unforeseen circumstances.

Section 4.04. Rental Payments to Constitute a Current Expense of Lessee. The obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee, are from year to year and do not constitute a mandatory payment obligation of Lessee in any fiscal year beyond the then current fiscal year of Lessee. Lessee's obligation hereunder will not in any way be construed to be an indebtedness of Lessee in contravention of any applicable constitutional, charter or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor will anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of Lessee.

ARTICLE V EQUIPMENT

Section 5.01. Delivery, Installation and Acceptance of the Equipment. Lessee will order the Equipment, cause the Equipment to be delivered and installed at the location specified in the applicable Schedule and pay any and all costs, charges, expenses and obligations of every kind and nature incurred regarding the importation, shipment, delivery, possession, use, lease, return, repossession, storage and transfer of any of Equipment. When the Equipment listed in any Schedule has been delivered and installed, Lessee will immediately inspect such Equipment and accept such Equipment after Lessee, in its sole discretion, determines that such Equipment is satisfactory, and evidence said acceptance by executing and delivering to Lessor an acceptance certificate in form and substance acceptable to Lessor. After it has been installed, the Equipment will not be moved from the location specified in the applicable Schedule, or if rolling stock, its permanent base will not be changed, without Lessor's consent, which consent will not be unreasonably withheld. If Lessor, in its discretion, pays any tax, fee, charge or other amount described in this paragraph, Lessee shall reimburse Lessor therefor on demand, together with Lessor's administrative and other costs of paying and invoicing such amounts and, if Lessee fails to pay Lessor any such amount within ten (10) days of such demand, Lessee shall pay interest thereon until paid at the rate of 18% per annum or the maximum rate allowable by law, whichever is less.

Section 5.02. Enjoyment of Equipment. Lessor hereby covenants to provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term, and Lessee will peaceably and quietly have and hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

Section 5.03. Right of Inspection. Lessor will have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

Section 5.04. Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee will obtain all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided, however, that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under this Agreement.

Section 5.05. Maintenance of Equipment; Alterations. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition. Lessor will have no responsibility to maintain, repair or make improvements or additions to the Equipment. If any item of Equipment is such as is customarily covered by a maintenance contract, Lessee will enter into a maintenance contract for that Equipment with the applicable Vendor. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

ARTICLE VI TITLE TO EQUIPMENT; SECURITY INTEREST

Section 6.01. Title to the Equipment. During the Lease Term, title to the Equipment and any and all additions, repairs, replacements or modifications will vest in Lessee, subject to the rights of Lessor under this Agreement; provided that title to the Equipment that is subject to any Lease will thereafter immediately and without any action by Lessee vest in Lessor, and Lessee will immediately surrender possession of the Equipment to Lessor upon (a) any termination of that Lease other than termination pursuant to Section 10.01 (including but not limited to any termination pursuant to Section 3.05) or (b) the occurrence of an Event

of Default with respect to that Lease. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section will occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee will, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Lessee, irrevocably designates, makes, constitutes and appoints Lessor and its assignee as Lessee's true and lawful attorney (and agent in-fact) with power, at such time of termination or times thereafter as Lessor in its sole and absolute discretion may determine, in Lessee's or Lessor's or such assignee's name, to endorse the name of Lessee upon any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor.

Section 6.02. Security Interest. To secure the payment of all of Lessee's obligations under this Agreement and to the extent permitted by law, Lessee grants to Lessor a first and prior security interest in the Equipment and on all additions, attachments and accessions thereto and substitutions therefor and proceeds therefrom. Lessee agrees to execute such additional documents in form satisfactory to Lessor, that Lessor deems necessary or appropriate to establish and maintain its security interest. Lessee agrees that financing statements may be filed with respect to the security interest in the Equipment created herein.

As further security therefor, Lessee grants to Lessor a first priority security interest in the cash and negotiable instruments from time to time comprising each escrow fund established under any related escrow agreement and all proceeds (cash and non-cash) thereof, and agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party.

Section 6.03. Personal Property. Lessor and Lessee agree that the Equipment is and will remain personal property. The Equipment will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to such real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

ARTICLE VII ADDITIONAL COVENANTS

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee will keep the Equipment free and clear of all liens, charges and encumbrances, except those created under this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all property taxes and other similar charges. If the use, possession or acquisition of the Equipment is found to be subject to taxation in any form, Lessee will pay all taxes and governmental charges lawfully assessed or levied against or with respect to the Equipment. Lessee will pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee will pay such taxes and charges as the same become due; provided that, with respect to any such taxes and charges that may lawfully be paid in installments over a period of years, Lessee will be obligated to pay only such installments that accrue during the Lease Term.

Section 7.02. Insurance. At its own expense, Lessee will maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount at least equal to the then applicable Purchase Price of the Equipment, and (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor with a minimum limit of \$1,000,000.00 combined single limit or such greater amount as may be prescribed by any applicable state law specifying minimum insurance requirements; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b) of this Section. If required by Lessor, Lessee shall also provide to Lessor payment and performance bonds naming Lessor as a dual obligee and issued by a surety company rated "A" or better by AM Best. All insurance proceeds from casualty losses will be payable as hereinafter provided. Lessee will furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

All such casualty and liability insurance will be with insurers that are acceptable to Lessor, will name Lessor as a loss payee and additional insured and will contain a provision to the effect that such insurance will not be cancelled or modified materially without first giving written notice thereof to Lessor at least thirty days in advance of such cancellation or modification. All such casualty insurance will contain a provision making any losses payable to Lessee and Lessor, as their respective interests may appear.

Section 7.03. Advances. In the event Lessee fails to maintain the insurance required by this Agreement, pay taxes or charges required to be paid by it under this Agreement or fails to keep the Equipment in good repair and operating condition, Lessor may (but will be under no obligation to) purchase the required policies of insurance and pay the cost of the premiums thereof, pay such taxes and charges and make such Equipment repairs or replacements as are necessary and pay the cost thereof. All amounts so advanced by Lessor will become additional rent for the then current Original Term or Renewal Term. Lessee agrees to pay such

amounts with interest thereon from the date paid at the rate of 18% per annum or the maximum permitted by law, whichever is less.

Section 7.04. Financial Information. Lessee will annually provide Lessor with current financial statements, budgets and proofs of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor.

Section 7.05. Release and Indemnification. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others which is proximately caused by the negligent conduct of Lessee, its officers, employees or agents. To the extent permitted by law, Lessee will indemnify, protect and hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith (including, without limitation, counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into this Agreement, (b) the ownership of any item of Equipment, (c) the manufacturing, ordering, acquisition, maintenance, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) any accident in connection with the operation, maintenance, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury or death to any person or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph will continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of any Lease Term for any reason.

ARTICLE VIII DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.01. Risk of Loss. Lessee assumes, from and including the Commencement Date, all risk of loss of or damage to the Equipment from any cause whatsoever. No such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof will relieve Lessee of the obligation to make Rental Payments or to perform any other obligation under this Agreement.

Section 8.02. Damage, Destruction and Condemnation; Use of Net Proceeds. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Equipment or any part thereof or the interest of Lessee or Lessor in the Equipment or any part thereof will be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless Lessee has exercised its option to purchase the Equipment pursuant to **Section 10.01**. Any balance of the Net Proceeds remaining after such work has been completed will be paid to Lessee.

Section 8.03. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in **Section 8.02**, Lessee will either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Equipment pursuant to **Section 10.01**. If Lessee will make any payments pursuant to this Section, Lessee will not be entitled to any reimbursement therefor from Lessor nor will Lessee be entitled to any diminution of the amounts payable under **Article IV**.

ARTICLE IX WARRANTIES

Section 9.01. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE OF THE EQUIPMENT OR AGAINST INFRINGEMENT, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, OR BY THE USE OR MAINTENANCE OF, OR SERVICING OR ADJUSTMENT TO, THE EQUIPMENT AND, AS TO LESSOR, LEASES THE EQUIPMENT AS-IS AND WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY ACTUAL, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE

EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OR MAINTENANCE OF ANY EQUIPMENT OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendor's Warranties. Lessee acknowledges that Lessor is not a dealer or manufacturer of Equipment of any kind and is not the seller of the Equipment, and that each unit of Equipment is of a type, size, design and capacity selected solely by Lessee. Lessee also acknowledges that Lessor finances the Equipment without any obligation to install, test, erect, service or maintain the Equipment. The only warranty applicable to any Equipment is the Vendor's warranty and Lessor makes no warranty of any kind to Lessee. Lessee may have rights under the contract evidencing the purchase of the Equipment; Lessee is advised to contact the applicable Vendor for a description of any such rights. To the extent such warranties are transferable, Lessor hereby assigns to Lessee during the Lease Term all warranties running from Vendor to Lessor. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee will not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendor. Lessee's sole remedy for the breach of any such warranty, indemnification or representation will be against the Vendor, and not against Lessor. Any such matter will not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or availability of such warranties by the Vendor. Lessee acknowledges that each Lease constitutes a "finance lease" under UCC Article 2A in all respects, and that Lessor's sole obligations to Lessee under each Lease is not to interfere with Lessee's quiet enjoyment of the Equipment so long as Lessee is not in default thereunder. Subject to the foregoing sentence and to the extent permitted by law, Lessee unconditionally and irrevocably waives any and all rights and remedies against Lessor at law or in equity (including, without limitation, any rights and remedies granted Lessee under Article 2A of the Uniform Commercial Code and/or the right to reject any Equipment or repudiate each Lease). Lessee agrees that Lessor assumes no liability for and makes no representation as to the treatment by Lessee of each Lease, the Equipment or the Rental Payments for financial statement or tax purposes.

**ARTICLE X
OPTION TO PURCHASE**

Section 10.01. Purchase Option. Lessee will have the option to purchase the Equipment listed in any Schedule, in whole, but not in part, upon giving written notice to Lessor at least 30 days before the date of purchase, at the following times and upon the following terms:

(a) On any Rental Payment Date, upon payment in full of the Rental Payment then due hereunder plus all other amounts due under that Schedule plus the then-applicable Purchase Price set forth on that Schedule to Lessor, if applicable; or

(b) In the event of substantial damage to or destruction or condemnation (other than by Lessee or any entity controlled by or otherwise affiliated with Lessee) of substantially all of the Equipment listed in that Schedule, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Rental Payment and all other amounts then due under that Schedule plus (i) the Purchase Price set forth on that Schedule for such purchase date if such purchase date is a Rental Payment Date or the Purchase Price for the immediately preceding Rental Payment Date if such purchase date is not a Rental Payment Date, and (ii) if such day is not a Rental Payment Date, an amount equal to the portion of the interest component of the Rental Payment scheduled to come due under that Schedule on the following Rental Payment Date accrued from the immediately preceding Rental Payment Date to such purchase date, computed on the basis of a 360-day year of twelve 30-day months.

Upon the exercise of the option to purchase set forth above, title to the Equipment so purchased will be vested in Lessee, free and clear of any claim by or through Lessor.

Section 10.02. Determination of Fair Purchase Price. Lessee and Lessor hereby agree and determine that the Rental Payments under each Schedule during the Original Term and each Renewal Term represent the fair value of the use of the Equipment listed in that Schedule and that the amount required to exercise Lessee's option to purchase the Equipment listed in that Schedule pursuant to **Section 10.01** represents, as of the end of the Original Term or any Renewal Term under that Schedule, the fair purchase price of the Equipment listed in that Schedule. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under a practical economic compulsion to renew the term of any Schedule or to exercise its option to purchase the Equipment under any Schedule. In making such determinations, Lessee and Lessor have given consideration to (a) the costs of the Equipment, (b) the uses and purposes for which the Equipment will be employed by Lessee, (c) the benefit to Lessee by reason of the acquisition and installation of the Equipment and the use of the Equipment pursuant to the terms and provisions of this Agreement, and (d) Lessee's option to purchase the Equipment. Lessee hereby determines and declares that the acquisition and installation of the Equipment and the leasing of the Equipment pursuant to this Agreement will result in equipment of comparable quality and meeting the same requirements and standards as would be necessary if the

acquisition and installation of the Equipment were performed by Lessee other than pursuant to this Agreement. Lessee hereby determines and declares that the Maximum Lease Term does not exceed the useful life of the Equipment.

ARTICLE XI ASSIGNMENT AND SUBLEASING

Section 11.01. Assignment by Lessor. Lessor's interest in, to and under this Agreement, each Lease and the Equipment may be assigned and reassigned in whole or in part to one or more assignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment will not be effective against Lessee until Lessee has received written notice of the name and address of the assignee. Lessee will retain all such notices as a register of all assignees and will make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interest in the Equipment and in this Agreement and each Lease and agrees to the filing of financing statements with respect to the Equipment and this Agreement and each Lease. Lessee will not have the right to and will not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement, any Lease or the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of regionally recognized "Red Book"-listed counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments under the applicable Lease from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment will be subject to this Agreement and the rights of Lessor in, to and under this Agreement, the applicable Lease and the Equipment.

ARTICLE XII EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.05, any of the following will be "Events of Default" under any Lease:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under that Lease at the time specified in that Lease;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under that Lease, other than as referred to in Section 12.01(a), for a period of 20 days after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor will agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to that Lease or its execution, delivery or performance will prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of that Lease will at any time for any reason cease to be valid and binding on Lessee, or will be declared to be null and void, or the validity or enforceability thereof will be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee will deny that it has any further liability or obligation under that Lease;

(e) Lessee will (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree will be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in

each case without its application, approval or consent, and such order, judgment or decree will continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default under any Lease exists, Lessor will have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating that Lease, Lessor may enter the premises where the Equipment that is subject to that Lease is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of that Equipment to the possession of Lessor at a place specified by Lessor, and sell or lease that Equipment or, for the account of Lessee, sublease that Equipment, holding Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee under that Lease plus the applicable Purchase Price, and (ii) the net proceeds of any such sale, lease or sublease (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation, all expenses of taking possession, storing, reconditioning and selling or leasing that Equipment and all brokerage, auctioneers' and attorneys' fees); provided that the amount of Lessee's liability under this subparagraph (b) shall not exceed the Rental Payments and other amounts otherwise due under that Lease plus the remaining Rental Payments and other amounts payable by Lessee to the end of the then current Original Term or Renewal Term; and

(c) Lessor may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement as the owner of the Equipment that is subject to that Lease.

Any net proceeds from the exercise of any remedy hereunder (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorneys' fees) shall be applied as follows:

(i) If such remedy is exercised solely with respect to a single Lease, Equipment subject to that Lease or rights under this Agreement related to that Lease, then to amounts due pursuant to that Lease and other amounts related to that Lease or that Equipment; or

(ii) If such remedy is exercised with respect to more than one Lease, Equipment subject to more than one Lease or rights under this Agreement related to more than one Lease, then to amounts due pursuant to those Leases pro rata.

In addition, Lessee will remain liable for all covenants and indemnities under this Agreement and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy will be cumulative and will be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it will not be necessary to give any notice, other than such notice as may be required in this Agreement.

ARTICLE XIII MISCELLANEOUS

Section 13.01. Notices. Any written notice hereunder to Lessee or Lessor shall be deemed to have been given when delivered personally, deposited with a nationally recognized overnight courier (with all fees pre-paid), delivered via facsimile or e-mail (with confirmation of transmission), or deposited in the United States mail, certified or registered mail, addressed to recipient at its address set forth above or at such other address as may be substituted therefor by notice given pursuant to the terms hereof. Lessee hereby agrees that Lessor, including its vendors, service providers, partners, affiliates, successors and assigns, may contact Lessee at any telephone number provided to Lessor, by placing voice telephone calls (including the use of automatic telephone dialing systems or prerecorded voice messaging) or, in the case of wireless telephones or other wireless devices, by sending email or automated (SMS) text messages.

Section 13.02. Binding Effect. This Agreement will inure to the benefit of and will be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 13.04. Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee.

Section 13.05. Amendments. This Agreement may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Agreement or any right or remedy hereunder must be affirmatively and expressly made in writing and will not be implied from inaction, course of dealing or otherwise.

Section 13.06. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument. There shall be only one original counterpart of this Agreement and it shall bear Lessor's original signature and be marked "Original." To the extent that this Agreement constitutes chattel paper (as that term is defined by Article 2A of the Uniform Commercial Code), a security or ownership interest intended to be created through the transfer and possession of this Agreement can be done only by the transfer of such original bearing Lessor's original signature.

Section 13.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.08. Applicable Law; Jury Trial. This Agreement will be governed by and construed in accordance with federal law and, to the extent not preempted by federal law, the laws of the State. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO, AFTER CONSULTING (OR HAVING HAD AN OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

Section 13.09. Electronic Transactions. Lessor, in its sole discretion, may permit Lessee to electronically copy and/or deliver by telecopier or other electronic means of transmission an executed counterpart of this Agreement, and any document, schedule, amendment, addendum, supplement or agreement related hereto or executed in connection herewith. By so copying and/or delivering any such document, Lessee hereby represents and agrees (a) that such transmission constitutes due delivery of such executed document, (b) that the counterpart of such executed document as printed by the recipient, including Lessee's signature thereon, shall be deemed to constitute an original and shall be admissible in any court or other legal proceeding as an original, and (c) to deliver to Lessor, promptly on request, such document bearing Lessee's original "wet ink" signature; provided that neither delivery nor failure to deliver the document bearing Lessee's original "wet ink" signature shall limit or modify the representations and agreements set forth in clauses (a) and (b).

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their corporate names by their duly authorized officers as of the date first above written.

LESSEE SIGNATURE	_____ Name of Lessee
	By: _____ Signature
	Print Name and Title: _____

LESSOR SIGNATURE	TCF Equipment Finance, a division of TCF National Bank Name of Lessor
	By: _____ Signature
	Print Name and Title: _____

CERTIFICATE OF CLERK OR SECRETARY	I, the undersigned, do hereby certify that the officer of Lessee who executed the foregoing Agreement on behalf of Lessee and whose genuine signature appears thereon, (i) is the duly qualified and acting officer of Lessee as stated beneath his or her signature, (ii) is duly authorized to execute and deliver the foregoing Agreement on behalf of Lessee, and (iii) that the fiscal year of Lessee ends on the last day of _____.
	Signature: _____ Title: _____ Date: _____
	THE ABOVE CERTIFICATION MUST BE SIGNED BY THE CLERK OR SECRETARY OF LESSEE, AND THE CLERK OR SECRETARY MUST BE A DIFFERENT INDIVIDUAL THAN THE OFFICER SIGNING IN THE "LESSEE SIGNATURE" BOX.



**SCHEDULE OF EQUIPMENT NO. _____ TO
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____**

The "Agreement": Schedule of Equipment No. _____ dated _____ (the "Schedule"), to Master Equipment Lease Purchase Agreement No. _____ dated as of _____
"Lessee"
"Lessor"
TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305

1. **Defined Terms.** All terms used herein have the meanings ascribed to them in the Agreement.
2. **Equipment.** The Equipment included under this Schedule is comprised of the items described in the Equipment Description attached hereto as **Attachment 1**, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto.
3. **Payment Schedule.** The Rental Payments and Purchase Prices under this Schedule are set forth in the Payment Schedule attached as **Attachment 2** hereto.
4. **Representations, Warranties and Covenants of Lessee.**
 - (a) Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule.
 - (b) Lessee has experienced no material change in its financial condition or in the revenues expected to be utilized to meet Rental Payments due hereunder since the date of the most recent audited financial statements reviewed by Lessor.
 - (c) Lessee understands and acknowledges that Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor; Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Schedule. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Schedule from its own advisors (including as it relates to structure, timing, terms and similar matters).
5. **Certification as to Arbitrage and Tax Covenants.** Lessee hereby represents as follows:
 - (a) The estimated total costs of the Equipment listed in this Schedule, together with any costs of entering into this Schedule that are expected to be financed hereunder, will not be less than the total Principal Portion of the Rental Payments listed in this Schedule.
 - (b) The Equipment listed in this Schedule has been ordered or is expected to be ordered within six months of the commencement of this Schedule, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within eighteen months from the commencement of this Schedule.
 - (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments listed in this Schedule, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments listed in this Schedule.
 - (d) The Equipment listed in this Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments listed in this Schedule.
 - (e) To the best of our knowledge, information and belief, the above expectations are reasonable.
 - (f) Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.
 - (g) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended, including without limitation Sections 103, 141 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation.
6. **The Agreement.** This Schedule is hereby made as part of the Agreement, and Lessor and Lessee hereby ratify and confirm the Agreement. The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated by reference and made a part hereof.

LESSEE SIGNATURE	Name of Lessee _____
	By: _____ Signature
	Print Name and Title: _____

LESSOR SIGNATURE	TCF Equipment Finance, a division of TCF National Bank Name of Lessor
	By: _____ Signature
	Print Name and Title: _____

ATTACHMENT 1 TO
SCHEDULE OF EQUIPMENT NO. _____ TO
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____

EQUIPMENT DESCRIPTION

Description/Serial No./Model No.	Location	Total Cost
		\$

This Equipment Description shall be deemed to be supplemented by the descriptions of the Equipment included in the certificates of acceptance and payment requests submitted pursuant to the escrow agreement, if any, entered into among Lessor, Lessee and the escrow agent named therein, which descriptions shall be deemed to be incorporated herein.

Lessee:

By: _____

Print Name: _____

Title: _____



ATTACHMENT 2 TO
SCHEDULE OF EQUIPMENT NO. _____ TO
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____

PAYMENT SCHEDULE

Rental payments will be made in accordance with **Section 4.01** and this Payment Schedule.

LESSOR: TCF Equipment Finance, a division of TCF National Bank

LESSEE:

COMMENCEMENT DATE*: _____

INTEREST RATE:

PAYMENT FREQUENCY:

The first Rental Payment shall be due in arrears on the date that is six month(s) after the Commencement Date, and subsequent Rental Payments shall be due semi-annually on the same day of each six month period thereafter until paid in full.

Payment	Rental Payment	Interest Portion	Principal Portion	Purchase Price
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Lessee:

By: _____

Print Name: _____

Title: _____

- * Lessee hereby authorizes Lessor to fill in the Commencement Date based on the earlier of the date that Lessor disburses funds to the Vendor of the Equipment following receipt of Lessee's executed acceptance certificate, or the date on which Lessor deposits funds for the purchase of the Equipment with an escrow agent.

**LESSEE'S CLOSING CERTIFICATE TO
SCHEDULE OF EQUIPMENT NO. 001-0567153-301 TO
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. 567153L**

The "Agreement": Schedule of Equipment No. _____ dated _____ (the "Schedule"), to Master Equipment Lease Purchase Agreement No. _____ dated as of _____
"Lessee"
"Lessor"
TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305

I, the undersigned, the duly appointed, qualified and acting _____ (Clerk or Secretary) of the above-captioned Lessee, do hereby certify as of _____, 20____, as follows:

(1) Lessee did, at a meeting of the governing body of Lessee held _____, 20____, by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Agreement and the related escrow agreement, if any, on its behalf by the following named representatives of Lessee:

<u>Title</u>	<u>Printed Name</u>	<u>Signature</u>

(2) The above-named representatives of Lessee held at the time of such authorization and holds at the present time the office designated above and the signature set forth opposite his or her name is the true and correct specimen of his or her genuine signature.

(3) The meeting of the governing body of Lessee at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval and that the action approving the Agreement and authorizing the execution thereof has not been altered or rescinded.

(4) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

(5) All insurance required in accordance with the Agreement is currently maintained by Lessee.

(6) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term (as such terms are defined in the Agreement), and such funds have not been expended for other purposes.

(7) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the interest of Lessor or its assigns, as the case may be, in the Equipment.

(8) The Equipment has not been the subject of a referendum that failed to receive the approval of the voters of Lessee within the preceding four years.

(9) Lessee hereby designates the Agreement as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Lessee and all subordinate entities thereof during the current calendar year is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of qualified tax-exempt obligations (including the Agreement but excluding private activity bonds other than qualified 501(c)(3) bonds) during the current calendar year without first obtaining an opinion of nationally recognized counsel in the area of tax-

exempt municipal obligations acceptable to Lessor that the designation of the Agreement as a "qualified tax-exempt obligation" will not be adversely affected.

(10) The Equipment is located at the following address:

(11) The Equipment is located in the following county:

(12) The correct billing address for Rental Payments is as follows:

Street Address: _____

Phone: _____

Fax: _____

Email: _____

Attention: _____

(13) The contact information of person responsible for preparing and filing Lessee's Form 8038-G or 8038-GC is as follows:

Name: _____

Street Address: _____

Phone: _____

Fax: _____

Email: _____

(14) Lessee's Tax ID number is: _____

IN WITNESS WHEREOF, I hereunto set my hand and the seal of the governing body of Lessee the day and year first above written.

Signature of Clerk or Secretary

Printed Name of Clerk or Secretary

**LESSEE'S PAYMENT INSTRUCTIONS
AND ACCEPTANCE CERTIFICATE TO
SCHEDULE OF EQUIPMENT NO. _____ TO
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____**

The "Agreement": Schedule of Equipment No. _____ dated _____ (the "Schedule"), to Master Equipment Lease Purchase Agreement No. _____ dated as of _____
"Lessee"
"Lessor"
TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305

Ladies and Gentlemen:

In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

(1) Lessee has reviewed and approved the invoice(s) referenced in the table below. Pursuant to the Agreement, Lessee hereby irrevocably authorizes and requests Lessor to make payment of the invoice(s) to the vendor(s), licensor(s) or designee(s) of licensor(s) of the Equipment. Lessee agrees that all terms and conditions of the Lease are in full force and effect and Lessee shall make all payments when and as required thereby.

Payee	Invoice Number	Amount
-------	----------------	--------

	Total	\$
--	-------	----

- (2) All of the Equipment has been delivered, installed and accepted, and is located at the following address:
_____.
- (3) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (4) Lessee is currently maintaining the insurance coverage required by **Section 7.02** of the Agreement.
- (5) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.
- (6) We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
- (7) The serial number for each item of Equipment that is set forth in the applicable Schedule is correct.

DATED: _____

Lessee:

By: _____

Print Name: _____

Title: _____

**ESSENTIAL USE CERTIFICATE TO
SCHEDULE OF EQUIPMENT NO. _____ TO
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____**

September 6, 2016

The "Agreement": Schedule of Equipment No. _____ dated _____ (the "Schedule"), to Master Equipment Lease Purchase Agreement No. _____ dated as of _____
"Lessee"
"Lessor"
TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305

I, _____, a duly elected, appointed, or designated representative of _____ ("Lessee"), am qualified to answer the questions set forth below regarding the Equipment to be acquired by Lessee in connection with the above-referenced Agreement:

1. *What is the specific use of the Equipment?*

2. *What increased capabilities will the Equipment provide?*

3. *Why is the Equipment essential to your ability to deliver governmental services?*

4. *Does the Equipment replace existing equipment?*
(If so, please explain why you are replacing the existing equipment)

5. *Why did you choose this specific Equipment?*

6. *For how many years do you expect to utilize the Equipment?*

7. *What revenue source will be utilized to make Rental Payments due under the Agreement?*

Lessee:

By: _____

Print Name: _____

Title: _____



**INSURANCE COVERAGE DISCLOSURE TO
SCHEDULE OF EQUIPMENT NO. _____
TO MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____**

RE: INSURANCE COVERAGE REQUIREMENTS

1. In accordance with the Master Equipment Lease Purchase Agreement, Lessee certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Insurance Company Liability:	Agent Name:	Business Phone # Fax Phone #
Insurance Company Property:	Agent Name:	Business Phone # Fax Phone #

to issue: (check to indicate coverage)

☒ a. All Risk Physical Damage Insurance on the Equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming TCF Equipment Finance, a division of TCF National Bank and/or its assigns as Loss Payee.

Coverage Required: Termination Value Specified.

☒ b. Public Liability Insurance evidenced by a Certificate of Insurance naming TCF Equipment Finance, a division of TCF National Bank and/or its assigns as an Additional Insured.

Minimum Coverage Required:

\$1,000,000 per person
\$1,000,000 aggregate bodily injury liability
\$1,000,000 property damage liability.

Proof of insurance coverage will be provided to TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305, prior to the time that the Equipment is delivered to Lessee. Please fax a copy of the Certificate of Insurance or binder to Marisa Meyers at (866) 465-3149.

Lessee:

By: _____

Print Name: _____

Title: _____

OPINION OF COUNSEL

(To be on Attorney's Letterhead)

Date: September 8, 2016

Lessee:

Lessor: TCF Equipment Finance, a division of TCF National Bank
11100 Wayzata Blvd, Suite 801
Minnetonka, MN 55305

Re: Schedule of Equipment No. _____ to Master Equipment Lease Purchase Agreement No. _____, dated as of _____, by and between _____ and TCF Equipment Finance, a division of TCF National Bank.

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Schedule of Equipment No. _____ to Master Equipment Lease-Purchase Agreement described above and the related escrow agreement, if any, and all attachments, exhibits and schedules thereto (together, the "Lease") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Lease. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a public corporation and political subdivision of the State of _____ (the "State") within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, is duly organized, existing and operating under the Constitution and laws of the State, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power. The full, true and correct legal name of Lessee is _____.
2. Lessee is authorized and has power under State law to enter into the Lease and lease the equipment with an option to purchase, and to carry out its obligations thereunder and the transactions contemplated thereby. No further approval, consent or withholding of objection is required from any Federal, State or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.
3. The Lease and the other documents described above have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
4. Lessee has no authority (statutory or otherwise) to terminate the Lease prior to the end of its term for any reason other than pursuant to the terms of Section 3.05(a) and (b) of the Lease.
5. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable State and Federal laws.
6. The execution of the Lease and the appropriation of moneys to pay the payments coming due under the Lease do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

7. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee; the authority of the Lessee or its officers; the proper authorization, approval and execution of the Lease and the other documents described above; the appropriation of monies to make Rental Payments under the Lease for the current fiscal year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

8. The equipment leased pursuant to the Lease constitutes personal property and when subject to use by Lessee will not be or become fixtures under applicable law.

9. The leasing of the equipment pursuant to the Lease is exempt from all sales, use and documentary stamp taxes against either Lessor or Lessee during the term of the Lease, and such equipment will be exempt from all state and local personal property or other ad valorem taxes.

This opinion of counsel may be relied upon by TCF Equipment Finance, a division of TCF National Bank and its successors and assigns.

Very truly yours,

RESOLUTION
MASTER EQUIPMENT LEASE PURCHASE AGREEMENT NO. _____
AND SCHEDULE NO. _____ THERETO

A resolution authorizing the negotiation, execution, and delivery of Master Equipment Lease Purchase Agreement No. _____ dated _____ and Schedule No. _____ thereto, together with the related escrow agreement, if any (the "Lease"), in principal amount not to exceed \$ _____, between _____ and TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305; and prescribing other details in connection therewith.

WHEREAS, _____ (the "Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of _____; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in Schedule No. _____ to the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, TCF Equipment Finance, a division of TCF National Bank, (the "Lessor") shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF _____

Section 1. The Lease, in substantially the form as presently before the governing body of the Lessee, is hereby approved, and the _____ of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver the Lease and related documents in substantially the form as presently before the governing body of the Lessee, with such changes therein as shall be approved by such officer, and which Lease will be available for public inspection at the offices of Lessee.

Section 2. The Lessee shall, and the officers, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Lease.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of _____

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized, ratified and approved.

Section 5. Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the current calendar year and hereby designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. This resolution shall take effect immediately upon its adoption and approval.

CERTIFIED AS TRUE AND CORRECT this _____ day of _____, 20____.

Signature of Clerk, Secretary or Assistant Secretary

Printed Name of Clerk, Secretary or Assistant Secretary

2018 Budget Timeline

<u>Deliverable</u>	<u>to FAC</u>	<u>to Council</u>	<u>Discussion</u>	<u>Other</u>
Budgets to Manager				22-Nov-17
Draft Budget	7-Dec-17		13-Dec-17	
Budget Update	5-Jan-18		10-Jan-18	
Budget Update		18-Jan-18	22-Jan-18	
Financials *	27-Jan-18		7-Feb-18	
Capital Project Presentations	9-Feb-18		12-Feb-18	
Capital Project Presentations		23-Jan-18	26-Jan-18	
Budget Revision	2-Mar-18	24-Feb-18		
Budget Revision		9-Mar-18	12-Mar-18	
Final Budget		23-Mar-18	26-Mar-18	
Intro Budget		23-Mar-18	26-Mar-18	
Salary Ordinance - Intro		6-Apr-18	9-Apr-18	
Adopt Budget		20-Apr-18	23-Apr-18	
Salary Ordinance - Adopt		20-Apr-18	23-Apr-18	
Proposed Capital Ord	30-Mar-18		4-Apr-18	
Intro Capital Ord		20-Apr-18	23-Apr-18	
Adopt Capital Ord			14-May-18	
20 day estoppel			3-Jun-18	

* Note: Financial Statement not due until Feb 10 so a preliminary will be forwarded at this time.

BOROUGH OF MOUNTAIN LAKES INTEROFFICE MEMORANDUM

TO: HONORABLE MAYOR & BOROUGH COUNCIL
SUBJECT: RESOLUTION & ORDINANCE OVERVIEWS – OCTOBER 9, 2017
DATE: OCTOBER 5, 2017
CC: RICHARD SHEOLA – BOROUGH MANAGER
ROBERT OOSTDYK – BOROUGH ATTORNEY

The following Resolutions are on the Agenda for the meeting of October 9, 2017.

R157-17 – Authorization for the award of a contract for the leasing of police vehicles – this resolution will authorize the Borough to enter into a lease agreement with MMD Financial for the lease of two Dodge Chargers at an interest rate of 3.98% and a final cost of \$107,864 for two vehicles and associated equipment.

R158-17 – Affirmation of the Borough's commitment to sustainable land use– this resolution reaffirms the Borough's commitment to sustainable land use practices such as promoting transportation choices, natural resource protection, green design, etc. This resolution is an amended form of a resolution that was on a prior agenda that was not voted on.

R159-17, Authorizing the filing of a treatment works approval – This resolution authorizes the submission of an application for a treatment works approval by the developer to the NJDEP for the development known as the Enclave at Mountain Lakes. The application seeks permission to connect the development to the public water and sewer system.

There are no Ordinances on the agenda for 10/9/2017

If there are any questions prior to the meeting, please feel free to contact me.

**BOROUGH OF MOUNTAIN LAKES
COUNTY OF MORRIS, NJ**

RESOLUTION 156-17

“RESOLUTION AUTHORIZING THE PAYMENT OF BILLS”

WHEREAS, the Borough Manager has reviewed and approved purchase orders requested by the Department Heads; and

WHEREAS, the Finance Office has certified that funds are available in the proper account; and

WHEREAS, the Borough Treasurer has approved payment, upon certification from the Borough Department Heads that the goods and/or services have been rendered to the Borough.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Mountain Lakes, County of Morris, State of New Jersey, that the current bills, dated **October 9, 2017** and on file and available for public inspection in the Office of the Treasurer and approved by him for payment, be paid.

XX

CERTIFICATION: I hereby certify the foregoing to be a true and correct copy of a resolution duly adopted by the Borough Council of Mountain Lakes, New Jersey, at a meeting held on October 9, 2017.

Valerie A. Egan, Municipal Clerk

Name	Motion	Second	Aye	Nay	Absent	Abstain
Barrett						
Happer						
Horst						
Korman						
Shepherd						
Barnett						
Holmberg						

List of Bills - CLAIMS/CLEARING CHECKING ACCOUNT

Meeting Date: 10/09/2017 For bills from 09/21/2017 to 10/05/2017

Check#	Vendor	Description	Payment	Check Total
13362	2465 - ABDEL PEST CONTROL CO.	PO 17903 DPW - PEST CONTROL	295.00	295.00
13363	196 - ALLIED OIL COMPANY, LLC	PO 17672 DPW - UNLEADED FUEL - BLANKET	3,375.55	3,375.55
13364	102 - ANDERSON & DENZLER ASSOC., INC	PO 17066 2017 ENGINEERING SERVICES POLLARD R	401.50	
		PO 17187 ENGINEERING SVC FOR BIRCHWOOD & ISL	6,301.50	
		PO 17929 AUGUST 2017 PROFESSIONAL SERVICES	7,467.68	
		PO 17929 AUGUST 2017 PROFESSIONAL SERVICES	785.00	
		PO 17929 AUGUST 2017 PROFESSIONAL SERVICES	157.00	15,112.68
13365	102 - ANDERSON & DENZLER ASSOC., INC	PO 17929 AUGUST 2017 PROFESSIONAL SERVICES	2,547.46	2,547.46
13366	427 - CALIFORNIA BEACH HUT	PO 17915 2017 LIFEGUARD UNIFORMS	2,990.00	2,990.00
13367	2775 - CAPITOL SUPPLY CONSTRUC PROD, INC	PO 17705 WATER DEPARTMENT - EQUIPMENT - BLAN	1,704.08	1,704.08
13368	3650 - CARA FOX	PO 17961 REGISTRAR'S REIMBURSEMENT	44.18	44.18
13369	3762 - CARTRIDGE WORLD	PO 17926 PRINTER CARTRIDGES / RICOH	613.89	613.89
13370	3381 - CEUNION	PO 17659 ANN PURCELL: 2017 CEU CLASSES	89.00	89.00
13371	1481 - CORE & MAIN, LP	PO 17602 WATER DEPARTMENT - EQUIPMENT REPAIR	391.00	391.00
13372	519 - COUGAR PRESS	PO 17893 CLEAN COMMUNITIES - RECYCLING MAILE	357.00	357.00
13373	2147 - CCTMO LLC	PO 17962 OCT 2017 - CELL TOWER REIMBURSEMENT	1,725.05	1,725.05
13374	527 - CROWNE PLAZA PHILA/CHERRY HILL	PO 17950 NJ SHADE TREE CONVENTION 2017	257.34	257.34
13375	3503 - CWC CONTINUING ED	PO 17673 WATER DEPARTMENT - TRAINING & EDUCA	475.00	475.00
13376	653 - GANNET NEW JERSEY NEWSPAPERS	PO 17917 ACCT#31470 - LEASE OF SATION	190.96	190.96
13377	3884 - DECOTIIS, FITZPATRICK, COLE & GIBLI	PO 17918 LABOR ATTORNEY - PROFESSIONAL SERVI	262.50	262.50
13378	2985 - EAST COAST TREE EXPERTS, LLC	PO 17830 DPW - TREE REMOVAL	2,750.00	2,750.00
13379	3715 - FED EX	PO 17815 ACCT# 2047-4057-7	96.60	96.60
13380	876 - GARDEN STATE LABORATORIES, INC	PO 16774 WATER DEPARTMENT - WATER TESTING- B	3,454.00	3,454.00
13381	3209 - HAWKINS DELAFIELD & WOOD LLP	PO 17953 PROFESSIONAL SERVICES FOR BOND ISSU	21,533.17	21,533.17
13382	3639 - IWORQ SYSTEMS, INC.	PO 17802 INTERNET FLEET MANAGEMENT APPLICATI	1,276.66	
		PO 17802 INTERNET FLEET MANAGEMENT APPLICATI	1,276.67	
		PO 17802 INTERNET FLEET MANAGEMENT APPLICATI	1,276.67	3,830.00
13383	859 - JCP&L	PO 17930 MASTER ACCT# 200 000 020 764: BILL	483.67	
		PO 17959 ACCT# 100 075 505 725 - BILLING PRD	3.32	
		PO 17958 MAST ACCT# 200 000 054 011/ BILL DA	5.90	
		PO 17957 MASTER ACCT# 200 000 569 000 / BILL	3,175.50	3,668.39
13384	1040 - JESCO, INC.	PO 17904 WATER DEPARTMENT - VEHICLE REPAIR	643.76	643.76
13385	1062 - JOHNNY ON THE SPOT, LLC	PO 17934 SEPT/OCT 2017 - CUST ID# 014738 - P	95.20	95.20
13386	1074 - JW PIERSON CO.	PO 16727 DPW - DIESEL FUEL - BLANKET	1,010.80	1,010.80
13387	1090 - KENVIL POWER MOWER	PO 16735 STREET & ROADS - BLANKET	93.50	93.50
13388	1438 - MAIN POOL & CHEMICAL COMPANY	PO 17906 WATER DEPARTMENT - TREATMENT OF WEL	661.96	661.96
13389	3648 - MONMOUTH TELECOM	PO 17963 OCT 2017 TELEPHONE SERVICES / ACCT#	1,469.90	1,469.90
13390	2534 - MORRIS COUNTY OVERHEAD DOOR COMPANY	PO 17754 FIRE DEPT: BAY WINDO	410.00	410.00
13391	2534 - MORRIS COUNTY OVERHEAD DOOR COMPANY	PO 17900 DPW - BUILDING MAINTENANCE	432.10	432.10
13392	1309 - MORRIS CTY TAX COLL/TREAS ASSN	PO 17922 ANN PURCELL: NOVEMBER 26, 2017 CLAS	20.00	20.00
13393	3099 - MTN LAKES MEDICAL CENTER, LLC	PO 17836 PHYSICALS- JUNIOR FIREFIGHTERS B	770.00	770.00
13394	1371 - MTN. LAKES BOARD OF EDUCATION	PO 17931 PAYMENT 2- 2017 POSTAGE METER	3,254.34	3,254.34
13395	1371 - MTN. LAKES BOARD OF EDUCATION	PO 17964 OCT 2017 MTN LAKES SCHOOL DISTRICT	1,693,374.08	1,693,374.08
13396	881 - NCX	PO 16811 2017 DNS HOSTING FOR ACCT: GTI	19.95	19.95
13397	1522 - NISIVOCIA & COMPANY LLP	PO 17913 CLIENT# 00067R001 - DEBT STATEMENTS	1,400.00	1,400.00
13398	1563 - NJ SHADE TREE FEDERATION	PO 17951 NJ SHADE TREE CONFERENCE 2017	245.00	245.00
13399	1562 - NJLM	PO 17870 AD PLACEMENT: BOROUGH MANAGER	160.00	160.00
13400	2595 - NORTH JERSEY MUNICIPAL EMPLOYEE	PO 17933 OCTOBER 2017 DENTAL PREMIUMS - GROU	3,044.00	3,044.00
13401	3236 - ONE SOURCE OF NEW JERSEY, LLC	PO 17388 DPW - EQUIPMENT & TOOLS - BLANKET	211.50	211.50
13402	2968 - OPTIMUM (DPW)	PO 17357 DPW INTERNET SERVICES ACCT# 07876-6	100.58	100.58
13403	2968 - OPTIMUM (DPW)	PO 17358 DPW: ACCT# 07876-414565-01-0 - BLAN	10.70	10.70
13404	3173 - OPTIMUM	PO 17366 FIRE: ACCT# 07876-603439-01-8 CABLE	70.65	70.65
13405	479 - PARKER PUBLICATIONS	PO 17808 ACCT# 010902 / PLANNING BOARD/ ZBOA	28.20	
		PO 17937 ACCT# 010902 / PLANNING BOARD/ ZBOA	10.81	39.01
13406	2397 - ROCKAWAY AUTO RESOURCES, LLC	PO 17762 POLICE DEPARTMENTS - VEHICLE REPAIR	37.26	
		PO 17780 FIRE DEPT: MISC. ENGINE REPAIRS - B	24.50	61.76
13407	1878 - SENECA TREE SERVICE, INC.	PO 17905 DPW - TREE REMOVAL	200.00	200.00
13408	285 - SHAWN BENNETT	PO 17921 Reimbursement for Training Supplies	1,625.08	
		PO 17908 Reimbursement for The Academy Membe	250.00	1,875.08
13409	1948 - SHEAFFER SUPPLY, INC.	PO 16781 DPW & WATER - BLANKET FOR 1ST QTR 2	46.60	
		PO 16781 DPW & WATER - BLANKET FOR 1ST QTR 2	13.98	60.58
13410	114 - SOLITUDE LAKE MANAGEMENT	PO 17832 2017 LAKE MANAGEMENT - BLANKET - CU	4,185.00	4,185.00
13411	3017 - STATE OF NJ - PWT DIVISION OF TAXAT	PO 17966 3Q2017 WATER TAX PAYMENT	450.54	450.54
13412	1981 - SUBURBAN DISPOSAL, INC	PO 17892 DPW - SOLID WASTE COLLECTION - AUGU	24,333.33	24,333.33

List of Bills - CLAIMS/CLEARING CHECKING ACCOUNT

Meeting Date: 10/09/2017 For bills from 09/21/2017 to 10/05/2017

Check#	Vendor	Description	Payment	Check Total
13413	189 - TRUE VALUE HARDWARE	PO 17494 DPW - STREETS & ROADS - BLANKET	139.91	139.91
13414	2093 - UNION FIRE EQUIPMENT CORP.	PO 17925 FIRE DEPT: QUOTE FOR CAIRNS HELMETS	344.00	344.00
13415	3752 - VALERIE A. EGAN	PO 17960 REGISTRAR'S MTG REIMBURSEMENT	44.18	44.18
13416	832 - W.W. GRAINGER, INC	PO 17827 DPW - DEPARTMENT SUPPLIES	446.00	446.00
TOTAL				1,805,440.26

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
01-201-20-100-020	GENERAL ADMIN - OTHER EXPENSE	3,733.83			
01-201-20-120-020	MUNICIPAL CLERK - OTHER EXP'S	427.88			
01-201-20-130-020	FINANCE - OTHER EXPENSES	231.00			
01-201-20-140-020	COMPUTER SERVICES	1,307.31			
01-201-20-145-020	TAX COLLECTOR - OTHER EXPENSES	109.00			
01-201-20-155-020	LEGAL SERVICES - OTHER EXPENSE	262.50			
01-201-20-165-020	ENGINEERING SERVICES	7,467.68			
01-201-21-180-020	PLANNING BOARD - OTHER EXPENSE	31.18			
01-201-21-185-020	BD OF ADJUST - OTHER EXPENSES	19.27			
01-201-23-220-020	GROUP INSURANCE PLANS-EMPLOYEE	3,044.00			
01-201-25-240-020	POLICE DEPT - OTHER EXPENSES	1,875.08			
01-201-25-255-020	FIRE DEPT - OTHER EXPENSES	1,209.15			
01-201-26-290-020	STREETS & ROADS - OTHER EXP.	1,871.69			
01-201-26-300-020	SHADE TREE COMMISSION - O/E	3,252.34			
01-201-26-305-020	SOLID WASTE - OTHER EXPENSES	24,333.33			
01-201-26-310-020	BLDG & GROUNDS - MUNIC BLDG	410.00			
01-201-26-315-020	VEHICLE REPAIRS & MAINTENANCE	37.26			
01-201-28-370-020	PARKS & PLAYGROUNDS OTHER EXP.	2,990.00			
01-201-28-375-020	MAINT OF PARKS (BEACHES/LAKES)	4,280.20			
01-201-31-435-020	ELECTRICITY - ALL DEPARTMENTS	492.89			
01-201-31-436-020	ELECTRICITY - STREET LIGHTING	3,175.50			
01-201-31-440-020	TELECOMMUNICATIONS	1,469.90			
01-201-31-447-020	PETROLEUM PRODUCTS	4,386.35			
01-207-55-000-000	LOCAL SCHOOL TAXES PAYABLE			1,693,374.08	
01-260-05-100	DUE TO CLEARING			0.00	1,761,516.47
01-290-55-000-005	DUE TO T-MOBILE - SPRINT FEES			1,725.05	
TOTALS FOR	Current Fund	66,417.34	0.00	1,695,099.13	1,761,516.47
02-200-40-700-340	Clean Communities Grant			357.00	
02-260-05-100	DUE TO CLEARING			0.00	357.00
TOTALS FOR	FEDERAL AND STATE GRANTS	0.00	0.00	357.00	357.00
04-215-55-978-000	2014 CAPITAL PROGRAM			2,189.68	
04-215-55-980-000	2015 CAPITAL ORDINANCE 07-15			20,298.69	
04-215-55-982-000	2016 CAPITAL ORDINANCE 06-16			9,293.76	
04-215-55-983-000	2017 CAPITAL ORDINANCE 05-17			401.50	
04-260-05-100	DUE TO CLEARING			0.00	32,183.63
TOTALS FOR	General Capital	0.00	0.00	32,183.63	32,183.63
05-201-55-520-520	Water Operating - Other Expenses	9,949.49			
05-260-05-100	DUE TO CLEARING			0.00	9,949.49
TOTALS FOR	Water Operating	9,949.49	0.00	0.00	9,949.49

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
07-201-55-520-520	Sewer Operating - Other Expenses	1,433.67			
07-260-05-100	DUE TO CLEARING			0.00	1,433.67
TOTALS FOR	Sewer Operating	1,433.67	0.00	0.00	1,433.67

Total to be paid from Fund 01 Current Fund	1,761,516.47
Total to be paid from Fund 02 FEDERAL AND STATE GRANTS	357.00
Total to be paid from Fund 04 General Capital	32,183.63
Total to be paid from Fund 05 Water Operating	9,949.49
Total to be paid from Fund 07 Sewer Operating	1,433.67

	1,805,440.26

Checks Previously Disbursed

13361	SHERATON ATLANTIC CITY	PO# 17919 CLERK: 2017 NJSLOM // RESERV. CONF	568.00 10/03/2017

			568.00

Total paid from Fund 01 Current Fund	568.00

	568.00

Total for this Bills List: **1,806,008.26**

List of Bills - (1710101001002) Escrow - Developers - Checking **Developer's Escrow**

Meeting Date: 10/09/2017 For bills from 09/21/2017 to 10/05/2017

Check#	Vendor	Description	Payment	Check Total
5070	102 - ANDERSON & DENZLER ASSOC., INC	PO 17928 AUGUST 2017 PROFESSIONAL SERVICES -	715.50	715.50
5071	3715 - FED EX	PO 17878 PLANNING: ACCT# 2047-4057-7	59.68	59.68
5072	3855 - RINGO SUPPLY COMPANY	PO 17573 ESCROW REFUND	282.19	282.19
TOTAL				1,057.37

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
17-101-01-001-002	Escrow - Developers - Checking			0.00	1,057.37
17-500-00-091-302	RINGO SUPPLY COMPANY			282.19	
17-500-00-091-304	KING MOUNTAIN LAKES LLC			775.18	
TOTALS FOR	Developer's Escrow	0.00	0.00	1,057.37	1,057.37

Total to be paid from Fund 17 Developer's Escrow

1,057.37

1,057.37

List of Bills - (3310101001001) PROVIDENT BANK Recreation Trust

Meeting Date: 10/09/2017 For bills from 09/21/2017 to 10/05/2017

Check#	Vendor	Description	Payment	Check Total
5102	3874 - BISHOPS ICE CREAM, LLC	PO 17854 SUMMER REC CAMP:	345.00	345.00
5103	3883 - HOLLY DANIEL	PO 17887 SAILING GROUP: REIMBURSEMENT	173.21	173.21
5104	3853 - STINSON STREET INVESTORS, LLC	PO 17914 MTN. LAKES SAILING CLUB:	940.00	940.00
TOTAL				1,458.21

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
33-101-01-001-001	PROVIDENT BANK			0.00	1,458.21
33-600-00-090-130	SUMMER RECREATION			345.00	
33-600-00-090-141	RESERVE FOR MTN LAKES SAILING GROUP			1,113.21	
TOTALS FOR	Recreation Trust	0.00	0.00	1,458.21	1,458.21

Total to be paid from Fund 33 Recreation Trust

1,458.21

=====

1,458.21

Resolution 157-17

A RESOLUTION AUTHORIZING THE LEASE/PURCHASE OF TWO POLICE VEHICLES AND RELATED COMPONENTS FOR THE POLICE DEPARTMENT

WHEREAS, it is the desire of the Borough to lease/purchase two (2) patrol cars for the Police Department; and

WHEREAS, the has bid the vehicles on two (2) occasions and on August 28, 2017 authorized the Borough Manager to negotiate a lease price; and

WHEREAS, the Borough Manager has negotiated a four (4) year lease purchase for two (2) Dodge Charger All Wheel Drive Police Patrol vehicles through MMD Financial at an interest rate of 3.98% with a one dollar (\$1.00) purchase at the end of the term; and

NOW THEREFORE, BE IT RESOLVED that the Borough Manager be authorized to enter into a contract with MMD Financial Services in the amount of \$26,966 /year for a total of \$107,864 for the lease purchase of two (2) police patrol vehicles with associated equipment.

XX

CERTIFICATION: I hereby certify the foregoing to be a true and correct copy of a resolution duly adopted by the Borough Council of Mountain Lakes, New Jersey, at a meeting held on October 9, 2017.

Valerie A. Egan, Municipal Clerk

Name	Motion	Second	Aye	Nay	Absent	Abstain
Barrett						
Happer						
Horst						
Korman						
Shepherd						
Barnett						
Holmberg						

**BOROUGH OF MOUNTAIN LAKES
COUNTY OF MORRIS, NJ**

RESOLUTION 158-17

**RESOLUTION REAFFIRMING THE BOROUGH'S
COMMITMENT TO SUSTAINABLE LAND USE**

WHEREAS, sustainability has been a consistent element of land use policy in the Borough of Mountain Lakes; and

WHEREAS, the Borough has recognized that land use decisions must be based on multiple factors including sustainability; and

WHEREAS, these factors include the creation of transportation choices, housing options, walkable communities, the preservation of open space, the provision of adequate recreation, and the continued protection and use of vital natural resources; and

WHEREAS, sustainable land use is consistent with several objectives set forth in the Master Plan including:

1. The retention of the traditional character of Mountain Lakes.
2. Protecting and enhancing the Borough's environmental resources.
3. Providing for appropriate development of the Borough.
4. Providing for safe and convenient pedestrian and vehicular circulation and access.
5. Maintenance of the Borough's traditional commitment to education and recreation.

; and

WHEREAS, sustainability is also recognized as an appropriate land use consideration by the State of New Jersey in housing initiatives such as Smart Growth and the provision of affordable housing; and

WHEREAS, a statewide sustainable land use policy will require municipalities which are committed to sustainability, such as Mountain Lakes, to take the lead given New Jersey's strong tradition of home rule and local authority over planning and zoning.

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Mountain Lakes, County of Morris, that the Borough hereby reaffirms its commitment to sustainable land use within the community and resolves to continue to consider the principles set forth below in formulating municipal land-use decisions with the intent of making Mountain Lakes a more sustainable community. The Borough Council encourages all Borough Boards and Committees to consider these principles when making decisions, including the next master plan revision and reexamination report, and pledges to consider these principles when developing land-use, zoning, natural resource protection, and other ordinances.

Regional Cooperation - We pledge to continue to reach out to administrations of our neighboring municipalities concerning land-use decisions, and to take into consideration regional impacts when making land-use decisions. (Master Plan - Element XI)

Transportation Choices - We pledge to promote transportation choices with interconnectivity by considering all modes of transportation, including walking, biking, transit and automobiles, when planning transportation projects and reviewing development applications. We will reevaluate our

parking lots with the goal of increasing permeability and promoting multi-use options. (Master Plan – Element XII and Element V)

Natural Resource Protection - We pledge to take action to protect the natural resources of the State for environmental, recreational and agricultural value, avoiding or mitigating negative impacts to these resources. Further, we pledge to update our Natural Resources Inventory and community forestry management plan, when feasible, to identify and assess the extent of our natural resources (Master Plan – Element VI) and to link natural resource management and protection to future development (Master Plan – Element XII p1-2), land-use and open space planning (Master Plan – Appendix A).

Mix of Land Uses - We pledge to use our regional planning and zoning powers to allow for a mix of residential, retail, commercial, recreational and other land use types in areas that make the most sense for our municipality and the region. (Master Plan – Element XII p2 & Element III) (Housing Element and Fair Share Plan)

Housing Options - We pledge, through the use of our regional planning, zoning and revenue generating powers, to foster a appropriate mix of housing types and locations, to meet the needs of all people at a range of age and income levels in appropriate areas of the Borough. (Master Plan – Element III)

Green Design - We pledge to incorporate the principles of green design and renewable energy generation into municipal buildings to the extent feasible and when updating our site plan and subdivision requirements for residential and commercial buildings. (Sustainable Jersey Resolutions & Practice)

Municipal Facilities Siting - We pledge, to the extent feasible, to take into consideration factors such as walkability, bikability, greater access to public transit, proximity to other land-use types, and open space when locating new or relocated municipal facilities. (Master Plan – Element V p4)

XX

CERTIFICATION: I hereby certify the foregoing to be a true and correct copy of a resolution duly adopted by the Borough Council of Mountain Lakes, New Jersey, at a meeting held on October 9, 2017.

Valerie A. Egan, Municipal Clerk

Name	Motion	Second	Aye	Nay	Absent	Abstain
Barrett						
Happer						
Horst						
Korman						
Shepherd						
Barnett						
Holmberg						

BOROUGH OF MOUNTAIN LAKES

RESOLUTION 159-17

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR A MODIFICATION TO TREATMENT WORKS APPROVAL WITH THE STATE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION (KINGS MT. LAKES, LLC/BLOCK 3.01, LOT 116, 145 ROUTE 46)

WHEREAS, there is a need to apply for a modification to the Treatment Works Approval from the State of New Jersey Department of Environmental Protection Division of Water Quality in connection with the development of "The Enclave at Mountain Lakes" – Kings Mt. Lakes, L.L.C. (Block 3.01, Lot 116 as shown on the Tax Map of the Borough of Mountain Lakes); and

WHEREAS, the Borough of Mountain Lakes is required to consent to the filing of an application for modification of the Treatment Works Approval Permit Application.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Mountain Lakes, in the County of Morris and State of New Jersey, that the appropriate municipal officials are hereby authorized to execute the Consent by the Governing Body for the application for modification of the Treatment Works Approval Permit for "The Enclave at Mountain Lakes" – Kings Mt. Lakes, L.L.C. (Block 88, Lots 18.01-18.44) in the Borough of Mountain Lakes.

XX

CERTIFICATION: I hereby certify the foregoing to be a true and correct copy of a resolution duly adopted by the Borough Council of Mountain Lakes, New Jersey, at a meeting held on October 9, 2017.

Valerie A. Egan, Municipal Clerk

Name	Motion	Second	Aye	Nay	Absent	Abstain
Barrett						
Happer						
Horst						
Korman						
Shepherd						
Barnett						
Holmberg						



**MEETING MINUTES OF THE COUNCIL OF THE BOROUGH OF MOUNTAIN LAKES
SEPTEMBER 25, 2017
HELD AT BOROUGH HALL, 400 BOULEVARD, MOUNTAIN LAKES, NJ 07046**

CALL TO ORDER AND OPEN PUBLIC MEETINGS ACT STATEMENT

This meeting is being held in compliance with Public Law 1975, Chapter 231, Sections 4 and 13, as notice of this meeting and the agenda thereof had been reported to The Citizen and the Morris County Daily Record and The Star Ledger on January 5, 2017 and posted in the municipal building.

Mayor Holmberg called the meeting to order at 8:00 p.m. in the municipal building.

ROLL CALL ATTENDANCE

Roll Call	<u>Present</u>	<u>Absent</u>		<u>Present</u>	<u>Absent</u>
Barrett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Shepherd	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Happer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Barnett	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Horst	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Holmberg	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Korman	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

FLAG

Mayor Holmberg led the salute to the flag.

COMMUNITY ANNOUNCEMENTS

Mayor Holmberg stated that the Fire Dept. will be holding their annual dinner on October 28th at Zeris Inn. The public is invited. Mayor Holmberg stated that the municipality will be holding another building open house tour this Sunday. He stated that Mr. Sheola will be ending his tenure at Mountain Lakes. He thanked Mr. Sheola for his service to the Borough. Ms. Horst stated that the Board of Education will be holding a special election tomorrow from 7am to 8pm.

BOROUGH COUNCIL DISCUSSION ITEMS

Emerald Ash Borer

Marnie Vyff and Consuelo Murtagh came before the Council to discuss the Emerald Ash Borer. Ms. Murtagh spoke about having an Emerald Ash Borer Task Force. She stated that there are 78 Ash trees in the right of way in the Borough. There are no tree counts in the wooded areas. She spoke of the options regarding the Ash trees. The Shade Tree as a commission has recommended that pesticides not be used to combat the Emerald Ash Borer. Tree removal and tree replacement has been recommended. The idea of harvesting was presented. It might be possible to have a company harvest the Ash trees. She stated that community education and outreach is important. She stated that she would like to see the DPW have training regarding the Emerald Ash Borer.

SPECIAL PRESENTATIONS

Borough Hall/Public Safety Facility Renovation Update

Mr. Sheola made a presentation regarding an update to the of Borough Hall facilities renovation discussion. He discussed the amount of employees that use the building and the departments that use the building. There are storage issues in all departments. There are building mechanical issues. There are major deficiencies in the Police Department. There is only one entrance into the police department for both prisoners and the public. There is only one restroom. The locker facilities are lacking. The fire department has no decontamination area. No shower or eye wash area. The parking for members is limited. He explained that the work spaces in the administration offices have no privacy. There is no conference room. There is a need for a server room. This topic has been discussed several times over the years. Mr. Jeff Berei architect on the committee spoke about the square footage needed for operations. The current building is 7500 net square feet. The calculated space needed for all uses is 12,000 net square feet. He discussed options. One is building a new municipal building. A second is renovating and expanding the existing building. The last option was renovating only the first floor of the building and moving the police department or the fire department out of the building. Mr. Tom Menard discussed the costs of the options. Option #1 is 4.8 to 5.8 million. Option # 2 is 3.6 to 4.1 million. Option #3 would be 2.2 to 2.7 million.

Mayor Holmberg opened the meeting to the public.



**MEETING MINUTES OF THE COUNCIL OF THE BOROUGH OF MOUNTAIN LAKES
SEPTEMBER 25, 2017
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Mr. Fred Kanter, 81 Morris Avenue, stated that he sat in on the previous facilities committee. He stated that the Council at that time authorized \$25,000 for architectural work. He stated that the work was for a new building. Those plans are now useless. He asked how the municipality has suffered by having an inadequate building. He stated that the police and fire departments need to be in compliance.

Marnie Vyff, 10 Vale Drive, Chair of the Green Team, asked if the committee has looked into green building practices. She stated that different architects do different types of work. So if the council decides it will renovate or build green we need to hire an architect that does that type of work.

Mr. Steven Castellucci, Fire chief and resident, thanked the committee. He thanked the Council for looking at this project. He stated that to Mr. Kanter's question, what the municipality has suffered is being out of compliance with safety standards. He encouraged people to take the building tour this Sunday.

Mr. Joe Mullaney, Code Enforcement and former police officer, stated that the building conditions effect the moral of the employees. There was a discussion regarding when to draft a Request for Proposals. It was discussed that the RFP could be drafted and reviewed at the next Borough Hall Facilities committee meeting and then moved forward to Council.

PUBLIC COMMENT

Mayor Holmberg opened the meeting to the public

Tom Menard, 15 Bellvale Road, asked if the municipality can go back to the bidders to complete the value engineering.

Mr. Fred Kanter, 81 Hanover Road, stated that at a minimum, the Borough needs to be in compliance with all the federal and state regulations for the police and fire departments. He stated that during the last go around to renovate the building, there were too many wants instead of needs. That is why the renovations were not done. He suggested that a shared service for decontamination station could be achieved.

Linda Heisen, 2 Littlewood Court, thanked all the committees for their work. She mentioned the cost for the dam and for the school referendum. She asked how the projects are funded.

Jake DeNooyer, 79, Lake Drive stated that if we took the Board of Education offices out of the building and gave the police and fire departments the bottom floor we could probably get the project done for under \$2,000,000.

Nick Copola, 10 Woodland Ave., stated having taken the tour, the police department is horrible. He stated that if he was going to spend money, it should be for the police department first. Prioritizing is important.

ATTORNEY'S REPORT

Mr. Oostdyk recommended removing resolutions 150-17 and 151-17 from the Consent Agenda. Both deal with the lease of the Station property.

MANAGER'S REPORT

Beach Project Update

Mr. Sheola updated those present on the committees discussion regarding the beach project. The consensus of the committee is to move the project forward. There was a discussion regarding doing some of the work in house to save money. It was the consensus of the Council that the budget for this project should not be raised.

Mr. Sheola reviewed the rest of his report. He stated that King of Kings was approved by the Planning Board.

ORDINANCES

None

***CONSENT AGENDA ITEMS**

Matters listed as Consent Agenda Items are considered routine and will be enacted by one motion of the Council and one roll call vote. There will be no separate discussion of these items unless a Council member requests an item be removed for consideration.

***RESOLUTIONS**

R149-17, Authorization for the payment of bills



MEETING MINUTES OF THE COUNCIL OF THE BOROUGH OF MOUNTAIN LAKES
SEPTEMBER 25, 2017
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R150-17, Authorization for the return of the security deposit for the Station at Mountain Lakes lease (removed from consent)

R151-17, Authorizing the new lease of Municipal property, (The Station) (removed from consent)

R152-17, Authorization for a refund of the overpayment of taxes

R153-17, Authorization for a refund of the overpayment of taxes

R154-17, Authorization for a refund of the overpayment of taxes

***APPROVAL OF MINUTES**

Regular minutes of September 11, 2017 (Barrett not eligible)

Executive

1) APPROVAL OF REPORTS FOR FILING (reports are included only if checked)

- ☒ Construction Department
- ☒ Department of Public Works
- ☒ Finance
- ☒ Fire Department
- ☒ Health Department
- ☒ Police Department
- ☒ Recreation Department
- ☒ Property maintenance report

***BOARD AND COMMITTEE AND COMMISSION APPOINTMENTS**

None

Approval of the Consent Agenda

(Resolutions 150-17 and 151-17 were removed from the agenda and are not part of this approval)

Council member	M	2nd	Yes	No	Abstain	Absent
Barrett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Happer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Horst	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Korman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shepherd	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barnett	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Holmberg	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COUNCIL REPORTS

Mr. Happer stated that Historic Preservation met. They will be holding an open house at the Library. They are talking about preserving some of the town's historic landmarks. Mr. Shepherd stated that the Lakes Committee will be holding a meeting at Birchwood Lake on Tuesday October 3rd. Ms. Horst stated that the Library board met. The library will be installing a bike rack at their own cost.

PUBLIC COMMENT

Please state your name and address for the record. Each speaker is limited to one (1) comment of no more than five (5) minutes and no yielding of time to another person.

Mayor Holmberg opened the meeting to the public.

Mr. Fred Kanter, 81 Hanover Road, stated that he is seeing very little change in the way Council operates. He suggested that the new members review their campaign literature. He complained that people are making interruptions during the meeting and when he is speaking. He stated that the Mayor is responsible for keeping decorum during the meeting. He



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mentioned asking questions of the Council at a prior meeting. He stated that his questions were not answered. He stated that the questions were in regards to the parking ordinance and the treatment of African Americans in Mountain Lakes. He stated that a proclamation was signed by the Mayor regarding the treatment of minorities. He stated that he had given the Council examples of the mistreatment of minorities in Mountain Lakes and was told to discuss this matter with the Manager.

Mayor Holmberg responded to Mr. Kanter's comments. He stated that he will assure that there is decorum extended to Mr. Kanter and all residents. He stated that there is no tolerance for the mistreatment of anyone regardless of their color, creed or religion. He stated that we take this extremely seriously. He stated that he said that a month ago and he is saying it again now. He stated that the incident that Mr. Kanter made Council aware of was looked into and the person he mentioned was reached out to. They revisited the training that goes on regarding this matter with all employees especially with the Police Department, and he assured that this training does go on to assure that everyone is treated equally. He stated that he thought it was important that the Manager and the Chief of Police work with the individual that Mr. Kanter mentioned. It is now up to that individual to work with our Manager and Chief of Police. Mr. Shepherd stated that there were several efforts made to reach out to that individual. Ms. Korman stated that she reached out to a family who she had mentioned at a prior meeting who lived in Mountain Lakes to see if they ever experienced racial profiling and she was told that neither they or their extended family or friends ever experienced any racial profiling in Mountain Lakes.

NEXT STEPS AND PRIORITIES

Mayor Holmberg reviewed the following next steps and priorities:

Next step	Completed by	Completion date
Draft new Request For Proposals for beach project architect and then bring it to Council for review and approval	Borough Hall Facilities Committee	TBD
Review the Station lease and resolutions 150-17 and 151-17 and put them on a future agenda	Mr. Sheola, Mr. Oostdyk	TBD

ADJOURNMENT at 10:49 P.M.

Motion made by Councilmember Barrett, second by Councilmember Happer to adjourn the meeting at 10:49 p.m., with all members in favor signifying by "Aye".

Respectfully Submitted

Valerie A Egan Borough Clerk

Elizabeth (Betsy) Myatt is the Executive Director of the Northeast Division of the Insurance Industry Charitable Foundation (IICF), a nonprofit organization that unites the collective strength of the insurance industry to give back to our communities through grants, volunteer service, and leadership.

Under her leadership, the IICF Northeast Division has expanded from the New York tri-state to New England with a Boston Chapter and into Pennsylvania with a Philadelphia Chapter. Betsy has had primary responsibility for the IICF Women in Insurance Conference Series which has attracted over 3,600 people in its first four years.

Prior to joining IICF, Betsy had been a C-level executive in both for-profit companies and nonprofit organizations. Betsy's non-profit background includes her role as CEO of the World Lung Foundation. She previously served, simultaneously, as Vice-President of Patient and Professional Services and Chief Technology Officer at the national headquarters of the Crohn's & Colitis Foundation of America (CCFA) in New York.

Her for-profit background includes Chief Technology Officer and Chief Operating Officer roles in financial services, manufacturing, and software companies, as well as management consulting in the insurance industry.

After graduating from Vanderbilt University, Betsy started her professional life as an English teacher in an underserved community and has been a lifelong advocate for education. She has consistently served as a volunteer in the communities where she has lived. Currently, she lives in Mountain Lakes, New Jersey where she serves on the board of a local non-profit and is a trustee of the endowment of her church.

Robert Aiello

President at 12Volt Distributors

Summary

N/A

Experience

Territory Manager at Restronics Metro

March 2015 - Present

President

January 2007 - Present

Sales Counselor at PC Richard & Son

2009 - 2011 (3 years)

Director of Sales and Marketing

January 2004 - December 2008 (5 years)

Sales/Designer at Electronics World

2008 - 2008 (1 year)

Director of Sales at GRT-Mars

May 1998 - December 2002 (4 years 8 months)

Product Manager

1994 - 1998 (5 years)

sales engineer

1994 - 1995 (2 years)

Product Manager

1991 - 1993 (3 years)

Education

University of Bridgeport

MBA, Marketing, 1990 - 1992

University of Bridgeport

BSEE, Electrical Engineering, 1983 - 1988

west essex

Robert Aiello

President at 12Volt Distributors



[Contact Robert on LinkedIn](#)