

**CITY OF SEA ISLE CITY  
NEW JERSEY**

**REORGANIZATION MEETING  
TUESDAY, JULY 1, 2025– 12:00 NOON  
COUNCIL CHAMBERS – 3<sup>RD</sup> FLOOR, CITY HALL  
233 JFK BLVD., SEA ISLE CITY, NJ**

**A G E N D A**

*Pledge of Allegiance Led by Sea Isle City's VFW Post 1963 Color Guard &  
Sea Isle City's Boy Scout Troop 76  
National Anthem – Andi Glassford  
Benediction by Councilman William Kehner*

*ADMINISTERING OATH OF OFFICE – Ian Ciseck  
Oath of Office Administered to Ian Ciseck by the Honorable Vincent Morrison,  
Municipal Court Judge*

*ADMINISTERING OATH OF OFFICE – Michael Jargowsky  
Oath of Office Administered to Michael Jargowsky by Leonard Desiderio, Mayor of Sea Isle City*

*ADMINISTERING OATH OF OFFICE – Mary L. Tighe  
Oath of Office Administered to Mary L. Tighe by Leonard Desiderio, Mayor of Sea Isle City*

*Statements by newly elected and re-elected Council-at-Large Members*

*Nominations and Election of Council President*

**CALL TO ORDER – Council President**

**ROLL CALL**

**OPEN PUBLIC MEETINGS ACT ANNOUNCEMENT**

**REPORTS–MAYOR & ADMINISTRATION**

**REPORTS - COUNCIL MEMBERS**

**CITIZEN COMMENT ~ Resolutions on Consent Agenda**

**RESOLUTION – Consent Agenda**

- 127 Authorizing the Approval of Vouchers
- 128 Re-Appointing Councilman Frank P. Edwardi to the Planning Board (1 Year)
- 129 Re-Appointing Councilman William J. Kehner to the Tourism Commission (1 Year)
- 130 Authorizing Professional Services for City Solicitor (Paul J. Baldini, PA, rates per contracted fees schedule)
- 131 Authorizing Professional Services for Auditing and Accounting (Ford, Scott & Assoc., rates per contracted fee schedule not to exceed \$52,500)
- 132 Authorizing Professional Services for Financial Advising and Continuing Disclosure (Phoenix Advisors, rates per contracted fee schedule)

**PENDING BUSINESS**

**NEW BUSINESS**

**CITIZEN COMMENT**

**ADJOURNMENT**

CITY OF SEA ISLE CITY  
NEW JERSEY

RESOLUTION NO. 127 2025

WHEREAS, N.J.S.A. 40A:5-17 provides for the approval of claims in manner provides by ordinance; and

WHEREAS, the City Council of Sea Isle City duly enacted Ordinances which provide a method for approval of claims, recordation thereof, and the payment of such claims by the City of Sea Isle City; and:

WHEREAS, The City Council have reviewed and considered invoices as follows:

PREVIOUS PAID BILLS:

SEA ISLE CITY PAYROLL  
SEA ISLE CITY PAYROLL

| <u>VENDOR</u>                   | <u>AMOUNT</u> |
|---------------------------------|---------------|
| ADVANCEON, LLC                  | 3,934.89      |
| ADVANTAGE RENTAL & SALES, INC.  | 1,005.40      |
| AT&T MOBILITY, LLC              | 2,324.55      |
| AT&T ONE NET SERVICE            | 49.63         |
| BANKS, CJ                       | 125.00        |
| B&E SPORTSWEAR                  | 400.00        |
| BLAZE EMERGENCY EQUIPMENT CO    | 21,377.10     |
| C.M.C. MUA                      | 34,882.65     |
| COMCAST                         | 131.10        |
| COMCAST BUSINESS                | 1,055.00      |
| COMPANY WRENCH                  | 863.65        |
| COMPLETE CONTROL SERVICES, INC. | 7,238.32      |
| DASH MEDICAL GLOVES             | 160.36        |
| EQUITABLE FIN LIFE INS/AMERICA  | 552.60        |
| EVERON, LLC                     | 844.83        |
| GILLIAN-SCHWARTZ LAW, LLC       | 666.67        |
| GRAN TURK EQUIPEMENT, LLC       | 427.40        |
| JERSEY CAPE                     | 29,840.00     |
| N.J. STATE ASSOC. OF CHIEFS PD  | 975.00        |
| NUMERITEX                       | 65,150.00     |
| OCEAN CITY SENTINEL             | 95.00         |
| PEDRONI FUEL COMPANY            | 3,861.30      |
| SEASHORE ASPHALT CORPORATION    | 222.72        |
| STIER ELECTRIC CO, INC.         | 18,950.00     |
| SURRAN'S NURSERY, LLC           | 2,925.00      |
| SWEENEY, KRISTIN                | 125.00        |

|                             |          |
|-----------------------------|----------|
| TEC ELEVATOR                | 436.80   |
| TEC ELEVATOR                | 171.00   |
| THOMPSON REUTERS, INC.      | 9,124.00 |
| TREASURER, STATE OF NJ      | 1,810.00 |
| ULINE, INC.                 | 1,204.84 |
| VERIZON                     | 973.99   |
| VISION BENEFITS OF AMERICA  | 1,006.22 |
| WELLS FARGO VENDOR FIN SERV | 1,785.75 |
| W.B. MASON COMPANY, INC.    | 17.98    |

214,713.75

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Sea Isle City, NJ as follows:

1. All of those invoices as set forth above (with the exception of those items containing a line drawn through them and relisted to paragraph 2 below) are hereby approved. The Municipal Clerk is hereby authorized (as per section 6 of Ordinance 716) to indicate said approval on each invoice and to record same in the official minutes.
  
2. All of the following invoices are disapproved by this Council:

**VENDOR AMOUNT:**

The Municipal Clerk is hereby directed to appropriately record the disapproval of the invoices noted in this paragraph in the official minutes.

3. All of those invoices listed in the recital as set forth above containing the initials of not more than one council Person immediately to the left of each line shall be deemed approved (as per paragraph number one above) by a majority vote of the remaining Council members. Those invoices listed in the recital as set forth above containing a line drawn through the vendor's name and amount and relisted in paragraph 2 shall be deemed a rejection of said invoices and shall not be paid.

**Recorded Vote:**

\_\_\_\_\_, **Council President**

| Council   | Yes | No | Abstain | Absent | Moved | Second |
|-----------|-----|----|---------|--------|-------|--------|
| Edwardi   |     |    |         |        |       |        |
| Jargowsky |     |    |         |        |       |        |
| Ciseck    |     |    |         |        |       |        |
| Kehner    |     |    |         |        |       |        |
| Tighe     |     |    |         |        |       |        |

**I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of Sea Isle City, New Jersey, at the regular meeting held on Tuesday, July 1, 2025.**

\_\_\_\_\_  
**Shannon D. Romano, Municipal Clerk**

**CITY OF SEA ISLE CITY  
NEW JERSEY**

**RESOLUTION NO. 128 (2025)**

**APPOINTING CLASS III MEMBER TO THE PLANNING BOARD OF THE  
CITY OF SEA ISLE CITY, NEW JERSEY**

**BE IT RESOLVED** by the City Council of the City of Sea Isle City, New Jersey, that Frank P. Edwardi, Jr., be and is hereby appointed to serve as the Class III Member of the Sea Isle City Planning Board for a term of one (1) year, effective July 1, 2025.

\_\_\_\_\_  
**, Council President**

**Recorded Vote:**

| Council | Yes | No | Abstain | Absent | Moved | Second |
|---------|-----|----|---------|--------|-------|--------|
| Feeley  |     |    |         |        |       |        |
| Edwardi |     |    |         |        |       |        |
| Kehner  |     |    |         |        |       |        |
| Tighe   |     |    |         |        |       |        |
| Gibson  |     |    |         |        |       |        |

**I HEREBY CERTIFY THAT** the foregoing resolution was duly adopted by the City Council of the City of Sea Isle City, New Jersey, at the regular meeting held on Tuesday, July 01, 2025.

\_\_\_\_\_  
**Shannon D. Romano, Municipal Clerk**

**CITY OF SEA ISLE CITY  
NEW JERSEY**

**RESOLUTION NO. 129 (2025)**

**RE-APPOINTING CITY COUNCIL MEMBER TO THE  
TOURISM COMMISSION**

**BE IT RESOLVED** by the City Council of the City of Sea Isle City, New Jersey, that William J. Kehner be and he is hereby re-appointed to serve on the Sea Isle City Tourism Commission for a (1) one-year term commencing, July 1, 2025.

**BE IT FURTHER RESOLVED** that a certified copy of this resolution be forwarded to the Tourism Commission and Council member William J. Kehner.

\_\_\_\_\_  
, **Council President**

**Recorded Vote:**

| Council        | Yes | No | Abstain | Absent | Moved | Second |
|----------------|-----|----|---------|--------|-------|--------|
| <b>Feeley</b>  |     |    |         |        |       |        |
| <b>Edwardi</b> |     |    |         |        |       |        |
| <b>Kehner</b>  |     |    |         |        |       |        |
| <b>Tighe</b>   |     |    |         |        |       |        |
| <b>Gibson</b>  |     |    |         |        |       |        |

**I HEREBY CERTIFY** that the foregoing resolution was duly adopted by the City Council of the City of Sea Isle City, New Jersey at the regular meeting held on Tuesday, July 01, 2025.

\_\_\_\_\_  
**Shannon D. Romano, Municipal Clerk**

CITY OF SEA ISLE CITY  
NEW JERSEY

RESOLUTION NO. 130 (2025)

**AUTHORIZING PROFESSIONAL SERVICES FOR CITY SOLICITOR**

WHEREAS, the City plans to receive professional services from Paul J. Baldini, PA (Vendor), 4413 New Jersey Avenue, Wildwood, NJ 08260 for City Solicitor between July 1, 2025 and June 30, 2026 based on the following contracted fee schedule; and

**Hourly Fee Schedule:**

|                                |          |
|--------------------------------|----------|
| Partner .....                  | \$235.00 |
| Associate Representative ..... | \$190.00 |
| Law Clerk/Paralegal .....      | \$160.00 |
| General Clerical .....         | \$100.00 |

**Miscellaneous Out of Pocket Fee Schedule:**

|   |                 |
|---|-----------------|
| Delivery/Courier Charges (1-20 Miles) ..... | \$25.00         |
| Facsimile Charges .....                     | \$1.00 Per Page |
| Telephone Charges (Actual Long Distance)    |                 |
| Photocopies .....                           | \$0.20 Per Page |

WHEREAS, Vendor has completed and submitted a Business Entity Disclosure Certification and a Political Contribution Disclosure form; and

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Sea Isle City that the above recitals are wholly incorporated into this Resolution and granted the full force of law; and

BE IT FURTHER RESOLVED that City officials may sign, amend and/or revoke formal written contracts; and

BE IT FURTHER RESOLVED that City employees may issue purchase orders to the Vendor consistent with the fee schedule; and

BE IT FURTHER RESOLVED that City employees may issue change orders as necessary that result in minor price increases or decreases to the original anticipated value of purchase orders, or any of their parts, pursuant to N.J.S.A. 5:30-11.4; and

BE IT FURTHER RESOLVED that a brief notice shall be printed once in an official newspaper of the City.

Procurement of goods and services in 2026 is subject to the availability and appropriation of sufficient funds. The certification of availability of funds shall be executed through the budgetary accounting encumbrance process pursuant to N.J.A.C. 5:30-5.5(b) on open end contracts.

\_\_\_\_\_  
, Council President

Recorded vote:

| <u>Council</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> | <u>Absent</u> | <u>Moved</u> | <u>Second</u> |
|----------------|------------|-----------|----------------|---------------|--------------|---------------|
| Kehner         |            |           |                |               |              |               |
| Tighe          |            |           |                |               |              |               |
| Edwardi        |            |           |                |               |              |               |
| Jargowsky      |            |           |                |               |              |               |
| Ciseck         |            |           |                |               |              |               |

I HEREBY CERTIFY THAT the foregoing Resolution was duly adopted by the City Council of the City of Sea Isle City at the meeting held on July 1, 2025.

\_\_\_\_\_  
Shannon D. Romano, Municipal Clerk

CITY OF SEA ISLE CITY  
COUNTY OF CAPE MAY  
STATE OF NEW JERSEY

CONTRACT FOR PROFESSIONAL SERVICES  
RE: CITY SOLICITOR 2025-2026

**THIS AGREEMENT** made as of the \_\_\_\_\_ day of July, 2025, by and between:

THE CITY OF SEA ISLE CITY, a municipal corporation of the State of New Jersey,  
hereinafter referred to as “CITY”; and

PAUL J. BALDINI, an attorney at law of the State of New Jersey, having a practice  
at 4413 New Jersey Avenue, Wildwood, New Jersey, hereinafter referred to as  
“SOLICITOR”; and

**WITNESSETH:**

**WHEREAS**, pursuant to appointment by the Mayor on July \_\_\_\_, 2025, Paul J.  
Baldini, Esquire, was appointed City Solicitor for the City of Sea Isle City; and

**WHEREAS**, said appointment was made without competitive bidding in accordance  
with the provisions of the Local Public Contracts Law of the State of New Jersey which  
nevertheless requires the execution of a written contract; and

**WHEREAS**, the Chief Financial Officer of the City of Sea Isle City has certified the  
availability of funds for the purposes hereof through an adequate appropriation in the  
municipal budget for the current year; and

**NOW, THEREFORE**, it is agreed as follows:

**1. APPOINTMENT: TERM**

**1.1:** The City of Sea Isle City does hereby retain and employ Paul J. Baldini,  
Esquire in the capacity of Solicitor.

**1.2:** The term of said appointment shall be for one (1) year

commencing July \_\_\_\_, 2025 and continuing until re-appointment or replacement appointed by the Mayor and consented to by the Council.

## **2. DUTIES**

**2.1:** The Solicitor shall perform all of the legal duties and shall provide all of the legal services required by the City of Sea Isle City in accordance with the laws of the State of New Jersey and the Ordinances of the City.

**2.2:** The Solicitor shall also perform all of the legal duties and provide all of the legal services as are normally and customarily performed and provided by municipal attorneys within the State of New Jersey.

**2.3:** The Solicitor shall perform such further and additional duties as may be necessitated and required and as authorized by the Mayor and/or Council.

**2.4:** The Solicitor shall also provide legal services to the members of the governing body and the officials and officers of the City in their respective official capacities.

**2.5:** In addition to the foregoing, and without in any way intending to limit its generality, the Solicitor shall also perform the duties and services specified as follows:

- (a) To attend regular, special and workshop meetings of the City Council;
- (b) To prepare all required Resolutions and Ordinances;
- (c) To receive, review, and respond to all correspondence pertaining to the City's legal matters;
- (d) To review, research, and render such written and/or verbal opinions as the City may require;
- (e) To assist bond counsel in the preparation and processing of all bonding procedures;

- (f) To render general legal services required by the City;
- (g) To handle tax appeals before the County Board of Taxation;
- (h) To represent the City in grievance arbitrations; and
- (i) To handle all lawsuits filed by or against the City not otherwise covered by insurance.

**3. COMPENSATION**

**3.1:** In consideration of Solicitor’s faithful performance of his obligations under this Contract, City promises and agrees to compensate Solicitor as follows:

**Hourly Fee Schedule:**

|                               |          |
|-------------------------------|----------|
| Partner .....                 | \$235.00 |
| Associate Representative..... | \$190.00 |
| Law Clerk/Paralegal.....      | \$160.00 |
| General Clerical.....         | \$100.00 |

**Miscellaneous Out of Pocket Fee Schedule:**

|  |                  |
|--|------------------|
| Delivery/Courier Charges (1-20 Miles)..... | \$ 25.00         |
| Facsimile Charges.....                     | \$ 1.00 Per Page |
| Telephone Charges (Actual Long Distance)   |                  |
| Photocopies.....                           | \$ .20 Per Page  |

**4. SOLICITOR AS INDEPENDENT CONTRACTOR**

**4.1:** The Solicitor is required to provide professional legal services to or on behalf of the City in accordance with this Professional Services Contract. In the rendering of such services, the Solicitor is an independent contractor and officer and official of the municipality, but shall not be deemed to be an employee of the municipality.

**5. AFFIRMATIVE ACTION COMPLIANCE**

**5.1:** The City Solicitor agrees and represents that he maintains an office for the practice of law which has less than fifty (50) employees.

**5.2:** The Solicitor agrees that in the event the work force in his law firm increases to fifty (50) or more employees, that he will contact the State Affirmative Action

Paul J. Baldini, P.A.  
 4413 New Jersey Ave.  
 Wildwood, NJ 08260  
 paul@paulbaldinilaw.com  
 PJB/hkb  
 SIC Professional Contract  
 File#1027-20  
 July 2025

Office and comply in all respects with the requirements thereof including the completion and filing of an “EMPLOYEE INFORMATION REPORT”.

**5.3:** The parties agree to incorporate into this Contract the mandatory language of subsection 3.4(a) of the regulations in all respects with the requirements thereof including the completion and filing of an “EMPLOYEE INFORMATION REPORT”. The City Solicitor represents that he has a Certificate of Employee Information Report. Attached hereto is the Certificate of Employee Information Report.

**5.4:** The parties agree to incorporate into this Contract the mandatory language of subsection 3.4(a) of the regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the contractor or subcontractor agrees to comply fully with the terms provisions and obligations of said subsection 3.4(a) provided that said subsection shall be applied subject to the terms of subsection 3.4(d) of said regulations.

The parties to this Contract agree to incorporate into this Contract the mandatory language of subsection 5.3 of the regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the contractor and subcontractor agrees to comply fully with the terms, provisions and obligations of said subsection 5.3. Attached hereto is an Affirmative Action Compliance Notice and the Mandatory Equal Employment Opportunity Language executed by the City Solicitor in accordance with the requirements of P.L. 1975, c. 127.

**5.5** Attached hereto is the State of New Jersey Business Registration Certificate

for State Agency Contractors.

**6. CONTROLLING LAW**

**6.1:** This Contract shall be construed in accordance with the laws of the State of New Jersey.

**7. POLITICAL CONTRIBUTION DISCLOSURE**

**7.1:** This Contract has been awarded to Paul J. Baldini, Esquire based on his merits and abilities to provide the goods and services as described herein. This Contract was not awarded through a “fair and open process” pursuant to N.J.S.A. 19:A-20.5. As such, the undersigned does hereby attest that he will not make a contribution that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:4A-8 or 19:44A-16 during the term of the contract to any political party committee in the municipality if a member of that political party is serving in an elective public office of that municipality when the contract is awarded, or to any candidate or candidate committee of any person serving in an elective public office of that municipality when the contract is awarded or who will seek such office in the municipality during the term of this contract. Attached is the Business Entity Disclosure Certificate required pursuant to N.J.S.A. 19:44A-20.8.

**IN WITNESS WHEREOF**, the parties have caused these presents to be signed and the Mayor executes this Contract pursuant to a Resolution adopted by the Council of the City of Sea Isle City on the day and year first above written.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
LEONARD C. DESIDERIO, MAYOR  
CITY OF SEA ISLE CITY

Paul J. Baldini, PA  
4413 New Jersey Ave.  
Wildwood, NJ 08260  
paul@paulbaldinilaw.com  
PJB/hkb  
SIC Professional Contract  
File#1027-20  
July 2025

6/12/25  
\_\_\_\_\_  
Dated

\_\_\_\_\_  
PAUL J. BALDINI, ESQUIRE

CITY OF SEA ISLE CITY  
NEW JERSEY

RESOLUTION NO. 131 (2025)

**AUTHORIZING PROFESSIONAL SERVICES FOR AUDITING AND ACCOUNTING**

WHEREAS, the City plans to receive professional services from Ford, Scott & Assoc. (Vendor), 1535 Haven Avenue, Ocean City, NJ 08226 for auditing and accounting between July 1, 2025 and June 30, 2026 for approximately \$52,500.00 based on the following contracted fee schedule; and

**Hourly Rates**

|                         |                      |
|-------------------------|----------------------|
| Partners.....           | \$175.00 to \$250.00 |
| Managers.....           | \$110.00 to \$170.00 |
| Supervisors.....        | \$100.00 to \$120.00 |
| Senior Accountants..... | \$80.00 to \$110.00  |
| Staff Accountants.....  | \$70.00 to \$90.00   |
| Assistants.....         | \$50.00 to \$90.00   |

WHEREAS, Vendor has completed and submitted a Business Entity Disclosure Certification and a Political Contribution Disclosure form; and

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Sea Isle City that the above recitals are wholly incorporated into this Resolution and granted the full force of law; and

BE IT FURTHER RESOLVED that City officials may sign, amend and/or revoke formal written contracts; and

BE IT FURTHER RESOLVED that City employees may issue purchase orders to the Vendor consistent with the fee schedule; and

BE IT FURTHER RESOLVED that City employees may issue change orders as necessary that result in minor price increases or decreases to the original anticipated value of purchase orders, or any of their parts, pursuant to N.J.S.A. 5:30-11.4; and

BE IT FURTHER RESOLVED that a brief notice shall be printed once in an official newspaper of the City.

Procurement of goods and services in 2026 is subject to the availability and appropriation of sufficient funds. The certification of availability of funds shall be executed through the budgetary accounting encumbrance process pursuant to N.J.A.C. 5:30-5.5(b) on open end contracts.

\_\_\_\_\_  
, Council President

Recorded vote:

| <u>Council</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> | <u>Absent</u> | <u>Moved</u> | <u>Second</u> |
|----------------|------------|-----------|----------------|---------------|--------------|---------------|
| Kehner         |            |           |                |               |              |               |
| Tighe          |            |           |                |               |              |               |
| Edwardi        |            |           |                |               |              |               |
| Jargowsky      |            |           |                |               |              |               |
| Ciseck         |            |           |                |               |              |               |

I HEREBY CERTIFY THAT the foregoing Resolution was duly adopted by the City Council of the City of Sea Isle City at the meeting held on July 1, 2025.

\_\_\_\_\_  
Shannon D. Romano, Municipal Clerk



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

June 3, 2025

Mayor and Governing Body  
and City Administrator  
City of Sea Isle City  
233 John F. Kennedy Blvd  
Sea Isle City, N.J. 08243

Members of the Governing Body & Administration:

We are pleased to confirm our understanding of the services we are to provide the City of Sea Isle City for the year ending December 31, 2025.

## **Audit Scope and Objectives**

We will audit the regulatory basis financial statements, including the related notes to the regulatory basis financial statements, which collectively comprise the basic financial statements, of the City of Sea Isle City as of and for the year ending December 31, 2025. In addition, we will assist you in preparing the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Assistance in the preparation of the 2026 Local Municipal Budget from information provided to us by officials of the City of Sea Isle City.
- Assistance in the preparation of the 2025 Annual (Unaudited) Financial Statement utilizing the post-closing trial balances and analyses prepared by the Chief Financial Officer of the City of Sea Isle City.
- Assistance in the preparation of the 2025 Financial Statements and related notes utilizing the post-closing trial balances and analyses prepared by the Chief Financial Officer of the City of Sea Isle City.
- Assistance in the preparation of the 2025 Annual Debt Statement.

We have also been engaged to report on supplementary information other than required supplementary information that accompanies the City of Sea Isle City's financial statements. We will subject the following supplementary information, if applicable, to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance (if applicable).
- Supplemental information and schedules required by the NJ Division of Local Government Services.

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists we are required to describe it in our report.

- Other Comments and Recommendations

Separately, we will also prepare and issue the following reports and documents as required by the Division of Local Government Services:

- Court Report
- Dog Report
- New Jersey Audit Questionnaire
- Uniform Construction Code Enforcement Fee Report

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with the New Jersey Regulatory Basis of Accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB 15-08, if applicable.

#### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB 15-08, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance and New Jersey OMB Circular 15-08, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors; (2) fraudulent financial reporting; (3) misappropriation of assets; or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, or any fraudulent financial reporting, or misappropriation of assets, that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the evidence obtained, where there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include test of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements, schedule of expenditures of federal awards, federal award programs, schedule of expenditures of state financial assistance, state award programs, compliance with laws, regulations, contracts and grant agreements, and other responsibilities required by the auditing standards generally accepted in the United States of America.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Cash
- Revenue
- Expenditures

#### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by Uniform Guidance and New Jersey OMB Circular 15-08, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Uniform Guidance and New Jersey OMB Circular 15-08.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, Uniform Guidance, and New Jersey OMB Circular 15-08.

**Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of your compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Uniform Guidance and NJ OMB 15-08 require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement and NJ OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs, if applicable. For federal and state programs that are included in the OMB Compliance Supplement and NJ OMB Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the OMB Compliance Supplement and NJ OMB Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on your compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to Uniform Guidance and NJ OMB 15-08.

**Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance, if applicable, and related notes of the entity in conformity with the New Jersey Regulatory Basis of Accounting prescribed by the New Jersey Division of Local Government Services, Uniform Guidance and NJ OMB 15-08 based on information provided by you. We will also assist in the preparation of the Local Municipal Budget, the Annual Financial Statement, and the Annual Debt Statement. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance, and the related notes, if applicable, the Local Municipal Budget, the Annual Financial Statement, and the Annual Debt Statement, previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

**Responsibilities of Management for the Financial Statements and Single Audit**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance in accordance with the requirements of Uniform Guidance and New Jersey OMB Circular 15-08, if applicable. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and related notes. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance and related notes, and any other non-audit services we provide. You will be required to acknowledge in the written representation letter our assistance with the preparation of the financial statements and schedule of expenditures of federal awards, and schedule of expenditures of state financial assistance, and related notes, and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of

expenditures of federal awards, schedule of expenditures of state financial assistance, and all accompanying information in conformity with the New Jersey Regulatory Basis of Accounting; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making drafts of financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance, and all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under Uniform Guidance and New Jersey OMB Circular 15-08; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Municipality from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance, federal and state award programs, compliance with laws, regulations, contracts, and grant agreements, and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Municipality involving (1) management; (2) employees who have significant roles in internal control; and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Municipality received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by Uniform Guidance and New Jersey OMB Circular 15-08, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for preparation of the schedule of expenditures of federal awards in conformity with Uniform Guidance, and the schedule of expenditures of state financial assistance in conformity with New Jersey OMB Circular 15-08 (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance and New Jersey OMB 15-08. You agree to include our report on the schedule of expenditures of federal awards, and schedule of expenditures of state financial assistance, in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance, that includes our report thereon or make the audited financial statements available to intended users of the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance, issued with our report thereon or make the audited financial statements readily available to intended users of the schedules of expenditures of federal awards, and the schedule of expenditures of state financial assistance, issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the schedule of expenditures of federal awards in accordance with Uniform Guidance, and the schedule of expenditures of state financial assistance in accordance with New Jersey OMB 15-08; (2) that you believe the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance, including its form and content, are fairly presented in accordance with Uniform Guidance, and New Jersey OMB Circular 15-08; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have

disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the New Jersey Regulatory Basis of Accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the New Jersey Regulatory Basis of Accounting; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the New Jersey Regulatory Basis of Accounting; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will provide all documentation we request and information selected by us for testing.

At the conclusion of the engagement, if applicable, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the Municipality and the Division of Local Government Services, however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Ford, Scott & Associates, L.L.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Ford, Scott & Associates, L.L.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Municipality. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Leon P. Costello is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$52,500. In addition, we will bill separately at our standard hourly rates for any additional services requested by the City of Sea Isle City. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We will also be involved with any Bond Issues or Note Sales by assisting in the compilation of necessary data. In addition, you are responsible for all secondary market disclosure, but we will assist you in compiling the necessary statistical data. Fees for Bond Issue, Note Sales and secondary market disclosure will be billed in addition to the agreed engagement fee stated above.

If we are to provide any services outside of the scope of this engagement, we must emphasize that you are responsible for management decisions and functions, and for designating a competent employee to oversee any other services we provide. You are responsible for evaluating the adequacy and results of any services performed and accepting responsibility for such services. You are also responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

### **Reporting**

We will issue written reports upon completion of our audit. Our reports will be addressed to the Governing Body of the entity. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraphs to our auditor's report. Since the entity's financial statements are presented in accordance with the New Jersey Regulatory Basis of Accounting, our opinion will be adverse for presentation in accordance with the New Jersey Regulatory Basis of Accounting. If our opinion on the financial statements or, if applicable, the Single Audit Act Compliance opinions based on the New Jersey Regulatory Basis of Accounting, is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*, and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance; and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Uniform Guidance and New Jersey OMB 15-08 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB 15-08. Both reports will state that the report is not suitable for any other purpose. If during our audit we become aware that the Municipality is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America, and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2022 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City of Sea Isle City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,

**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

RESPONSE:

This letter correctly sets forth the understanding of the City of Sea Isle City.

By: \_\_\_\_\_  
City Administrator

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mayor

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## **REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

January 10, 2023

To the Partners of Ford, Scott & Associates, LLC  
and the Peer Rev Committee of the NJCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Ford, Scott & Associates, LLC (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### ***Firm's Responsibility***

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### ***Peer Reviewer's Responsibility***

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### ***Required Selections and Considerations***

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



***Opinion***

In our opinion, the system of quality control for the accounting and auditing practice of Ford, Scott & Associates, LLC in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Ford, Scott & Associates, LLC has received a peer review rating of *pass*.

*Nicholas Pith*

DAVIE KAPLAN, CPA, P.C.



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

June 3, 2025

Mayor and Governing Body  
and City Administrator  
City of Sea Isle City  
233 John F. Kennedy Blvd  
Sea Isle City, N.J. 08243

The following is a schedule of compensation work rates submitted in accordance with the terms of the contract of engagement for work performed in 2025:

|                    | <u>HOURLY RATE</u>   |
|--------------------|----------------------|
| Partners           | \$175.00 to \$250.00 |
| Managers           | \$110.00 to \$170.00 |
| Supervisors        | \$100.00 to \$120.00 |
| Senior Accountants | \$80.00 to \$110.00  |
| Staff Accountants  | \$70.00 to \$90.00   |
| Assistants         | \$50.00 to \$90.00   |

Very truly yours,

**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Registered Municipal Accountant  
No. 393

CITY OF SEA ISLE CITY  
NEW JERSEY

RESOLUTION NO. 132 (2025)

**AUTHORIZING PROFESSIONAL SERVICES FOR FINANCIAL ADVISING AND  
CONTINUING DISCLOSURE**

WHEREAS, the City plans to receive professional services from Phoenix Advisors (Vendor), 625 Farnsworth Avenue, Bordentown, NJ 08505 for financial advising and continuing disclosure as needed between July 1, 2025 and June 30, 2026 based on the following contracted fee schedule; and

- ❖ \$1,600.00 base fee (for up to three outstanding issues), plus \$100 for each additional outstanding obligation, if filings are required.
- ❖ \$450.00 per issue set-up charge, discounted to \$200 if Phoenix Advisors serves as Municipal Advisor on the transaction.
- ❖ \$250 for each Event filing they make under the SEC's Event Disclosure Rule. Phoenix Advisors will waive this fee if engaged as Municipal Advisor on a transaction that involves such Event filing.
- ❖ \$250.00 for each Notice of Redemption made in connection with an outstanding term bond maturity.
- ❖ All fees are accumulated and invoiced toward the end of the relevant year.

WHEREAS, Vendor has completed and submitted a Business Entity Disclosure Certification and a Political Contribution Disclosure form; and

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Sea Isle City that the above recitals are wholly incorporated into this Resolution and granted the full force of law; and

BE IT FURTHER RESOLVED that City officials may sign, amend and/or revoke formal written contracts; and

BE IT FURTHER RESOLVED that City employees may issue purchase orders to the Vendor consistent with the fee schedule; and

BE IT FURTHER RESOLVED that City employees may issue change orders as necessary that result in minor price increases or decreases to the original anticipated value of purchase orders, or any of their parts, pursuant to N.J.S.A. 5:30-11.4; and

BE IT FURTHER RESOLVED that a brief notice shall be printed once in an official newspaper of the City.

Procurement of goods and services in 2026 is subject to the availability and appropriation of sufficient funds. The certification of availability of funds shall be executed through the budgetary accounting encumbrance process pursuant to N.J.A.C. 5:30-5.5(b) on open end contracts.

\_\_\_\_\_  
, Council President

Recorded vote:

| <u>Council</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> | <u>Absent</u> | <u>Moved</u> | <u>Second</u> |
|----------------|------------|-----------|----------------|---------------|--------------|---------------|
| Kehner         |            |           |                |               |              |               |
| Tighe          |            |           |                |               |              |               |
| Edwardi        |            |           |                |               |              |               |
| Jargowsky      |            |           |                |               |              |               |
| Ciseck         |            |           |                |               |              |               |

I HEREBY CERTIFY THAT the foregoing Resolution was duly adopted by the City Council of the City of Sea Isle City at the meeting held on July 1, 2025.

\_\_\_\_\_  
Shannon D. Romano, Municipal Clerk



**AGREEMENT**  
**for**  
**Municipal Advisor and Continuing Disclosure Services**

**THIS AGREEMENT** (the "Agreement"), made and entered into on July 1, 2025, by and between Sea Isle City, 233 JFK Boulevard, Sea Isle City, NJ 08243 (the "Client"), and Phoenix Advisors, 2000 Waterview Drive - Suite 101, Hamilton, NJ 08691 ("Phoenix Advisors"),

**WITNESSETH:**

**WHEREAS** Phoenix Advisors has expertise across a variety of disciplines, including but not limited to municipal advisor services, continuing disclosure, rating agency surveillance, project finance, debt management and financial consulting, and being duly registered as a Municipal Advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), is qualified to perform such professional services;

**WHEREAS** the Client desires to engage Phoenix Advisors, or its successors or assigns, to perform the professional services set forth in the exhibits hereto; and

**WHEREAS** the terms and conditions under which Phoenix Advisors will provide such services to the Client are set forth herein;

NOW, THEREFORE, THE PARTIES HERETO, IN CONSIDERATION OF MUTUAL COVENANTS HEREIN CONTAINED AND OTHER GOOD AND VALUABLE CONSIDERATION, EACH INTENDING TO BE LEGALLY BOUND, HEREBY AGREE AS FOLLOWS:

**General.** Phoenix Advisors will perform the professional services set forth in the exhibits hereto.

**Term.** This Agreement shall have a term of one (1) year from the effective date noted above. This Agreement is subject to annual renewal and may be terminated by either the Client or Phoenix Advisors upon thirty (30) days prior written notice.

**General Compensation.** The client agrees to the compensation schedule as set forth in the exhibits hereto. There shall be no additional charge for out-of-pocket expenses incurred by Phoenix Advisors unless specifically agreed. Should any modification of fees become appropriate, the client shall receive written notification. In the event of termination of the agreement, Phoenix Advisors reserves the right to receive payment of its fee, calculated on a pro rata basis, for all services rendered under this Agreement up to and including the date of termination.

**Professional Qualifications for Municipal Advisor Services.** Under SEC and MSRB regulations, municipal advisor professionals owe a fiduciary duty to the Client. Any person that provides advice to municipal entities concerning the issuance of municipal securities must be registered with the SEC and the MSRB. Any Phoenix Advisors professional providing municipal advisory advice to our clients must hold a Series 50 Municipal Advisor Representative license. Phoenix Advisors professionals who supervise the provision of municipal advisory advice must hold a



Series 54 Municipal Advisor Principal license. All Phoenix Advisors municipal advisor professionals hold the appropriate licenses. All licensees are subject to continuing education protocols.

Neither Phoenix Advisors nor any individual representing Phoenix Advisors possesses any authority concerning any decision of the Client or any official of the Client beyond the rendition of information or advice. Phoenix Advisors does not provide legal or accounting advice. None of the services contemplated in this Agreement shall be construed as legal advice or a substitute for legal services. The Client hereby acknowledges its responsibilities concerning federal securities laws and represents its intention to comply in all respects with federal securities laws. Phoenix Advisors and the Client agree, at their own expense, to operate in full compliance with all governmental laws, regulations, and requirements applicable to the duties conducted hereunder. Phoenix Advisors and the Client will obtain and maintain in force, at its own expense, all licenses, permits, and approvals required for its performance under this Agreement and will obtain all required authorizations and approvals prior to commencement of the services.

**Disclosure of Conflicts of Interest.** The MSRB requires Phoenix Advisors to provide written disclosure to the Client about material conflicts of interest. Disclosures required by the MSRB are set forth in the exhibits hereto.

**Limitation of Liability.** Under federal regulations, Phoenix Advisors has a fiduciary duty to our clients. We utilize extensive market data when providing advice regarding a financing, and we will bring our experience and available resources to bear to achieve a successful closing of your transaction. After closing, market movement, or other changing circumstances in the marketplace over which Phoenix Advisors has no control, may occur. While neither positive nor negative market movement can be guaranteed, Phoenix Advisors shall not be held responsible for any market realities that may negatively affect your financing. By understanding and accepting these limitations, the Client is *not* waiving any of its legal rights under applicable securities laws, nor any other laws the Client may be legally prevented from waiving.

**Entire Agreement.** The Agreement and all exhibits thereto constitute the entire agreement of the parties hereto and supersede all prior or contemporaneous oral or written communications, proposals and representations with respect to its subject matter, and this Agreement, including all exhibits thereto, prevails over any conflicting or additional terms of any quote, order, acknowledgment, or similar communication between the parties during the term of this Agreement, including all exhibits thereto, unless such additional terms are consented to by both parties in writing.

**Successors and Assignees.** The Agreement shall be binding upon and inure to the benefit of the parties hereto. This Agreement may be assigned by Phoenix Advisors or the Client to any entity which acquires all, or substantially all, of Phoenix Advisors' assets and key personnel.

**Severability and Survival.** If any provision of this Agreement is held to be invalid or unenforceable for any reason whatsoever, the remaining provisions shall remain valid and unimpaired, and shall continue in full force and effect. The covenants set forth above shall survive and shall continue to be binding notwithstanding the termination of this Agreement for any reason whatsoever.



**Applicable Law.** This Agreement shall be governed by the laws of the State of New Jersey.

**IN WITNESS WHEREOF,** The Client and Phoenix Advisors have caused this Agreement to be duly executed by their authorized representatives, as of the effective date noted above.

**Sea Isle City**

**By:** \_\_\_\_\_  
Authorized Signatory

**PHOENIX ADVISORS**

**By:** *Sherry L. Tracey*  
Sherry L. Tracey, Senior Managing Director



## EXHIBIT I - CONTINUING DISCLOSURE OVERVIEW OF SERVICES

Phoenix Advisors has offered comprehensive continuing disclosure services since 2012. Under SEC Rule 15c2-12 (the “Rule”), issuers of municipal debt must regularly make secondary market disclosure of financial information and other disclosable events, as described in the continuing disclosure undertakings in the Official Statements that accompany their debt issues. With the cooperation of the client, Phoenix Advisors compiles the required information, files it in a timely fashion and provides confirmation of the filing for client records to demonstrate compliance with the Rule.

- **Codify Issues That Are Subject to Continuing Disclosure**
  - Obtain and examine the Client’s Official Statements relating to its outstanding bond issues to research the requirements found in the prior undertakings.
  - Review the Client’s financial statements for information concerning debt and lease obligations and other relevant obligations.
  - Discuss with the Client its filing and/or reporting obligations.
  
- **Disclosure Obligation & Debt Service Schedule Setup**
  - Capture critical data concerning continuing disclosure requirements and filings, along with principal and interest debt service payments for our proprietary database.
  - Apply database functions to each outstanding financial obligation with filing requirements.
  - Provide initial report to the Client to review and confirm for accuracy.
  - On an ongoing basis, enter into our database new financial obligations of which the Client has made us aware.
  
- **Monitor, React and Meet Filing Deadlines**
  - Actively monitor the Client’s unique deadlines to ensure timely filing of required documents.
  - When possible, gather required documents from public sources, e.g., state and local websites.
  - Provide database-generated messages to give the Client sufficient advance notice of approaching filing deadlines.
  - Contact the Client by phone or email to pursue missing documents.
  - Monitor the evolving regulatory environment, including collaboration with the bond counsel community regarding interpretations and materiality.
  
- **File Financial and Operating Data**
  - File Operating Data in addition to filing Audited Financial information.
  - Work with the Client to assure that Operating Data reports, as filed, meet the requirements of the Client’s prior undertakings.



- If necessary, prepare the required Operating Data document to be filed in accordance with the Client's prior undertakings.
- **Confirm Filings to Client Promptly**
  - Forward to the client MSRB submission confirmations for disclosure filings made on EMMA.
  - Record and maintain EMMA filings in our proprietary database.
- **File Documents Uniformly, Accurately and Promptly**
  - Use consistent naming conventions and descriptive titles on EMMA filings to create a uniform and logical chronology.
  - Associate filings with appropriate CUSIP numbers on EMMA.
  - File documents on EMMA within forty-eight (48) hours of receipt.
  - In concert with the Client, identify relevant documents not required to be filed under the Client's prior undertakings and file them as voluntary submissions on EMMA. These may include budgets, debt statements, unaudited financial statements and bank loans.
- **Disclosure Events and Timely Filing of Notices**
  - Proactively monitor rating agency news and web sites for rating changes that affect the Client and file appropriate disclosure event notices on EMMA.
  - Proactively monitor rating changes affecting bond insurers or credit enhancement programs, e.g., state school bond enhancement programs, to determine which, if any, of the Client's bonds are affected and file appropriate disclosure event notices.
  - File event notices for the various disclosure events identified by the Rule on the Client's relevant financial obligations that are impacted.
- **Provide a Comprehensive Filing Report Each Year**
  - Annually prepare a continuing disclosure summary report containing each issue for which there is a continuing disclosure obligation, each required filing made and each disclosure event notice filed on the Client's behalf during the reporting year.
  - Include in the summary report a (5) year history of the Client's filings.
  - Prior to the publication of an offering document relating to municipal securities, the Continuing Disclosure Agent, if made aware of such offering, will prepare an interim report for the Client to review for completeness and accuracy.
  - The interim report will provide the basis for certain disclosures made in the offering document. The Continuing Disclosure Agent, bond counsel and other interested parties are entitled to rely upon the interim report.



- **Serve as your Liaison to DTCC**
  - Debt service payments must be on time, in the correct amounts and with the correct references, in order to avoid clean up administration and reporting that can unnecessarily alarm investors.
  - Phoenix Advisors acts as an interface to facilitate the timely allocation and processing of funds through the complexities of DTC's rigid systems.
  - Leverage our existing relationships with DTC staff to help demystify their inner workings and guide you through the complexities of dealing with your book-entry principal and interest payments.
  - Provide timely reminders of your principal and interest payments through our Debt Caddie program, if applicable. Please note that at this time Debt Caddie is not yet available for private leases or loans, conduit debt issuances or Authority transactions.
  - Debt Caddie provides the Client with a detailed payment reminder with itemized principal and interest amounts due (per issue and in the aggregate, if applicable), for cross-checking against your own records and the payee's.
  - The Client will receive a separate reminder for each scheduled payment date throughout the contract year.

### **Client Responsibilities**

- The occurrence of a disclosure event may not be apparent to the Continuing Disclosure Agent. It is ultimately the Client's responsibility to notify the Continuing Disclosure Agent of any reportable event.
- Clients are always notified by the rating agencies when their ratings are adjusted. It is incumbent upon the Client to notify the Continuing Disclosure Agent when the Client is so notified by the rating agencies or other entities.
- It is the responsibility of the Client to review submission confirmations for accuracy and completeness and retain copies of submission confirmations in its files.
- The Client must review the annual continuing disclosure summary report and relay to the Continuing Disclosure Agent within ten (10) calendar days any error, discrepancy, omission or concern relating to the accuracy or completeness of the report. It is agreed hereby that after ten (10) calendar days, and absent notice from the Client, the report is accepted by the Client as accurate and complete.
- If this process requires collaboration with any of the Client's other retained professionals, any fees of those professionals are solely the responsibility of the Client.
- It is essential that the Client notify Phoenix Advisors within ten (10) calendar days of the occurrence of any disclosure event requiring the filing of an event notice under the Rule or the Client's prior undertakings.



The disclosure events requiring such notification include:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- vii. Modifications to rights of security holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
  - x. Release, substitution, or sale of property securing repayment of the securities, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.



## EXHIBIT II - COMPENSATION

Phoenix Advisors has a fiduciary duty to put your interests first in all matters relating to our engagement. There is no separate fee or obligation related to the appointment of Phoenix Advisors as your Municipal Advisor and Continuing Disclosure Agent, other than the fees for Continuing Disclosure Services noted below. As your Municipal Advisor and Continuing Disclosure Agent, we remain available to answer general questions concerning outstanding debt issues, market conditions, or to prepare preliminary project analyses or review financing proposals, as requested. **Note that you will only be invoiced for Continuing Disclosure Services if you have a bond, note, lease or bank loan obligation outstanding during the contract year.**

### FEES FOR CONTINUING DISCLOSURE SERVICES:

- ❖ \$1,600 base fee (for up to 3 outstanding issues), plus \$100 for each additional outstanding obligation, if filings are required.
- ❖ \$450 per issue set-up charge, discounted to \$200 if Phoenix Advisors serves as Municipal Advisor on the transaction.
- ❖ \$250 for each Event filing we make under the SEC's Event Disclosure Rule. Phoenix Advisors will waive this fee if engaged as Municipal Advisor on a transaction that involves such Event filing.
- ❖ \$250 for each Notice of Redemption made in connection with an outstanding term bond maturity.
- ❖ All fees are accumulated and invoiced towards the end of the relevant year.

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If you request municipal advisor services for a specific engagement, such as the issuance of bonds, notes or leases, various financial consulting services or rating agency surveillance, as more fully described herein, you will receive a separate engagement letter. Non-hourly compensation is **all-inclusive** – we do **not** charge for out-of-pocket expenses, fees for travel time or attendance at meetings without prior notification. Costs associated with debt issuance are customarily included in the bond authorization and would likely not be part of your current budget expenses. The details of compensation and municipal advisor services provided will be clearly delineated in the engagement letter.



## EXHIBIT III - MSRB REQUIRED DISCLOSURES

Phoenix Advisors is a licensed municipal advisor duly registered with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). The MSRB requires municipal advisors to provide their clients with certain disclosures relating to actual or potential material conflicts under Rule G-42.

MSRB Rule G-42 requires that all municipal advisors provide disclosures of legal or disciplinary events material to the integrity of the municipal advisor’s management or advisory personnel. There is one disciplinary event regarding Phoenix Advisors detailed in the firm’s Form MA, filed with the SEC, concerning the archiving of text messages. No events have been filed on any Form MA-I associated with personnel of Phoenix Advisors. The MSRB’s website is [www.msrb.org](http://www.msrb.org) and the Municipal Advisor Client Brochure is at [www.msrb.org/sites/default/files/MSRB-MA-Clients-Brochure.pdf](http://www.msrb.org/sites/default/files/MSRB-MA-Clients-Brochure.pdf). SEC forms MA and MA-I are available on the SEC’s EDGAR website at [www.sec.gov/edgar/searchedgar/companysearch](http://www.sec.gov/edgar/searchedgar/companysearch).

Having exercised reasonable diligence, we are aware of no material conflicts of interest that would preclude us from fulfilling our fiduciary duty on any transaction for which we are engaged. Should we become aware of any material conflict, we would immediately inform the affected parties. Phoenix Advisors makes the following disclosures in connection with our engagement:

**General Mitigation of Conflicts.** Phoenix Advisors has a fiduciary duty to our clients, which includes a duty of loyalty in performing all municipal advisor services. Accordingly, we are always ethically bound to deal honestly and in the utmost good faith with our clients, placing your interests ahead of ours at all times. We also mitigate potential conflicts by adhering to a high standard of suitability for any service rendered to our clients. Phoenix Advisors mitigates any potential conflict described below through our adherence to this fiduciary duty.

**Other Business Lines.** Phoenix Advisors offers a variety of services, including but not limited to Municipal Advisor services, fiscal/budgetary consulting, redevelopment advisory, and various post-issuance compliance services such as Continuing Disclosure Agent services. These offerings could lead to the appearance of a conflict through the cross-selling of our services; however, we clearly disclose that there is no contingency requiring a client to accept multiple services.

**Other Municipal Advisory Relationships.** Phoenix Advisors serves a broad array of other clients, such as school districts, cities and towns, fire districts, counties, and regional authorities that may, from time to time and depending on specific circumstances, have interests that compete with yours. Phoenix Advisors owes a fiduciary duty to any and all clients for whom it performs Municipal Advisory services. No other engagements or relationships would impair our ability to fulfill our regulatory duties to any client.

**Third-Party Service Providers.** From time to time, third-party service providers or vendors may host informative conferences, seminars and other functions (namely the annual conferences of BAM and AGM, the two major bond insurance providers) that are attended by industry participants, including Phoenix Advisors. We typically solicit competitive quotes for third-party services with or without attending any functions sponsored by vendors.



**Non-Exclusive Relationship.** Phoenix Advisors may represent, perform services for, and contract with as many additional clients, persons, or companies as we, in our sole discretion, see fit, provided those services do not pose a conflict of interest with the services we perform for our clients.

**Ongoing Disclosure.** All municipal advisors are required to provide to each client written documentation of their municipal advisor relationship. You have received a written agreement and/or engagement letter, that includes a scope of services, compensation information and disclosure of potential conflicts of interest, if any. We review each engagement to identify, mitigate or eliminate potential conflicts of interest.

**Compensation-Based Potential Conflicts.** MSRB Rule G-42 requires that all municipal advisors provide this information regarding the potential for conflicts arising from certain types of pricing.

**Fixed Plus Variable Fee Contingent Upon Closing.** Compensation includes both a fixed fee component and variable fee component, and the payment of such fees shall be contingent upon the delivery of the issue. This form of compensation may present a potential conflict of interest because, in certain circumstances, it could result in the recommendation of less time-consuming alternatives, failure to perform a thorough analysis of alternatives or a larger than necessary par amount.

**Variable Fee Contingent Upon Closing.** Compensation is based on the size of the issue and the payment of such fees shall be contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a potential conflict of interest because it could create an incentive to recommend a financing that is unnecessary, disadvantageous, or includes a larger than necessary par amount.

**Fixed Fee Contingent Upon Closing.** Compensation is a fixed amount and the payment of such fees shall be contingent upon the delivery of the issue. The amount is usually based upon, among other things, the expected duration and complexity of the transaction and the scope of services to be performed. This form of compensation may present a potential conflict of interest because the transaction could require more work than originally contemplated, which could result in the recommendation of less time-consuming alternatives or failure to perform a thorough analysis of alternatives.

**Hourly.** Compensation is based on the hourly fees of our personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation may present a potential conflict of interest because, absent an agreed upon maximum fee, there may not be a financial incentive to recommend alternatives that would result in fewer hours worked.

**If you have any questions about your relationship with Phoenix Advisors,  
call your Municipal Advisor professional at 866-291-8180**



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Note: The following overviews are not formal Scopes of Services. For a specific engagement, a more detailed Scope of Services tailored to the actual services requested will be provided.

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## EXHIBIT IV - OVERVIEW OF ADDITIONAL SERVICES

### DEBT ISSUANCE

At Phoenix Advisors, we believe the client deserves a complete understanding of the municipal debt issuance process. We guide you through the marketplace, addressing any questions and concerns at each juncture. There are various types of debt financing available to municipal issuers, including general obligation bonds, notes, leases, bank loans, ESIPs and State/Federal loan programs, to name a few. Our primary objectives are to develop a strategic plan that fits your needs, to coordinate the financing process, to take an active, constructive role on your behalf in the execution of the transaction, and to provide post-issuance analysis and administration. As Municipal Advisor for an issuance of debt, we perform the following:

1. Develop a strategic plan that fits your needs.
  - Design a sound plan of finance that considers your existing financial strengths and growth patterns to ensure the success of the current and future transactions.
  - Assess the cost-benefit of available financing options, structures & concepts.
  - Recommend appropriate structure, terms, credit enhancements and timing-to-market.
  - Prepare clear and concise public presentations to State oversight boards, governing bodies, rating agencies or bond insurers.
  
2. Coordinate the financing process.
  - Establish a timeline identifying key events, dates, and responsibilities.
  - Manage communication and workflow transparently among the working group.
  - Contribute to preparation of the Official Statement and other required offering documents consistent with market standards and satisfactory to interested parties.
  - Develop rating agency strategy, researching and preparing a comprehensive rating presentation to obtain the best possible result. (**See Rating Agency Expertise herein.**)
  - Prepare specifications, solicit and evaluate bids, and recommend the most cost-effective, qualified providers of third-party services, if necessary.



3. Execute the transaction.
  - Utilize real-time market statistics and reference points to evaluate the market environment and determine suitable timing, terms, and structure.
  - Coordinate public bid solicitation for competitive sales and manage the underwriter selection process for negotiated sales.
  - Conduct investor outreach to educate investors and underwriters about your offering.
  - Participate actively in the sale of your debt, provide live translation of events during competitive bid submissions, and dialogue strategically with underwriters if negotiated.
  
4. Administration, post-issuance analysis and reporting.
  - Administer efficient closing – flow of funds, closing documents, debt service schedules.
  - Provide options for investment of bond proceeds, if necessary.
  - Produce summary report(s) and follow-up analysis.
  - Monitor outstanding debt and market conditions for refunding opportunities.
  - Assist with secondary market reporting requirements, if engaged. (**See Continuing Disclosure herein.**)

#### **DEBT MANAGEMENT, BUDGET/FISCAL CONSULTING & CAPITAL PLANNING**

Our professionals have extensive experience in debt management, budget/fiscal consulting, and capital planning. Services in this area will be tailored to your specific needs, which may include any of the following specialized tasks and services:

- Analyze existing and future obligations in the context of debt capacity, debt per capita, and amortization, including mitigation options such as restructuring and refinancing.
- Provide analytical services for financial planning efforts and assist with long-range capital budget, financing strategy and debt service projections.
- Review third-party solicitations with respect to debt refinancing, financial products, or RFP responses, and assess their viability.
- Review budget operations, including revenue shortfalls or expenditure overflows based on changes in the tax levy, other revenues, state aid, debt service and other expenditures, and quantify impacts on the taxpayers, ratepayers, and other stakeholders.
- Develop customized debt management and/or fund balance policies.
- Provide quantitative analysis relating to the defeasance of outstanding debt and/or tax impact analysis relating to the proposed issuance of new debt.
- Assistance with the investment of bond proceeds and reserve funds.
- Serving as “bidding agent” to obtain a portfolio of open market U.S. Treasury securities at a cost-effective price.

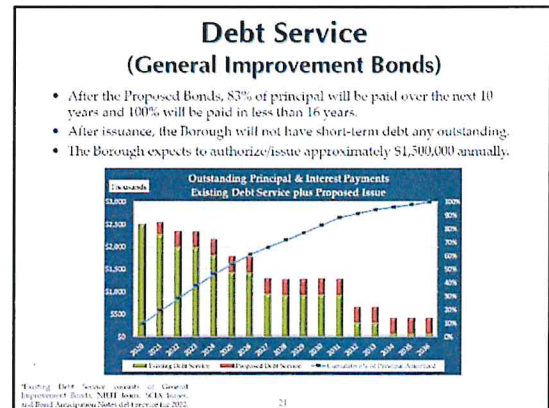


## RATING AGENCY EXPERTISE

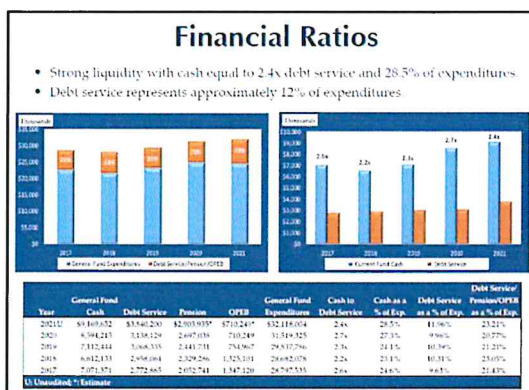
A proactive, strategic approach to interaction with rating agencies is essential to achieving a successful outcome since a strong underlying credit rating is critical to achieving the best possible financing. With this goal, Phoenix Advisors takes the lead in the rating process by recommending the appropriate rating agency (or agencies) and helps you interact with them more effectively.

Each agency uses its own proprietary evaluation methodology, which our professionals have studied and are intimately familiar with. A municipal credit rating is generally comprised of four parts:

- i. economic data and taxpayer / ratepayer base
- ii. financial performance, liquidity, and reserves
- iii. debt and liabilities
- iv. management and policies



We prepare a comprehensive presentation tailored to your unique characteristics and circumstances, emphasizing the areas on which the rating agencies are expected to focus during their review. We understand the economic, demographic and financial ratios that impact your credit rating and will help you put your best foot forward by highlighting your strengths. From local wealth/income metrics to fund balance ratios, our presentation will serve as a guide for the discussion to ensure we touch upon all the key areas.



Our professionals take the lead in discussions but give you ample opportunity to elaborate on each topic. We request a list of questions from the credit analyst in advance to avoid surprises. In addition to emphasizing your strengths, it is important to address proactively what could be perceived as limitations, giving you the ability to structure the discussion. We will work with you and the credit analyst to provide any information requiring follow-up after the presentation.

A stronger credit rating attracts broader appeal in the capital markets, which leads to more cost-effective financings. Whether for a new issue or a periodic surveillance review, Phoenix Advisors helps you to interact with the rating agencies more effectively.



### **REDEVELOPMENT ADVISORY**

Phoenix Advisors provides expert financial advice at each stage of a Redevelopment project from conception through completion to administration. Projects typically involve public-private partnerships that employ various tax abatement strategies to encourage investment, such as payments in lieu of tax (PILOTs). As Redevelopment Advisor, we perform the following:

- Review developer proposals to confirm assumptions (rents, expenses, construction costs, financing terms) are consistent with market conditions.
- Model cash flows independently to assess feasibility and the need for tax abatement.
- Compare proposed PILOT revenue projections to current and traditional taxes.
- Estimate the impact on municipal and school costs.
- Negotiate PILOT terms with the developer and review the Financial Agreement.
- Prepare presentations to the administration, governing body, and the public, as required.
- Assist with the implementation of the PILOT, including:
  - Monitor the developer's compliance with the terms of the Financial Agreement.
  - Calculate and invoice PILOT payments based on actual, audited financials.

### **ENERGY SAVINGS IMPROVEMENT PROGRAMS**

Phoenix Advisors has been the leader in providing municipal advisory services on ESIP financings. Since the new ESIP law was enacted in 2009, Phoenix Advisors and its professionals have served as municipal advisor on more ESIP financings than any other New Jersey municipal advisory firm.

- Provide advice regarding renewable energy and energy efficient projects through either a lease purchase or bond financing through the Energy Savings Improvement Program.
- Evaluate competitive bids for Energy Savings Company ("ESCO") services and/or professional engineering/energy approach towards execution of ESIP. Provide input as to the value of ESCO guarantees and their costs.
- Advise as to costs/benefits of lease purchase financing versus refunding bond financing (competitive, negotiated, private placement methods) given existing legal constraints, market conditions and credit factors.
- Review and analyze the proposed project, projected energy savings, optimal repayment schedule and project timing, and advise in final structuring decisions to ensure annual debt service levels meet preferred debt service coverage ratios and do not exceed projected energy savings and incentives.
- Solicit proposals from lessors or investment banking firms and prepare or review the various financing documents prepared in connection with the ESIP.
- Coordinate the application to the Local Finance Board and meet with the Division of Local Government Services and Board of Public Utilities staff, as needed.



### **ASSET/UTILITY VALUATION AND SALE/LEASE**

Phoenix Advisors provides essential financial advice to our clients when evaluating the potential sale or lease of municipal assets and utilities. The decision-making process regarding a potential sale or lease of any asset involves a number of considerations, both financial and otherwise. Our expert guidance ranges from initial financial analysis and asset valuation to public-private partnership coordination and implementation.

- Evaluate the financial condition and future viability of municipal assets, including analyzing various structures, alternatives and pro forma financial operations, assumptions and value.
- Review proposals for the sale/lease of municipal assets, with specific attention to financial impact, operations, costs, employees, etc. Assist in the public Request for Bids (RFB) process, as necessary.
- Analyze the financial impact of the transaction on the client, its taxpayers and/or ratepayers and other stakeholders. Evaluate the potential uses of projected new revenue.
- Analyze, propose, and negotiate additional financial and/or community benefits, as requested, to cater to the unique needs of the client.
- Conduct and/or support negotiations with the private party regarding payment calculations, escalation, timing of payments, terms and other incentives. Thoroughly analyze pertinent financial aspects of financial agreements, comment and propose changes, as necessary.
- Make presentations to the governing body and administration and assist in the approval process for various local/State oversight boards, as necessary.