

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY

Meeting Number Twelve Hundred Thirteen

Agenda

December 18, 2018

The regular meeting of the Toms River Municipal Utilities Authority was held on Tuesday, December 18, 2018 at 4:30 P.M. at the office of the Authority, 340 West Water Street, Toms River, New Jersey 08753.

The following were present:

Carmen J. Memoli, Chairman

Deborah L. Clement, Vice-Chairperson

Joseph G. Bilotta, Commissioner

Charles S. Valvano, Commissioner

Tariq M. Siddiqui, Commissioner - Absent

Ben A. Montenegro – Alt. Commissioner

Dr. Alfonso J. Manforti – Alt. Commissioner

Robert J. DiBiase, Ex. Director/Sec'y.-Treas.

James Gluck, Esquire, Counsel

Rosemary Rosetto, Chief Financial Officer

Nicholas Otten, Authority Engineer - Absent

Bernard Rutkowski, Regulatory Compliance/Safety Officer

Cindy Toye, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Sec'y.

Meeting #1213 was called to order at 4:30 p.m., December 18, 2018 by Chairman Memoli.

Ms. Benyola, Assistant Secretary, reported that in accordance with the Open Public Meetings Law, P. L. 1975, c. 231, notice of this meeting was posted on the Township Bulletin Board, the Authority Bulletin Board, filed with the Clerk's Office, and published in the Asbury Park Press.

Ms. Benyola then called the roll. Dr. Manforti, Mr. Montenegro, Mr. Valvano, Mr. Bilotta, Mrs. Clement and Mr. Memoli were present. Mr. Siddiqui was unable to attend.

Chairman Memoli noted that the agenda was going to be altered slightly in order to accommodate a resident ratepayer from the public portion.

Public Comments

Chairman Memoli opened the meeting to comments from the Public. Counsel asked that they stand and state their name and address for the record. Mrs. Ann Marie Christodoro introduced herself and also her daughter, Jessica Christodoro Wainwright from 39 Gem Avenue, Toms River, stating that they came to appeal her daughter's sewer bill. Mrs. Wainwright had

purchased the home in 2009 and received sanitary sewer services without receiving a sewer bill. The TRMUA had made a final inspection of the sewer lateral connection on September, 2009; however, for unknown reasons, it was not brought on billing. Mrs. Wainwright said she never purchased a home before so she put her trust in her realtor and lawyer to guide her through the process. It was explained to her that the taxes and sewer bill would be bundled into her mortgage payment, therefore she never put much thought into why she did not receive a bill. Mrs. Rosetto had offered the Wainwrights an extended payment plan for the arrears but Mrs. Christodoro stated that it will still cause her daughter a financial hardship, which she has due to her illness.

The Chairman asked the staff if this had happened before. Mrs. Rosetto, along with Mr. Rutkowski, have found a few in the past. People have accepted the payment plan and others just paid in full.

Counsel stated that the Authority did not have enough information yet to make a decision. He understands the point they're making in perspective from his representation from this Authority and prior Authorities, we have always gone back, his recommendation of a six years billing to stay consistent with the statute of limitation for contractual disputes that may arise. Counsel thinks we should try to get the building department's records and look into any internal records that we have here first, so the Commissioners can make an informed decision. Chairman Memoli mentioned that unfortunately no decision will be made tonight. Counsel stated that a decision will be made by the next meeting, if they wish to attend. A letter will also be sent by the end of this week, stating that any current charges will be in abeyance until decision is made and Mrs. Rosetto will continue to discuss a payment plan which will be suitable for the ratepayer. Counsel also recommends the Commissioners stay any action against the property that they issued the new billing for the current year. With no additional comments, Chairman Memoli closed the public portion of the meeting.

Minutes of Meetings for Approval

A. Meeting #1212 - November 27, 2018 - New Submission

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to approve the minutes of Meeting #1212, November 27, 2018 as written. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Manforti, Mrs. Clement, and Mr. Memoli all casting affirmative votes.

Disbursements

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to approve payment of the disbursements as listed in the amount of \$607,545.75. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Manforti, with the exception of Robert Gearheart and

Alexa Manforti, and Mr. Memoli, with the exception of Dynamic Testing Service, all casting affirmative votes.

Additional Disbursements

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to approve payment of the additional disbursements as listed in the amount of \$683.50. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Manforti, Mrs. Clement and Mr. Memoli all casting affirmative votes.

Ratification of Investment & Transfer Resolutions

A motion was made by Mr. Bilotta and seconded by Mrs. Clement to ratify the monthly transfer and investment resolutions. A roll call vote was taken with Mr. Bilotta, Mrs. Clement, Mr. Manforti, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Financial Reports

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to enter the financial reports 6A-6F into the record. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Manforti and Mr. Memoli all casting affirmative votes.

Finance & Investments: 6G

Mr. Valvano stated that the interest rates have gone down since his last rate report. The 10 year Treasury Bond is approximately 2.85%, when, not too long ago, it was well over 3.00% and people were predicting it would go higher. Mr. Valvano noted that they will keep an eye on that if we need to make any cash investments. Going forward, it looks like we will have to keep our investments to a 13 month maximum as based on State recommendation of the 397 rule.

Mr. Valvano made a motion, seconded by Mr. Bilotta, to reinvest the funds that become available into the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mrs. Clement, Mr. Manforti and Mr. Memoli all casting affirmative votes.

Operating Reports

A motion was made by Mr. Bilotta and seconded by Mr. Valvano that the operating reports 7A-7G were accepted as presented. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Manforti, Mrs. Clement and Mr. Memoli all casting affirmative votes.

Development Applications-Major Sub Divisions

There were no applications submitted for approval.

Authority Meeting

The next Authority meeting was confirmed for Tuesday, January 22, 2019 at 4:30 p.m.

Adoption of Resolutions/Capital Purchases

9A-2A – There were no IPC Purchases for ratification

9A-3 Resolution – Reimbursement Expenditures

To be discussed in Executive Session.

9A-4 Resolution – Non Aligned Employees for 2019

A motion was made by Mr. Bilotta and seconded by Mr. Valvano authorizing a 2% salary adjustment for full-time non-aligned employees effective 2019. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Manforti, with exception of Alexa Manforti, and Mr. Memoli all casting affirmative votes.

9A-5 2019 Budget Adopted by DCA

The 2019 Budget Certification was adopted by the Division of Local Government Services (DCA) and was signed and returned to the TRMUA on December 11, 2018.

Unfinished Business

Mr. DiBiase mentioned that we had a discussion at the last meeting about some suggestions regarding cross training. A group from the construction crew went over to the pump station. The Director noted that they came up with a formula and are going to try it for a month. The alarm system will no longer call one individual, it will call whoever the duty foreman is. Because of our camera being positioned on the panel, they can ascertain pretty much what the alarm is saying. The experienced employees that go out on these alarms are going to cross train some of the other employees. The Director will see how it goes by next meeting. Mrs. Clement was pleased to hear about the cross training.

Committee Reports

Legal

1. Litigation Pitale/Lavallette – Counsel stated that Pitale/Lavallette matter is now officially in discovery. Counsel did their initial answers to interrogatories today and they will be served on all the parties. Counsel also noted that Mr. Rutkowski is now going to refer this to Qual-Lynx to make sure they are aware of the claim, since we are getting into the crux of the case and not out on summary judgements. Counsel will take care of that notification.

2. TRMUA vs. CRJ Contracting – Counsel returned their call to their company President on the November 30th. He was looking to negotiate the amount that was due. We told him it was too late and we already incurred fees and costs. He wanted this weekend to think about it but hasn't called back. The default date on this is December 27, 2018.

3. Land – Counsel inspected the end of Iron Street with regards to the Auto Shopper Vehicles. He observed them to be, on more than one occasion, parked diagonally on Iron Street in a south/south-east facing direction. Counsel stated he did not see them on the MUA property, unless the MUA owns part of the end of Iron Street. Counsel may have more about this later but he wanted to report back that he had gone out and looked at the property.

4. Torts Claims – Counsel received, as indicated in the Safety Officer's Report, two notices of Tort Claims this month. One is Mr. & Mrs. Lake who supposedly stepped on a corroded plate at 803 Main Street. Counsel is not sure who owns the plate or what the nature of their injuries are; as you know, Tort Claim is a formal notice of claim required before anyone can bring an action against a public entity The second is Mr. Laube who allegedly tripped and fell in a hole on or about a side walk at 91 River Drive. Same comment in regards to condition and liability. Mr. Rutkowski

was asked to comment. He mentioned that they looked into them but we have no jurisdiction over were the accident occurred and have done no work there, so we filed the affidavit of non-jurisdiction with the insurance carrier as requested.

5. Earle Asphalt – Counsel sent a demand letter to Earle Asphalt with regard to the repairs the TRMUA had to incur at 54 Surf Way, which we believe was a result of their negligence in their paving activities. Counsel sent it out on November 20, 2018 but have not received a response. We can send a follow-up letter or we can file suit, it's up to the Commissioners.

Counsel mentioned that he has one another item for Ex Session regarding the personnel policy unless the Personnel Committee is going to cover that in their report.

Engineering

There was no Engineering Committee meeting in December.

Land Use

Mr. Bilotta mentioned that Mr. Gluck already discussed the Land Use during his legal matters. Mr. Bilotta however did have the map showing the parking of the vehicles mentioned by Mr. Gluck and past it around to the Board members to see. Mr. DiBiase noted that the parking is not a daily occurrence but if they have an overflow or someone just pulls in right away, that's when they use that space. It's not every day but it is ongoing. Chairman Memoli asked if a letter was sent. Mr. Gluck noted that they were doing the research first. Mr. DiBiase proposed that Counsel send them some definitive comments/suggestions about parking there.

Personnel

Mr. Bilotta met yesterday with Mr. Valvano, the Executive Director and subsequent to that he spoke with the Chairman. Mr. Bilotta stated that the Employee Handbook is going to be updated in 2019 and one of the things that legal/compliance are going to talk about is the social media aspect that will be added to the new handbook. At that time, Mr. Bilotta turned the discussion over to Mr. Gluck. Mr. Gluck stated that there are several updates that are very important and must be passed tonight consisted with the language suggested by our insurance carriers. We have Employee Breastfeeding Accommodations, Communication Media/ Social Media Policy, Use of the Internet Policy, Open Public Meetings Act, which are now requiring we fall in line with the Keane Federation of Teacher v Ada Morell and Criminal Background Checks. The Mel has updated their policies so we have to update ours to match our insurance carriers. Basically, what we're doing is not inventing any policy tonight. If agreed, we will adopt the recommendations made by the insurance carrier, which will keep our deductibles same for the new year. Mr. Gluck stated he will have a formal resolution by the end of the week to ratify, if the Commissioners choose to take the action this evening. A motion was made by Mr. Bilotta and seconded by Mr. Valvano to adopt the resolution to change the Employee Handbook as per the new insurance regulations. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Manforti and Mr. Memoli all casting affirmative votes. Chairman stated that there will be no need to enter executive session to discuss the personnel policy.

Public Comments

No additional residents/comments came during the latter part of the meeting. The first agenda item, Public Comments, stands as is.

Correspondence

The Director stated that one correspondence we received we have already covered this evening under Public Comments. We did receive some notes/memos that were about our resent rate change. Some were positive and some negative. There were some that were derogatory that would not be worth discussing at the table and some that thought we're doing a good job compared to the rest of the state.

Resolution to Enter Executive Session

Before moving on to agenda 9A-13 for executive session regarding the Reimbursement Expenditures, Mr. Gluck stated that he wanted to be clear, before the discussion, to be sure that it

was viable to be discussed in executive session and asked for a brief synopsis of what it was that we're covering. Chairman Memoli called on Mr. DiBiase. The Director invited one of our consultants, James Fearon, Gluck/Walrath, here this evening so that if anyone had any questions about the resolution, Mr. Fearon would be here to answer them.

Mr. Gluck also stated that the resolution basically allows for the Authority to lay out the money in advance of putting the bond or financing in place and then get reimbursed from that funding, once it is in place up to 18 months after you have incurred the expense and taken the bond. Mrs. Clement asked if the 18 months was normal. Chairman asked about being in executive session but Mr. Gluck said that we had not reached a qualified discussion yet for executive session. Mr. Montenegro interpreted it as tied to possible contracts that we may be entering into or expense reimbursement. Mr. Gluck noted that since we now had stated a topic, if the Board would like to enter executive session, we can qualify that as an executive session discussion.

A motion was then made by Mr. Bilotta and seconded by Mrs. Clement to adopt the resolution to enter Executive Session at 5:10 p.m. to discuss personnel matters, litigation and potential litigation. The motion was carried by unanimous voice vote, none opposed.

Public Session Reconvened at 5:37 p.m.

Coming out of Executive Session, Mr. Gluck asked for a motion regarding the 9A-3 agenda item that was just discussed in Executive Session. A motion was made by Mr. Valvano and seconded by Mrs. Clement to approve the resolution for Expenditures for the NJEIT-NJIB. A roll call vote was taken by Mr. Valvano, Mrs. Clement, Mr. Manforti, Mr. Bilotta and Mr. Memoli all casting affirmative votes.

For the record, Mr. Gluck stated that we need authorization for Mrs. Rosetto to negotiate the settlement of the Wainwright issue with the parameters starting at \$50 a month and the Director to discuss the terms of the agreement. The Board agreed.

With no further business to come before the Board, a motion was made by Mrs. Clement and seconded by Mr. Bilotta to adjourn the meeting at 5:40 p.m. The motion was carried by a unanimous voice vote.

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY
Meeting Number Twelve Hundred Thirteen

Executive Session

Executive Session convened at 5:10 p.m.

December 18, 2018

The following were present:

Carmen J. Memoli, Chairman

Deborah L. Clement, Vice-Chairperson

Joseph G. Bilotta, Commissioner

Charles S. Valvano, Commissioner

Tariq M. Siddiqui, Commissioner - Absent

Ben A. Montenegro, Alt. Commissioner

Dr. Alfonso J. Manforti, Alt. Commissioner

Robert J. DiBiase, Executive Director/Sec'y.-Treas.

James Gluck, Esquire, Counsel

Rosemary Rosetto, Chief Financial Officer

Nicholas Otten, Authority Engineer - Absent

Bernard Rutkowski, Regulatory Compliance/Safety Officer

Cindy Toye, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Secretary

Mrs. Rosetto and Mrs. Toye were excused from the meeting.

A discussion on the topic of a Reimbursement Resolution occurred with the following salient points as captured by Ex. Director, R.J. DiBiase:

Mr. Jim Fearon, our Bond Counsel from Gluck Walrath gave an overall presentation with historical facts as applied to the present Bond Funding process. Some key points presented were that the Federal Tax Code requires a Reimbursement Resolution to comply with the "Pyramid Bonds" guidelines. This ensures our intention of Bonding *before* a project takes place or to recapture expenditures within sixty days prior to the passing of the resolution. These timelines are to prevent projects that were already completed from applying to enlist the Tax-Exempt Bond process.

Also, the request for the TRMUA that describes our 3.1-million-dollar application and \$800,000 application / request to the New Jersey Infrastructure Bank (NJIB) for 0% interest (-/+) in Federal Grant monies mandates the passage of the Reimbursement Resolution as it telegraphs to the Federal Government that we, (unlike our financing in the past) intend to bond for the costs of our projects.

There were points delineating the differences between a Municipal / County appropriation and a Municipal Authority. As explained, the former is not allowed to spend money until appropriations are in place 100% of the time. The Bonding-to-follow is and a provision for "reimbursement" are all in one. In the case of the TRMUA, the resolution must be approved

beforehand to signal our intent for Bonding and to capture expenditures up to the prior sixty days.

As indicated in our 5-year capital plan we have a capital surplus and could and have dipped into it for various things with the authorization to get contracts without the need to bond for the project. So, because of the past capital flexibility and in contrast to our current strategy it is obligatory we “telegraph” our intentions to bond with the issuance of the Reimbursement Resolution.

On a second topic, the discussion was how to proceed with one of our ratepayers in arrears. They are not financially able to make the account current and several options were offered. In the final resolution it was deemed appropriate to offer a payment plan that is suitable to the TRMUA and the ratepayer. Perhaps a \$50 a month agreement and continue to negotiate to get to an attainable dollar amount to satisfy the debt. It was noted that the arrears goes back 9 years with interest but in this case we would be willing to (under the advice of counsel’s previous recommendations) only go back 6 years without interest would be acceptable.

With no further business to discuss, a motion was make by Mr. Valvano and seconded by Mrs. Clement to close the Executive Session and re-open Public Session at 5:37 p.m. The motion was carried by a unanimous voice vote.