

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY
Meeting Number Eleven Hundred Seventy-five

Agenda

November 24, 2015

The regular meeting of the Toms River Municipal Utilities Authority was held on Tuesday, November 24, 2015 at 4:30 P.M. at the office of the Authority, 340 West Water Street, Toms River, New Jersey 08753.

The following were present:

Juan Carlos Bellu, Chairman

Joseph Bilotta, Vice-Chairman

Carmen Memoli, Commissioner

Virginia Haines, Commissioner

Deborah Clement, Commissioner

Charles Valvano, Alt. Commissioner

Tariq Siddiqui, Alt. Commissioner

Stephen Acropolis, Executive Director/Sec'y.-Treas.

James Gluck, Esquire, Counsel

Daniel Leone, Esquire, Associate

James Lafferty, Director of Operations - *Absent*

Rosemary Rosetto, Controller

Nicholas Otten, Authority Engineer

Bernard Rutkowski, Regulatory Compliance/Safety Officer

Kelly Bellu, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Sec'y.- *Absent*

Meeting #1175 was called to order at 4:30 p.m., November 24, 2015 by Chairman Bellu.

Mrs. Bellu filled in for Ms. Benyola, Assistant Secretary who was unable to attend, 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.

Mrs. Bellu called the roll. Mr. Siddiqui, Mr. Valvano, Mrs. Clement, Miss Haines, Mr. Memoli, Mr. Bilotta and Mr. Bellu were present.

The first order of business was the Public Hearing on the proposed 2016 Sewer User Rate and Connection Fee. Chairman Bellu introduced Mr. Gluck who will officiate the meeting.

Mr. Gluck proceeded to say that as he understands there is no proposed increase to the user fees and rate schedule for the Toms River Municipal Utilities Authority for FY 2016. As such, pursuant to statute, it is not required to have a formal hearing on those user rates. We have, however, advertised for

a connection fee hearing. The connection fee calculation, made in accordance with the statute, is merely a formality that is placed on the records to establish that and allows for a follow up with a resolution to be passed. Since there was no objection, Mr. Gluck called upon Mrs. Rosetto to testify.

After Mrs. Rosetto was sworn in, Mr. Gluck asked Mrs. Rosetto to state her position and her years of experience with the MUA.

Mrs. Rosetto replied that she was the Authority Controller. She has been with the MUA since 1999 and has experience exceeding 35+ years.

Mr. Gluck asked Mrs. Rosetto if she was familiar with the Toms River MUA's financial records.

Mrs. Rosetto responded yes.

Mr. Gluck asked Mrs. Rosetto if she had provided testimony in the past at prior hearings with regards to connection fees for this Authority.

Mrs. Rosetto responded yes.

Mr. Gluck asked Mrs. Rosetto if it was her understanding that proper notice of the connection fee had been advertised in the Asbury Park Press on November 1, 2015 and in the Star Ledger on November 3, 2015.

Mrs. Rosetto responded yes.

Mr. Gluck asked if Mrs. Rosetto prepared a memo for the TRMUA Commissioners dated November 24, 2015, which outlined the proposed connection fee for fiscal year 2016.

Mrs. Rosetto responded yes.

Mr. Gluck asked Mrs. Rosetto to review the memo and explain to the Commissioners how the connection fee was calculated.

Mrs. Rosetto explained in detail how the connection fee was calculated and that the connection fee that could be charged in total was \$2,363.43.

Mr. Gluck asked Mrs. Rosetto if it was her understanding that under the applicable statute, the Authority is permitted to charge less than the computed number.

Mrs. Rosetto responded yes.

Mr. Gluck asked Mrs. Rosetto that as a result of her calculation, did she recommend that the Commissioners adopt the connection fee of \$2,360 for fiscal year 2016, which is an increase from \$2,320 for fiscal year 2015.

Mrs. Rosetto responded yes.

Mr. Gluck asked Mrs. Rosetto if she was satisfied as to the accuracy of her computation and had she received any objections from the Authority's auditor as to any inaccuracies or inconsistencies in her computation.

Mrs. Rosetto responded that she was satisfied and the auditor concurred.

Mr. Gluck asked the Commissioners if they had any questions for Mrs. Rosetto with regards to the establishment of the connection fee and the way it was calculated by the State statute guidelines. Since there were no questions, Mr. Gluck opened to the public for any comments or questions regarding connection fee proposed for 2016. Seeing no public, Mr. Gluck asked the Commissioners for a motion to closed the public hearing on the connection fee for 2016 and enter a motion to adopt the resolution under agenda for the adoption of that connection fee. A motion was made by Mrs. Clement and seconded by Miss Haines. A roll call vote was taken with Mrs. Clement, Miss Haines, Mr. Memoli, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

Mr. Gluck concluded the connection hearing by thanking everyone. A motion to recess until 4:30 was made by Miss Haines and seconded by Mrs. Clement. The motion was carried by a unanimous voice vote.

At 4:30 p.m., a motion was made by Miss Haines and seconded by Mr. Memoli to end recess and return to the regular meeting. The motion was carried by a unanimous voice vote and the meeting was reopened.

Minutes of Meetings for Approval

A. Meeting #1174 October 27, 2015 New Submission

A motion was made by Mr. Memoli and seconded by Mrs. Clement to approve the minutes of Meeting #1174 October 27, 2015 as written. A roll call vote was taken with Mr. Memoli, Mrs. Clement, Miss Haines, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

Disbursements

A motion was made by Mrs. Clement and seconded by Mr. Memoli to approve payment of the disbursements as listed in the amount of \$4,109,050.02. A roll call vote was taken with Mrs. Clement, Mr. Memoli, with the exception of Kelly Bellu's RX reimbursement, Miss Haines, Mr. Bilotta and Mr. Bellu, with the exception of E. Memoli for mandatory testing and Kelly Bellu's RX, all casting affirmative votes.

Additional Disbursements

A motion was made by Miss Haines and seconded by Mr. Bilotta to approve payment of the additional disbursements as listed in the amount of \$377.82. A roll call vote was taken with Miss Haines, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Trust Fund for Contracts

A motion was made by Miss Haines and seconded by Mrs. Clement to approve the release from the Trust Fund for Contracts as listed in the amount of \$1,940.87. A roll call vote was taken with Miss Haines, Mrs. Clement, Mr. Bilotta, Mr. Memoli and Mr. Bellu all casting affirmative votes.

Before continuing, Mr. Gluck asked the Chairman to go back to 2A-2 to adopt the proposed sewer user rate schedule. A motion was made by Miss Haines and seconded by Mrs. Clement to adopt the resolution for the TRMUA 2016 Sewer User Rate Schedule. A roll call vote was taken with Miss Haines, Mrs. Clement, Mr. Memoli, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

Ratification of Investment & Transfer Resolutions

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

Financial Reports

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

Finance & Investments:

Mr. Valvano reported that the interest rates have gone up. The ten year bond is approximately at 2.25% and The Wall Street Journal is basically saying that rates will go up next month. Mr. Valvano contacted UBS because our funds are still limited and instead of getting quotes, he was given their forecast from now to the end of 2016. They basically are forecasting that every quarter, interest rates will go up by 0.25% and the ten year Treasury will be at 2.8% by the end of 2016. Mr. Valvano feels that we should pass at this time and let our reserves build and revisit at a later date.

A motion was made by Mr. Memoli and seconded by Mr. Bilotta to reinvest the available funds of \$64,851.08 in the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Memoli, Mr. Bilotta, Miss Haines, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Operating Reports

A motion was made by Mrs. Clement and seconded by Mr. Bilotta that the operating reports be accepted as presented. A roll call vote was taken with Mrs. Clement, Mr. Bilotta, Mr. Memoli, Miss Haines and Mr. Bellu all casting affirmative votes. Miss Haines questioned the accident that occurred with one of the LMO employees. There was minor damage to the utility body of the vehicle he was operating. The Director and Commissioner Haines will discuss it further in more detail after the meeting.

Development Applications/Major Sub Divisions

A motion was made by Mrs. Clement and seconded by Mr. Bilotta to approve the preliminary application for Sub-Division D-1015A. A roll call vote was taken with Mrs. Clement, Mr. Bilotta, Mr. Bellu, Miss Haines and Mr. Memoli all casting affirmative votes.

The next Authority meeting was confirmed for Tuesday, December 15, 2015 at 4:30 p.m.

Adoption of Resolutions/Approvals

A motion was made by Miss Haines and seconded by Mrs. Clement approving the following resolutions, 9A-2A through 9A-6:

- 2A. Ratification of IPC capital purchases; and
- 2B. Authorization was given to purchase Software needed to operate the MS SQL Server from CDW-G at a cost not to exceed \$4,190.39; and
- 2C. Authorization was given to purchase the MS SQL Server from Dell at a cost not to exceed \$8,778.67; and
- 2D. Ratification that the estimate submitted by Dash Mechanical is hereby accepted and that funding for this project will come from unanticipated capital funds, account 900-9102; and
3. Authorization was given to the Authority QPA to advertise for the receiving of proposals and preparation of the formal specifications for professional services in accordance with Chapter 19, P.L. 2004; and
4. Authorization was given to award the bid for Installation of the Photovoltaic System at the Toms River Main Facility to Altec Building Systems Corp, 904 Atlantic Ave, Point Pleasant, NJ 08742 for the base bid only in the amount of \$107,000.00 and that the Executive Director is authorized to execute and the Assistant Secretary to attest to the contract agreement; and
5. Authorization was given to approve Change Order No.1 Final and that the contract issued to JC Contracting, Inc. be increased by \$3,250.55 and the contract be commensurately increased from \$46,700.00 to \$49,950.55; and
6. Authorization was given to approve Change Order No.1 and that the contract issued to Flood Barrier, Inc. be increased by \$6,208.64 and the contract be commensurately increased from \$39,423.22 to \$45,631.86.

A roll call vote was taken with Miss Haines, Mrs. Clement, Mr. Memoli, Mr. Bellu and Mr. Bilotta all casting affirmative votes.

2016 Budget Approval

A motion was made by Mrs. Clement and seconded by Mr. Bilotta approving the 2016 Budget. A roll call vote was taken with Mrs. Clement, Mr. Bilotta, Mr. Memoli, Miss Haines and Mr. Bellu all casting affirmative votes.

Resolution-Late Budget Submittal

A motion was made by Miss Haines and seconded by Mrs. Clement to adopt this resolution as a statement of explanation regarding the late submittal of the budget submitted after the State mandated deadline of November 1, 2015. A roll call vote was taken with Miss Haines, Mrs. Clement, Mr. Memoli, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

Resolution of Retirement

A resolution in recognition of James Lafferty's retirement, effective December 1, 2015, was submitted. A motion was made by Mrs. Clement and seconded by Miss Haines to accept his letter of retirement. A roll call vote was taken with Mrs. Clement, Miss Haines, Mr. Memoli, Mr. Bilotta and Mr. Bellu all casting affirmative votes. Mr. Acropolis mentioned that this was to be Mr. Lafferty's last MUA meeting; however, he had to leave work and rush to Freehold Hospital to meet his wife who had fallen and required quite a few stitches. The Commissioners thank Jim for his service and wish him good luck.

Table of Organization

A motion was made by Miss Haines and seconded by Mrs. Clement to review and approve the Table of Organization. Mr. Bellu asked if anyone had any questions regarding the chart. Mr. Acropolis explained that there are 29 projects coming up, not including the ones that have already been reviewed and approved. We need to have inspectors and people on these projects and since we have some employees that are also getting close to retirement we have been moving employees around so that they can train with those employees to make a smooth transition. The T/O has been tweaked somewhat to accommodate the recent retirement of Mr. Lafferty. A roll call vote was taken with Miss Haines, Mrs. Clement, Mr. Memoli, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

Unfinished Business

Mr. Acropolis advised the Board that the 60% charged to BTSA over the last ten years does not cover our collection costs to OCUA. The Director wanted to inform the Board that more discussion on this will be needed.

Committee Reports

Personnel

Miss Haines commented on the Internal Draft Position Paper that Mr. Acropolis had sent to the Board prior to the meeting. She mentioned the Director was very detailed in his explanations of allocating the DO's responsibilities and reorganizing the Engineering area to meet the growing demands and obtain a smooth transition. Mr. Acropolis advised the Board that he had spoken to both the Personnel and Engineering Committees regarding this paper.

AD-HOC Union

Mr. Bellu reported that we are still in negotiations with the Union. Mr. Bellu reiterated that Connor/Strong did a very good job of getting us the information on the medical aspect. As much as Mr. Bellu thought at the time that we would be saving a lot of money by getting insurance through the Union, it was confirmed we would not qualify and we could not be grandfathered in their insurance. Their insurance meets the Federal requirements but it does not meet the State requirements; therefore, we are precluded from using them. Our savings with having the Union's insurance would be 39%. Connor/Strong mirrored the terms of the Union's insurance and by adding in the items that the State requires, the savings would be 32%. The Committee decided to basically have 5 options of insurance products, one being the same or better than our current insurance, where the employees will be able to select and choose the one that would be best for them and their family. The Union has been informed by the Committee of their decision to go with the 5 options insurance plan and have also been given the proposed numbers for increases. The Union Rep was to discuss it with the Teamsters so that a meeting could be scheduled. Once the meeting is scheduled and all is approved, it will be presented to the Board for ratification. Mrs. Rosetto questioned whether the retirees would also have options to select. Mr. Bellu asked Kelly to inquire and confirm Mrs. Rosetto's request.

Legal

Mr. Gluck noted that we have not been served any lawsuits since our last meeting.

Mr. Gluck has moved for final judgment on all three collection cases since all parties did not dissipate or settle with us. None of them have filed answers so they will all be judgments by default and will be docketed. Mr. Gluck can take the next step or we can let it sit there as a docketed judgment but he noted that we can decide later once we have the filed documents from the court.

Mr. Gluck reported that he received Notice of Intent to file a lien earlier in the month. He turned it over to Dan Leone who was able to make contact with the contractors that were involved and got that quashed and was able to get the release of that money, which they have agreed to pay.

Regarding BTSA, Mr. Gluck said we'll have to have a meeting on that next week to discuss.

Mr. Gluck reported that they are moving forward on two other products that he would like Dan Leone to touch on since he is taking the lead on the condemnation proceedings for those two easements that we need at the end of that cul-de-sac and the increased access agreement. For Twin Oaks condemnation, Mr. Leone reported that the appraisals are being done now and they are waiting on the initial site investigation of the properties. For Anchorage Harbor, Mr. Leone asked Mr. Rutkowski if he had been in touch with them. Mr. Rutkowski is looking to set up a site meeting with the new manager sometime after Thanksgiving.

Mr. Gluck reported that as far as the two remaining pump stations, they are actively in negotiations to buy them. On the one station, the company bought the tax lien but has not foreclosed on it, so it would actually be redemption of a tax lien through a Kara Trustee that is still active. On the other station, Mr. Gluck reported that the tax lien was sold but there is no active company to redeem that from, so they are trying to start negotiations with the company that holds the tax sale certificate and have them assign it to us so that they can foreclose on it and get the property. Mr. Gluck noted that there is still about \$300,000 left in escrow that they are hoping will pay for this so that no other money will be coming from the Authority.

Mr. Acropolis asked to speak to the Board and Mr. Gluck regarding the property in the back that was a Conrail easement and is mostly a cross piece that is perpendicular against our property. Our trucks have to go on it for 20 feet and then go back on to our own property whenever it's used. Mr. Acropolis mentioned that this property may become available to us to buy or at least a piece of it. He believes that its own by Conrail which is now Northfork Southern. Mr. Acropolis would like Mr. Gluck to start negotiations. Mr. Bellu questioned Mr. Gluck regarding the Adverse Possession Laws concerning the property. Mr. Gluck noted he would have to do a title search first to see who the proper owners are and type of deed that is recorded. The Board agreed that he proceed with the search and update us at the next meeting.

Engineering

The Engineering Committee meeting was held on Monday, November 23, 2015. In attendance were Mrs. Clement, Mr. Siddiqui, Mr. Acropolis and Mr. Otten. Below are some of the meeting's highlights presented by Mrs. Clement:

Pumping station #16 parallel force main has been completed. That job had started in September, 2012, with KMetz as the contractor. This project connects the pumping station #16 parallel force main.

A bid opening is scheduled for December 8, 2015 for another sewer/manhole rehabilitation project. There are three separate Cured-in-Place Lining projects, each one being \$1 million. This project will address 4 miles of pipe, 215 laterals and 115 manholes.

Not to be redundant, Mrs. Clement did not go over the T/O chart that was discussed at the engineering meeting as well. Mrs. Clement did note that there will be additional responsibilities that the Executive Director, the inspectors and the Authority Engineer will be taking on in order to have a smooth transition with the absence of the Director of Operations. Her Committee supports the reorganization plans that were discussed with personnel due to all the work presently being done and for the 29 upcoming projects as previously mentioned by Mr. Acropolis.

Miss Haines mentioned that the Township was doing some type of drainage project on Grand Ave. She was curious to know if the MUA should have been there also. Mr. Acropolis said if they were doing any crossings or anything like that, they would; however, that's why the lead inspector gets a report from them and sends people where they need to go.

Mr. Bellu asked if there were any other committee reports and/or questions. Mr. Valvano had a quick comment that he wanted to share.

Mr. Valvano commented that United Healthcare, the second largest insurance company providing health care policies, is pulling out of OBAMACARE in 2017. It was already too late for them to pull out for 2016. They are not advertising their policies, they are not paying commissions on their policies and they have 500,000 families that are going to lose their health care. Even though we do not have OBAMACARE, we still have to abide by their rules and their laws. If more health insurers pull out, there is no more OBAMACARE. Miss Haines noted that if there were changes, we would not know because the President with override anything negative that he receives. The next president will have to deal with OBAMACARE.

Public Comment

Chairman Bellu opened the meeting to comments from the public. With no public comments, Chairman Bellu closed the public portion of the meeting.

Correspondence

None

Resolution to Enter Executive Session

No resolution was required at this meeting.

Before closing, Miss Haines wished the staff and everyone a Happy Thanksgiving. All agreed.

With no further business before the Board, a motion was made by Mrs. Clement and seconded by Miss Haines to adjourn the meeting at 5:14 p.m. The motion was carried by a unanimous voice vote.