

**TOMS RIVER MUNICIPAL UTILITIES AUTHORITY**

**Meeting Number Twelve Hundred Five**

Agenda

May 22, 2018

The regular meeting of the Toms River Municipal Utilities Authority was held on Tuesday, May 22, 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
- Stephen C. Acropolis, Executive Director/Sec'y.-Treas. - Absent
- James Gluck, Esquire, Counsel
- Rosemary Rosetto, Chief Financial Officer
- Nicholas Otten, Authority Engineer
- Bernard Rutkowski, Regulatory Compliance/Safety Officer
- Cindy Toye, Administrative Bookkeeping Specialist
- Georgia Benyola, Executive Secretary/Assistant Sec'y.

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Meeting #1205 was called to order at 4:30 p.m., May 22, 2018 by Chairman Memoli.

The Chairman stated that Mr. Acropolis would not be present tonight.

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

**Minutes of Meetings for Approval**

*A. Meeting #1204 - April 24, 2018 - New Submission*

A motion was made by Mrs. Clement and seconded by Mr. Valvano to approve the minutes of Meeting #1204 April 24, 2018 as written. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes. Mr. Siddiqui and Mr. Bilotta abstained due to illness.

*B. Ex. Session #1204 - April 24, 2018 - New Submission*

A motion was made by Mrs. Clement and seconded by Mr. Valvano to approve the minutes of the Ex. Meeting #1204 April 24, 2018 as written. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes. Mr. Siddiqui and Mr. Bilotta abstained due to illness.

### **Disbursements**

A motion was made by Mrs. Clement and seconded by Mr. Bilotta to approve payment of the disbursements as listed in the amount of \$4,409,439.41. A roll call vote was taken with Mrs. Clement, Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

### **Additional Disbursements**

A motion was made by Mr. Bilotta and seconded by Mrs. Clement to approve payment of the additional item in the amount of \$1,613.95. A roll call vote was taken with Mr. Bilotta, Mrs. Clement, Mr. Siddiqui, Mr. Valvano and Mr. Memoli all casting affirmative votes.

### **Ratification of Investment & Transfer Resolutions**

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

### **Finance & Investments: 6G**

Mr. Valvano reported that interest rates are continually going up. It's currently over 3%. The highlight of the month though was the finance meeting that Mr. Valvano talked about at our last meeting. They had a finance meeting with professionals, auditors and numerous employees all talking about bonding and future cash needs. They also talked about the financial health of the Authority. Mr. Valvano thought it was outstanding from the point of view that Mr. Holman and his staff when he said that we have an outstanding Authority. Mr. Holman mentioned that at our previous public meeting, it was mentioned at the finance meeting and also mentioned it in his report. Mr. Valvano was very pleased. The primary focus of the finance meeting was to find out how much we could get if we were to go into bonding. Mr. Holman and his staff came back with \$4M. Mr. Valvano noted that if we decide to do that, it would not have an impact on rates. Once again, it was an outstanding meeting. With the employees, the professionals and Mr. Bilotta, Mr. Valvano stated that they will consider their options and see where they want to go with this in the future.

Mr. Valvano will also meet with Mr. Bilotta to discuss the upcoming CD that is coming due in July. Mr. Valvano said that if they lean towards bonding, they will probably not roll over the CD but we have an existing money market account with Lakeland with a variable interest rate of .80 if we want to keep it there but nothing has been discussed yet with Mr. Bilotta and Mr. Valvano.

Mr. Valvano made a motion, seconded by Mr. Bilotta, to reinvest the available funds of \$38,001.34 in the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui, Mrs. Clement and Mr. Memoli all casting affirmative votes.

### **Operating Reports**

A motion was made by Mrs. Clement and seconded by Mr. Bilotta that the operating reports 7A-7G were accepted as presented. Chairman Memoli called upon Mrs. Toye to discuss the Payroll Processing Service noted in the Handout. Mrs. Toye reported that she had been having some issues with Paychex's website in the last year, and after a meeting with Mrs. Rosetto and Francesca from ADP, it seemed to be a better product for a lesser cost. The TRMUA could save around \$5,000 by moving to ADP. Mrs. Toye and Mrs. Rosetto, along with the Chairman, remarked that it would be good to coordinate the transition with the upcoming end of the quarter, if the Board approves. The Board authorized Mrs. Toye to proceed with the transition of the Authority's payroll to ADP pending on the termination of the contractual obligations from Paychex. A roll call vote was taken with Mrs. Clement, Mr. Bilotta, Mr. Siddiqui, Mr. Valvano and Mr. Memoli all casting affirmative votes.

### **Development Applications-Major Sub Divisions**

No applications were submitted for approval.

### **Authority Meeting**

The next Authority meeting was confirmed for Tuesday, June 26, 2018 at 4:30 p.m.

### **Adoption of Resolutions Authorizing Capital Purchases**

There were no purchases for ratification.

### **9A-3 Resolution – Settlement Agreement & Release for AM Liner East**

A motion was made by Mr. Bilotta and seconded by Mrs. Clement to approve the Settlement Agreement and Release and Payment of Termination Costs for Sewer and Manhole Rehabilitation project Contract No. SR-01-16A and the Executive Director is hereby authorized to execute and the Assistant Secretary to attest to the Settlement Agreement and Release between the TRMUA and AM Liner East, Inc. A roll call vote was taken with Mr. Bilotta, Mrs. Clement, Mr. Siddiqui, Mr. Valvano and Mr. Memoli all casting affirmative votes.

### **Unfinished Business**

Update for the Upgrade of HVAC Project – At the March meeting the Board approved the engineer's proposal to proceed with phase one, not to exceed \$25,900.00 and that it would take three or four weeks to do the study and would give their recommendation to the Board at the April meeting. At the April meeting, the engineers had been in and said they will have something for the Board in two to three weeks, so we should receive something for the May meeting.

At the May meeting, Mr. Rutkowski proceeded to say that he received a report from the engineers late on Friday. As he looked at it, the engineers basically came in, looked at the system and made a recommendation of the systems that would be used on a square footage cost estimate. They came up with two options. The mini split system (VRF) would be the better option at a price of \$775,200.00 and the traditional AHU system option would be at a price of \$993,900.00 plus a +/- of 30% for both options. Mrs. Clement mentioned that the engineer's proposal was approved so that a study could be done on the HVAC. Mr. Rutkowski noted that it was more of a report than a study. Mrs. Clement reiterated once again that the last year Bob Toscan was here, the HVAC system was totally redone. It had to be at least 15 years ago and if we could archive the paperwork, we can find out when it was done. The Commissioners also asked how

IPS came into this when it was the engineers who were to give the Board their recommendation. Mr. Rutkowski mentioned that the consultant engineers brought IPS into the picture. The Commissioners agreed to read the report/study before discussing it any further. Mr. Rutkowski will send them each a copy to review.

### **Committee Reports**

#### *Legal*

1. Mr. Gluck stated that we talked about AM Liner East. That's been taken care of already.
2. Regarding the West Bay View Drive, Mr. Gluck understood that the pavement is all completed. They are just waiting for the final documents to be signed by everyone.
3. Mr. Gluck reported that they have made progress on the Jackson MUA Agreement and the Manchester Services Agreement. They have been in contact going back and forth with Manchester and their attorney, Jerry Dasti's office and Nick Otten. Also, Counsel has finally heard from Bill Herring on Jackson and they are now communicating.
4. Mr. Gluck has no other reports and has no need for executive session.

#### *Engineering*

Mr. Siddiqui commented that a meeting was held last Friday with Mrs. Clement and Mr. Otten. The most important item discussed was the contract for the two Supplemental Force Mains, 15 & 20 that were successfully activated. Mr. Siddiqui understood that there were some issues and conflicts and a problem with a lateral but was resolved. Our men went to the site and help the contractor. Other than that, there was nothing else except for the routine contracts.

#### *Personnel*

The Personnel Committee, Mr. Bilotta and Mr. Valvano, met with Mr. Acropolis. There were no issues that needed to be addressed during the month of May, 2018.

#### *Land*

Mr. Bilotta spoke with Mr. Acropolis about land use and the only thing going on is the finishing of the fence in the back.

### **Public Comments**

Chairman Memoli opened the meeting to comments from the Public. With no public comments, Mr. Memoli closed the public portion of the meeting.

Mr. Siddiqui requested if he could ask a couple of questions regarding Mr. Valvano's report. Chairman agreed. Mr. Siddiqui proceeded to ask Mr. Valvano if we are looking for bonding for capital projects or just for operating expenses for the Authority. Mr. Valvano responded by saying that they have not yet decided that they would bond. The question to the auditor was if we do have capital projects and we would need cash in order to meet those obligations, how much could we bond where it would not affect rates. Everything affects rates long term but we are talking over a short period of time. Long term we cannot predict. Mr. Siddiqui said we have been talking about bonding for a long time and wanted to know if it was needed. Mr. Valvano stated that we have talked about bonding in the past however, we could have bonded but we decided not to and had less debt on our balance sheet. Going forward, if we are going to do capital projects, we will have to consider it again. The Finance Committee and Board have not made up their minds that they are definitely going to bond.

Mr. Siddiqui also asked if the Authority has looked into the NJEIT loans that we have been using or is there a reason why we can't look into that instead of bonding. Mr. Valvano noted that the auditor did not bring that up but it was mentioned by the financial advisor that it has to be an environmental project. Mr. Siddiqui stated that 95% of the projects meet the standards, getting the money isn't difficult and the interest rate can be lower with those loans. Mr. Valvano said they could look into it.

**Correspondence**

None

**Resolution to Enter Executive Session**

No executive session was held.

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 5:20 p.m. The motion was carried by unanimous voice vote.