

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY
Meeting Number Eleven Hundred Ninety-nine

Agenda

November 28, 2017

The regular meeting of the Toms River Municipal Utilities Authority was held on Tuesday, October 24, 2017 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

Carmen J. Memoli, Vice Chairman

Joseph G. Bilotta, Commissioner

Deborah L. Clement, Commissioner

Charles S. Valvano, Commissioner

Tariq M. Siddiqui, Alt. Commissioner

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

James Gluck, Esquire, Counsel

Rosemary Rosetto, Controller

Nicholas Otten, Authority Engineer

Bernard Rutkowski, Regulatory Compliance/Safety Officer -Absent

Cindy Toye, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Secretary

Meeting #1199 was called to order at 4:30 p.m., November 28, 2017 by Chairman Bellu.

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, Mrs. Clement, Mr. Bilotta, Mr. Memoli and Mr. Bellu were present.

The first order of business was the Public Hearing on the proposed 2018 Connection Fee and Sewer User Rate held on November 28, 2017 at 4:00 p.m. Chairman Bellu introduced Mr. Gluck who officiated the meeting. Mr. Gluck proceeded to say that we will conduct the Public Hearing on our connection fee only, although there will be some questions posed to Mrs. Rosetto with regards to the user rates and fee schedule. Mr. Gluck then called upon Mrs. Rosetto and sworn her in as a witness to testify. The following discussion took place:

Mr. Gluck: Please state your name, position and years of experience with the MUA.

Mrs. Rosetto: My name is Rosemary Rosetto. I am the CFO and have been with the MUA for many years and have experience exceeding 30+ years.

Mr. Gluck: Are you familiar with the financial records over that 30 year period.

Mrs. Rosetto: Yes, I am.

Mr. Gluck: You have testified prior to today in regards to the connection fees for this Authority. Is that correct.

Mrs. Rosetto: Yes.

Mr. Gluck: Is it your understanding that proper notice of this connection fee hearing has already been advertised in the Asbury Park Press and the Star Ledger?

Mrs. Rosetto: Yes

Mr. Gluck: We do have those affidavits as Exhibit A. Mrs. Rosetto you also prepared a memorandum to the Commissioners to review in draft form dated October 23, 2017, which outlined the proposed connection fee schedule.

Mrs. Rosetto: Yes, I did.

Mr. Gluck: Has there been any changes since you issued that memo?

Mrs. Rosetto: No, there hasn't.

Mr. Gluck: We'll mark that copy of the memo as TRMUA Exhibit B and move those exhibits into evidence if there is no objection from any of the Commissioners. Seeing none, so moved.

Mr. Gluck then directed Mrs. Rosetto's attention to her memo and asked her to explain how the connection fee is calculated. Mrs. Rosetto proceeded to explain in detail how the connection fee was calculated and that the connection fee that could be charged in total was \$2,554.80. The Commissioners have agreed to increase the connection fee from \$2,410 to \$2,554. Mrs. Rosetto mentioned that the calculation had also been verified by the Authority's Auditor.

Mr. Gluck: Are you satisfied as to the accuracy of that computation?

Mrs. Rosetto: Yes, I am.

Mr. Gluck: Does anyone have any questions for Mrs. Rosetto with regards to her calculation/connection fee or the dollar amount of \$2,554 proposed for FY 2018?

Commissioners: No.

Mr. Gluck then opened up the meeting to the public for questions or comments for connection fee for FY 2018. With no public comments, Mr. Gluck closed the public hearing.

Mr. Gluck asked if there was a motion to approve the connection fee for 2018 at the amount of \$2,554.

A motion was made by Mrs. Clement and seconded by Mr. Bilotta to approve the connection fee for 2018 at the amount of \$2,554.00. A roll call vote was taken with Mrs. Clement, Mr. Bilotta, Mr. Memoli, Mr. Valvano and Mr. Bellu all casting affirmative votes.

Mr. Gluck: Moving on to the user rates Mrs. Rosetto, the Notice of Public Hearing also provided in that notice there will be no proposed change to the user rate schedule for 2018 from FY2017. Is that correct?

Mrs. Rosetto: That's correct.

Mr. Gluck: Has there been any change in that since that advertisement?

Mrs. Rosetto: No, there has not.

Mr. Gluck: The rate schedule will remain for 2018.

Mr. Gluck then asked for a motion to adopt the proposed user rates and fee schedule.

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to adopt the proposed user rates and fee schedule. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Memoli and Mr. Bellu all casting affirmative votes.

At this time, Mr. Gluck called upon Mr. Otten, as he's done in the past, to testify in regards to the budgeted numbers in the proposal of FY2018.

Mr. Gluck: Have you had the opportunity to review the proposed budget for 2018?

Mr. Otten: Yes.

Mr. Gluck: Have you also had an opportunity to review the bond indentures that the Authority has?

Mr. Otten: Yes.

Mr. Gluck: Is it your understanding that the proposed budget would be sufficient to maintain the sewer system in such a manner that the system will outlive the length of the bonds?

Mr. Otten: Yes.

Mr. Gluck noted that the 2018 Draft Budget was on the Agenda under 9A-6 for approval. Chairman suggested that we make a motion now to approve the budget.

A motion was made by Mr. Bilotta and seconded by Mrs. Clement to approve the 2018 Draft Budget. A roll call vote was taken with Mr. Bilotta, Mrs. Clement, Mr. Valvano, Mr. Memoli and Mr. Bellu all casting affirmative votes.

Based upon that testimony from Mr. Otten and the approval of the 2018 budget, Mr. Gluck noted that this concludes the hearing on the rates and connection fee.

Director Acropolis asked Chairman Bellu if he would like to make a statement regarding the rates and how this would be the 9th year in a row without an increase in rates, even during the years of Super Storm Sandy. Not too many utilities could say that. The Chairman mentioned that 25 years had passed before the first increase was made in 2009.

A recess was taken at 4:17 p.m. and at 4:30, Chairman welcomed everyone back and noted that Mr. Siddiqui, who was not available for the Public Hearing User Rate and Connection Fee, is now available for our regular public Meeting # 1199.

Minutes of Meetings for Approval

A. Meeting #1198

October 24, 2017

New Submission

A motion was made by Mr. Bilotta and seconded by Mr. Memoli to approve the minutes of Meeting #1198 October 24, 2017 as written. A roll call vote was taken with Mr. Bilotta, Mr. Memoli, Mr. Valvano and Mrs. Clement all casting affirmative votes. Mr. Bellu abstained as he was not present.

Disbursements

A motion was made by Mrs. Clement and seconded by Mr. Valvano to approve payment of the disbursements as listed in the amount of \$3,364,705.21. A roll call vote was taken with Mrs. Clement, Mr. Valvano, Mr. Memoli, with the exception of APV, Mr. Bilotta and Mr. Bellu, with the exception of APV, all casting affirmative votes.

Additional disbursements

A motion was made by Mr. Valvano and seconded by Mrs. Clement to approve payment of the additional items as listed in the amount of \$4,265.02. A roll call vote was taken with Mr. Valvano, Mrs. Clement, Mr. Memoli, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

Trust Fund for Contracts

A motion was made by Mr. Valvano and seconded by Mr. Memoli to approve the release from the Trust Fund for Contracts as listed in the amount of \$5,385.17. A roll call vote was taken with Mr. Valvano, Mr. Memoli, Mr. Bilotta, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Ratification of Investment & Transfer Resolutions

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

Financial Reports

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

Finance & Investments:

Mr. Valvano mentioned that the President nominated Jerome Powell as the next Chairman of the Federal Reserve. It has been said that it's a forgone conclusion that he will be approved. Some questions concerning the levels of the rate increases were discussed. The general consensus is that there will be another rate increase this year, three or four next year and two in 2019. We will be looking at interest rates going up to 1 ½ to 1 ¾ % over the next two years.

Considering we are building reserves, Mr. Valvano made a motion, seconded by Mr. Bilotta, to reinvest the available funds of \$56,814.60 into the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Operating Reports

A motion was made by Mr. Memoli and seconded by Mr. Valvano that the operating reports be accepted as presented. A roll call vote was taken with Mr. Memoli, Mr. Valvano, Mr. Bilotta, Mrs. Clement and Mr. Bellu 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, December 19, 2017 at 4:30 p.m.

Adoption of Resolutions/Capital Purchases

A motion was made by Mr. Bilotta and seconded by Mrs. Clement approving the following resolutions, 9A-2A and 9A-3, 9A-4, 9A-5 and 9a-7:

9A-2A - Authorization was given to ratify IPC Purchases; and

9A-3 - Authorization was given for the termination of the Bollinger, Inc. contract and award of a contract to the CJHIF as per the monthly rates and the terms and conditions of the submitted proposal; and

9A-4 - Authorization was given to award a contract to CJHIF to provide to the Toms River Municipal Utilities Authority an employee Dental Program at the rate of \$42.00 for single, \$63.00 for parent/child, \$83.00 for husband/wife and \$109.00 for family, commencing on January 1, 2018; and

9A-5 - Authorization was given to award an emergency contract to M.C. Messina, Inc. for replacement section of sanitary sewer main and retrieval of CCTV inspection camera – Hooper Ave., in an amount of \$40,002.20; and

9A-7 - Authorization was given 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, 2017.

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

A motion was made by Mr. Valvano and seconded by Mrs. Clement approving the following resolutions, 9A-8 through 9A-10:

9A-8 - Authorization was given to the Authority terminating Contract No. SR-01-16A with AM-Liner East, Inc. for the Sewer and Manhole Rehabilitation Project; and

9A-9 - Authorization was given to a Paving Cost Sharing Agreement between Toms River Municipal Utilities Authority, New Jersey American Water Company and Ocean Beach and Bay Club and the Executive Director is hereby authorized to execute and Assistant Secretary to attest, to a Paving Cost Sharing Agreement. The Executive Director is also authorized to execute the Deed of Easement between the Toms River Municipal Utilities Authority, New Jersey American Water Company and the Ocean Beach and Bay Club; and

9A-10 - Authorization was given to award the Bid for 2017-2018 On-Call Roadway Pavement Restoration Project, Contract No. RPR-17-18, to Johnson-Baran Corp, PO 842, Forked River, New Jersey 08731 in the amount of \$363,490.35.

A roll call vote was taken with Mr. Valvano, Mrs. Clement, Mr. Memoli, Mr. Bilotta and Mr. Bell all casting affirmative votes.

Unfinished Business

None

Committee Reports

Legal

1. Mr. Gluck mentioned that the default judgement was filed on the Earle Asphalt Company that we have been trying to resolve. Counsel did reach out to the project manager on different occasions but to no avail.

2. Mr. Gluck stated that at the last meeting, the Board authorized the paving cost sharing agreement and the temporary construction easement. They have been signed by the other parties and Counsel is waiting to receive the original documents for the Authority to execute and have the deed recorded.

3. Mr. Gluck also reviewed the On-Call Roadway Pavement Restoration Project which was approved earlier on the agenda.

Finance

Mr. Valvano also noted that the potential tax cut that might be passed this year could stimulate the economy and with more stimulation, interest rates could go higher than originally projected.

Engineering

Mrs. Clement noted that the Engineering/Technology meeting was cancelled due to the holiday.

Land

Mr. Bilotta noted that the “Land Use Permitting for Easement Maintenance” was mentioned in the engineering report.

Personnel

Mr. Memoli mentioned that there are two employees coming off probation. One of the employees will be moved to permanent status and one employee's probationary period will be extended for an additional 90 days for more training.

Correspondence

Mr. Acropolis mentioned that a letter was received from one of our ratepayers who was impressed with the professionalism of the crew members during a recent stoppage. A letter of appreciation for each member will be placed in their personnel file for a job well done.

General Business

Mr. Acropolis noted that the camera that was lodged inside a pipe, as mentioned at our last meeting, was successfully retrieved. The foreman had his crew clean the camera thoroughly, take it apart and get it ready for televising. It is now working well once again.

Mr. Acropolis mentioned that we received an email from the Union stating that they would like to meet and re-open the contract. During the negotiations of the current contract it was discussed that if there were significant savings on health care, employees would have the option of taking the teamster's match plan and we could re-open the contract. A health care cost comparison will be completed in more detail and given to the Committee for review.

Mr. Acropolis noted that in addition to the information provided by Mr. Valvano regarding interest rates, the economy is growing at a higher rate and unemployment is at the lowest level in 17 years, yielding a tighter job market. Therefore as we start thinking about union contracts in the near future, we may have to consider these factors in new negotiations

Public Comment

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

Resolution to Enter Executive Session

No executive session was held.

With no further business before the Board, a motion was made by Mr. Bilotta and seconded by Mrs. Clement to adjourn the meeting at 4:50 p.m. The motion was carried by a unanimous voice vote.