

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Chairman Rattner called the meeting to order at 7:30 PM. Following salute to colors, announcement was made that adequate notice of this meeting had been provided for as defined by the "Open Public Meetings Act".

MEMBERS PRESENT: Donald Bates, James Benson, Michael Grogan, Brian McNeilly, Melanie Michetti, Daren Phil, Michael Pucilowski, Steven Rattner, Rich Schindelar, Joseph Schwab, John Sylvester

MEMBERS ABSENT: Edward Schwartz

OTHERS PRESENT: Patrick Dwyer, Esq., Lee Purcell, PE, Fenton Purcell, PE, James Schilling, Marvin Joss, Stephen Donati, PE

Chairman Rattner opened and closed the meeting to the public.

The Regular Meeting Minutes of July 24, 2014 were approved on a motion offered by Mr. Benson, seconded by Mrs. Michetti. Roll Call:

Mr. Bates	Yes	Mr. Pucilowski	Yes
Mr. Benson	Yes	Mr. Rattner	Yes
Mr. Grogan	Yes	Mr. Schindelar	Yes
Mr. McNeilly	Abstain	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Sylvester	Abstain
Mr. Phil	Yes		

The Closed Session Meeting Minutes of July 24, 2014 were approved on a motion offered by Mr. Phil, seconded by Mr. Schwab. Roll Call:

Mr. Bates	Yes	Mr. Pucilowski	Yes
Mr. Benson	Yes	Mr. Rattner	Yes
Mr. Grogan	Yes	Mr. Schindelar	Yes
Mr. McNeilly	Abstain	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Sylvester	Abstain
Mr. Phil	Yes		

The Expenditures/Treasurer's Report for the month of July was accepted on a motion offered by Mr. Benson, seconded by Mr. Schwab and the affirmative roll call vote of members present.

TREASURER'S REPORT AUGUST 1, 2014

OPERATING ACCOUNT

Balance as of July 1, 2014:		<u>\$ 1,070,752.90</u>
Receipts (July):	Hospitalization	2,688.36
	Disability reimbursements	2,178.47
	Workers Comp reimbursements	3,073.32
	Interest	1,310.53
		<u>\$ 9,250.68</u>
		<u>\$ 1,080,003.58</u>
Total Disbursements (July):		<u>\$ 156,500.70</u>
Balance as of August 1, 2014:		<u>\$ 923,502.88</u>

RENEWAL/REPLACEMENT ACCOUNT

Balance as of July 1, 2014:		<u>\$ 564,839.40</u>
Receipts:		0.00
Disbursements:	Hayes Pump	<u>10,860.00</u>
Balance as of August 1, 2014:		<u>\$ 553,979.40</u>

ESCROW ACCOUNT

Balance as of July 1, 2014:		<u>\$ 2,952.34</u>
Receipts:		0.00
Disbursements:		<u>0.00</u>
Balance as of August 1, 2014:		<u>\$ 2,952.34</u>

CAPITAL IMPROVEMENT ACCOUNT

Balance as of July 1, 2014:	\$ 450,000.00
Receipts:	0.00
Disbursements:	0.00
Balance as of August 1, 2014:	\$ 450,000.00

EXPENDITURES REPORT - 2014 BUDGET

8/1/14

	2014	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$149,000.00	\$91,948.51	\$57,051.49	38.29%
Trustee Admin Fees	\$60,000.00	\$20,407.26	\$39,592.74	65.99%
Administrative - Other Expenses	\$33,000.00	\$20,230.46	\$12,769.54	38.70%
Legal	\$25,000.00	\$6,889.60	\$18,110.40	72.44%
Audit	\$14,000.00	\$7,000.00	\$7,000.00	50.00%
Engineer	\$20,000.00	\$5,090.00	\$14,910.00	74.55%
Pension	\$86,000.00	\$0.00	\$86,000.00	100.00%
Social Security	\$60,000.00	\$37,055.69	\$22,944.31	38.24%
Unemployment	\$7,000.00	\$5,131.16	\$1,868.84	26.70%
Hospitalization	\$222,800.00	\$122,558.54	\$100,241.46	44.99%
Disability Insurance	\$10,000.00	\$5,264.71	\$4,735.29	47.35%
Operating - Salaries and Wages	\$620,000.00	\$392,678.81	\$227,321.19	36.66%
Reserve for Future Retirement	\$15,000.00	\$0.00	\$15,000.00	100.00%
Telephone	\$15,000.00	\$10,139.04	\$4,860.96	32.41%
Electric	\$527,000.00	\$146,877.65	\$380,122.35	72.13%
Propane/Fuel Oil/ Gasoline	\$35,000.00	\$16,021.43	\$18,978.57	54.22%
Supplies/Chemicals	\$135,100.00	\$61,654.09	\$73,445.91	54.36%
Laboratory Supplies	\$8,000.00	\$4,469.01	\$3,530.99	44.14%
Office	\$20,000.00	\$4,841.52	\$15,158.48	75.79%
External Services	\$50,000.00	\$35,713.18	\$14,286.82	28.57%
Education/Training	\$15,000.00	\$4,947.64	\$10,052.36	67.02%
Laboratory Fees	\$25,000.00	\$10,146.20	\$14,853.80	59.42%
Maintenance/Repairs	\$100,000.00	\$14,837.66	\$85,162.34	85.16%
Insurance	\$110,000.00	\$96,056.31	\$13,943.69	12.68%
NJDEP Fees	\$25,000.00	\$18,618.25	\$6,381.75	25.53%
Permit/Compliance Fees	\$150,000.00	\$42,953.90	\$107,046.10	71.36%
Equipment	\$60,000.00	\$12,391.05	\$47,608.95	79.35%
Sludge Removal	\$550,000.00	\$242,567.73	\$307,432.27	55.90%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$300,000.00	\$150,000.00	\$150,000.00	50.00%
Renewal and Replacement	\$200,000.00	\$100,000.00	\$100,000.00	50.00%
TOTAL	\$3,671,900.00	\$1,686,489.40	\$1,985,410.60	54.07%

The pending vouchers for the month of August were approved for payment on a motion offered by Mr. Benson, seconded by Mr. Schwab and the affirmative roll call vote of members present.

AC&R, Inc. (service HVAC system)	\$300.50
ADP	\$875.01
ATS Environmental (UST annual inspections)	\$900.00
Blue Diamond Disposal	\$265.00
Certified Labs (trash liners, rustore aerosol)	\$255.58
Cintas Corp. (August Uniforms)	\$582.80
Cintas First Aid (monthly service)	\$56.17
Robert Colabella (dental & work boot reimbursement)	\$405.52
EMR Power Systems (quarterly generator maint)	\$2,422.17
Grainger (pail & polypropylene)	\$109.45
Susan Grebe (mileage reimb)	\$68.41
JCP&L	\$5,249.49
Kemira	\$4,774.01
LTPA (permit compliance)	\$3,710.00
Lowe's (pipes, hardware, oscillating fan)	\$124.49
Motion Industries (grid CPLGS & hub)	\$302.54
NJSHBP (August health ins.)	\$12,571.68
NJ American Water	\$673.64
Najarian Associates (permit compliance)	\$927.50
Nusbaum Stein (qtr retainer, permit compl., review JIF changes, sludge hauling contract, rice notices, Kieser resolution, edit budget & purchasing)	\$5,741.60

One Call	\$39.04
Pan Metro (NJDEP certifications)	\$500.00
Passaic Valley Sewerage Commission	\$49,900.82
Polydyne	\$1,026.00
Printwurks (signatures stamps)	\$59.90
QC Labs	\$2,598.00
Reuter & Hanney (annual transformer testing & samples)	\$840.00
Roxbury Township Water Dept.	\$134.94
Shell Fleet Plus	\$542.85
Spectraserve	\$20,650.31
Staples (copy paper, folders, air freshener, kitchen supplies, comp book, water, markers)	\$429.89
Treasurer State of New Jersey (NJDEP underground storage tank program)	\$150.00
Verizon (phone service)	\$697.37
Verizon Communications (internet)	\$49.99
Verizon Wireless	\$225.26

It was discussed and decided that Correspondence "A" would be discussed in closed session and would required the advice of a labor attorney.

Chairman Rattner questioned about the Flood Hazard Area Notice Letter received from Woodmont Properties. Mrs. Michetti noted that the property was in Roxbury's sewer service area and not the MSA's service area.

The following correspondence for the month of August was received and filed on a motion offered by Mr. Pucilowski, seconded by Mr. Sylvester and the affirmative vote of members present.

- A. 7/10/14 Elmer Still – Request for Unused Vacation Time Pay
- B. 7/16/14 NJ Dept of Pension & Benefits – Elmer Still Notice of Retirement
- C. 8/1/14 Grace Chun, Esq. – OPRA Request for Byram Township Info
- D. 8/8/14 Hopatcong Clerk – Resolution Appointing Rich Schindelar to Fill Unexpired Term of John Keiser
- E. 8/12/14 Grace Chun, Esq. – Reply to OPRA Request for Byram Township Info
- F. 8/19/14 Matthew Hainzle, PE – Flood Hazard Area Notice Letter for Roxbury Flex Building

Mr. Schilling asked if the commissioners had reviewed his monthly report and if anyone had any questions or comments.

Mr. Schilling reported that he has started working on the 2015 budget preparation and expenditures report. He said he would have a preliminary draft for the September meeting. He explained that at the October meeting a resolution would be prepared to accept and approve the budget. After the budget is approved by the State a resolution to adopt the 2015 budget would be prepared for the December meeting. Chairman Rattner mentioned that some of the line items were a little low. Mr. Schilling said he and the Administrator were reviewing each account and would have more to report at next month's meeting. Mr. Schilling noted that the sludge hauling agreement would expire in February 2015 and he was trying to forecast that number. Mrs. Michetti asked about the supply contracts for the chemicals needed at the plant. Mr. Schilling said that two bids will be on the September meeting agenda for the commissioners' consideration.

Mr. Schilling suggested that Commissioner Schindelar be appointed to the Engineering, Safety Operations and Maintenance Committee to fill Mr. Kieser's term. Chairman Rattner indicated that Mr. Schindelar's experience would be very appropriate for the Engineering, Safety Operations and Maintenance Committee. The commissioners all agreed that it would be beneficial and Mr. Schindelar accepted the appointment.

Lastly, Mr. Schilling also gave a personnel update on the MSA's employees that were absent due to disabilities and one employee out on workers' compensation. He reported that two employees will be returning to work in September. One employee will be back on September 2nd and the other is expected to be back on September 8th. He also reported that the employee that is out on workers compensation should be back in approximately four weeks. He noted that there will still be one employee out on disability and it was not certain when he will be returning to work due to his medical prognosis. He discussed the possible need to hire a temporary employee. He also discussed that there would be a reduction in labor costs. The commissioners' discussed the requirements of hiring a temporary employee. It was suggested that a labor attorney should be consulted before hiring any temporary personnel. Chairman Rattner said that Mr. Schilling should have authorization to hire extra staff for the plant if needed. A motion was made by Mr. Grogan authorizing Mr. Schilling to hire a temporary employee for the plant, seconded by Mr. Schindelar and the affirmative vote of members present.

The Director's Report, and the Repairs and Maintenance Report, for the months of July and August were accepted on a motion offered by Mr. Schwab, seconded by Mr. Pucilowski and the affirmative vote of members present.

Mr. Purcell reiterated that LTPA is ready to assist with preparing an Asset Management Plan for the MSA facilities. Mr. Schilling said he is going to be attending an Asset Management Plan seminar in Eatontown during September. He had also discussed preparation of an Asset Management Plan with Fenton Purcell, PE and would like LTPA to provide a report of the importance of having an Asset Management Plan on hand, what the plan should consist of, and some preliminary costs associated with the preparation of the plan. Mr. Purcell said the concept of Asset Management is important to the Authority and should go forward. It can be prepared in stages if needed. Also, he noted that an Asset Management Plan may become a permit requirement in the future.

The Engineer's Report was accepted on a motion offered by Mr. McNeilly, seconded by Mr. Sylvester and the affirmative vote of members present.

Mr. Shilling listed the firms that he solicited proposals from for labor attorney services. He explained that he was recommending Cleary Jacobbe Alfieri and Jacobs because they are very active in every facet of the wastewater business. They are involved with the AEA and NJWEA. They also represent some authorities at the energy consortiums.

Resolution No. 14-16 Award of a Contract for Professional Services to John A. Napolitano, Esq., and Matthew Jacobbe, Esq., of Cleary Jacobbe Alfieri & Jacobs, LLC, as Special Labor Counsel, was moved by Mr. Phil, seconded by Mr. Schwab and the affirmative roll call vote of members present.

RESOLUTION NO. 14-16

**Resolution of the Musconetcong Sewerage Authority
Authorizing the Award of a Contract for Professional
Services to John A. Napolitano, Esq., and Matthew Jacobbe, Esq.,
of Cleary Jacobbe Alfieri & Jacobs, LLC, as Special Labor
Counsel Without Public Advertising as a Professional Service**

WHEREAS, the Musconetcong Sewerage Authority ("MSA") has a need to retain professional services, in particular, special labor counsel for the period from September 1, 2014 through January 31, 2014; and

WHEREAS, N.J.S.A. 40A:11-5 permits the award of a contract without public advertising for bids or bidding for professional services; and

WHEREAS, the MSA is desirous of engaging John A. Napolitano, Esq., and Matthew Jacobbe, Esq., of the law firm of Cleary Jacobbe Alfieri & Jacobs, LLC, (hereinafter the "Firm") as Special Labor Counsel based upon its reputation and upon the Firm's representations that it has special expertise in the area of public sector labor law;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that John A. Napolitano, Esq., and Matthew Jacobbe, Esq., of the firm Cleary Jacobbe Alfieri & Jacobs are hereby appointed as Special Labor Counsel for the period from September 1, 2014 through January 31, 2014 to be billed at the rate on the attached Fee Schedule and in a total amount not to exceed Five Thousand (\$5,000.00) Dollars without further authorization from the Musconetcong Sewerage Authority; and be it

FURTHER RESOLVED, that Steven Rattner as Chairman of the MSA is hereby authorized to sign an agreement between the Firm and the Musconetcong Sewerage Authority; and be it

FURTHER RESOLVED, that the Musconetcong Sewerage Authority publish in the official newspaper of publication a legal advertisement advising of the award as required by N.J.S.A. 40A:11-5.

Mr. Joss left the meeting at 8:03 PM.

Motion made by Mr. Bates, seconded by Mr. Benson and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:04 PM:

WHEREAS, Section 8 of the Open Public Meetings Act (N.J.S.A. 10:4-12 (b) (1-9)) permits the exclusion of the public from meeting in certain circumstances;

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority are of the opinion that such circumstances exist.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

1. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;
2. The general nature of the subject matter to be discussed is as follows: Litigation

The above subject matter will be made public as soon thereafter as it is deemed to be in the public interest.

Motion to reopen the meeting to the public at 8:15 PM was offered by Mr. Benson, seconded by Mr. Sylvester and the affirmative vote of members present.

Lee Purcell, PE and Fenton Purcell, PE left the meeting at 8:16 PM.

Motion made by Mr. Pucilowski, seconded by Mr. Grogan and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:16 PM:

WHEREAS, Section 8 of the Open Public Meetings Act (N.J.S.A. 10:4-12 (b) (1-9) permits the exclusion of the public from meeting in certain circumstances;

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority are of the opinion that such circumstances exist.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

3. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;

4. The general nature of the subject matter to be discussed is as follows: Personnel

The above subject matter will be made public as soon thereafter as it is deemed to be in the public interest.

Motion to reopen the meeting to the public at 8:26 PM was offered by Mr. Sylvester, seconded by Mr. Bates and the affirmative vote of members present.

The commissioners and Mr. Schilling further discussed the importance of having an Asset Management Plan.

Motion made by Mr. Sylvester, seconded by Mr. McNeilly and the affirmative roll call vote of members present, Chairman Rattner adjourned the meeting at 8:29 PM.

Respectfully Submitted:



Susan Grebe,
Administrative Assistant