

PLAINFIELD MUNICIPAL UTILITIES AUTHORITY

**Minutes of a Board of Commissioners Regular Meeting
Tuesday, October 14, 2014**

**127 Roosevelt Avenue
Plainfield, New Jersey**

I. OPEN PUBLIC MEETINGS LAW (STATEMENT OF COMPLIANCE)

Commissioner Mitchell, Chairman, called the meeting to order at 6:00 p.m. by reading the Statement of Compliance

II. SALUTE TO THE FLAG

The Pledge of Allegiance was said by all.

III ROLL CALL

Present

Commissioner Carol Ann Brokaw via phone
Commissioner Malcolm R. Dunn
Commissioner Harold Mitchell
Commissioner Charles Tyndale
Alt. Commissioner Charles Eke

Also Present

Mr. Daniel A. Williamson, Executive Director
Mr. Duane Young, Chief Financial Officer
Ms. Leslie London, Board Attorney
Mrs. Roslyn Mathis, Board Secretary
Staff and Public

Commissioner Cecil H. Sanders, Jr. absent

**IV. APPROVAL OF MINUTES – September 4, 2014 Committee Meeting Notes;
September 10, 2014 Regular Re-Scheduled Board Meeting Minutes; August 7, 2014
Committee Meeting Notes (Executive Session)**

Alt. Commissioner Eke moved the September 4, 2014 Committee Meeting Notes be approved, seconded by Commissioner Tyndale. The motion carried, on a roll-call vote, with four members in favor and none opposed.

RECORDED VOTE September 4, 2014 Committee Meeting Notes

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

Commissioner Tyndale moved, seconded by Commissioner Dunn, approval of the September 10, 2014 Re-Scheduled Regular Meeting Minutes. The motion carried, on a roll-call vote, with three members in favor and none opposed.

RECORDED VOTE**September 10, 2014 Re-Scheduled Regular Meeting Minutes**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke				X	

(Commissioner Brokaw was connected via telephone here.)

Commissioner Tyndale moved, seconded by Commissioner Dunn, approval of the August 7, 2014 Committee Meeting Notes (Executive Session). The motion carried, on a roll-call vote, with four members in favor and none opposed.

RECORDED VOTE**August 7, 2014 Committee Meeting Notes (Exec. Session)**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke				X	

V. COMMUNICATIONS

Mr. Williamson said that he had a couple of matters; the first concerned an email he received from Commissioner Sanders regarding his trip to Iowa and he said he would be forwarding a report to the Board. Mr. Williamson said they would not discuss it today, but perhaps at the next meeting they would be prepared to discuss those items.

Mr. Williamson reminded the Board that the Authority is going to apply for membership in three Chambers of Commerce Units; the African American Chamber of Commerce, the Plainfield Chamber of Commerce, and the Tri-County Chamber of Commerce, which will amount to \$700.00 or \$800.00 in total membership fees for the year.

VI. REPORT OF COMMITTEES

Mr. Williamson reminded the Board that CME gave a presentation at the Committee Meeting regarding the status of the Interceptor project; he said everyone appeared to be satisfied with the presentation, and the project is moving rapidly along. Mr. Williamson said that as of yesterday the contractor had completed all of their work on the Transfer Station proper; he said that they are now on the backside, and they will be digging where they will ultimately lay the pipe connection. He said the portion of the new pipe has been opened and is presently in use as a result of something they had to do in cutting off the old pipe. Mr. Williamson said that it appears they're going to be close to the completion date, somewhere around the middle of November.

Commissioner Dunn reported that he and Commissioner Brokaw, who is on the phone, had a Committee Meeting prior to the Board's Committee Meeting last Thursday at 9 a.m. He said that at that meeting Mr. Young brought to their attention that \$1.3 million in unpaid bills had been received prior to the tax sale, which was the 9th, and the numbers are getting in order. Commissioner Dunn asked Mr. Young if the Authority received more money since the 9th to further reduce the outstanding amount.

Mr. Young responded the Authority started off with about \$3.4 million and that was reduced all the way down to \$1.3 million that actually went to sale on the 9th. He said that of that \$1.3 million in the tax sale itself from the investors everything but less than \$50,000.00 was collected.

Mr. Young said that April 30th they started at \$4.7 million and between April 30th and October 9th it came down to \$1.3 million; he said the Authority collected about \$3.4 million in six months.

Mr. Williamson said that there was also discussion at the Committee Meeting regarding revenue that was received from other municipalities such as the Borough of North Plainfield, South Plainfield, Greenbrook, Garwood, Watchung, Borough of Roselle, Roselle Board of Education, Clark Township, and the City of Linden. He said the Authority collected from those municipalities and the Roselle Board of Education through September 30th gross revenue in the amount of \$386,478.65. Mr. Williamson said the Authority had expenses against that number in the amount of \$231,073.12, and the net amount was \$155,405.53. Mr. Williamson said that there is a major expense with the disposal cost and that takes away from the gross number. He said it was also reported at the Committee Meeting that as of last Tuesday, regarding the Transfer Station, the Authority went over \$1 million. He said about 80 percent of that is disposal costs, so the Authority will net around \$250,000.00, which is a major step forward. Mr. Williamson said the Authority is doing rather well with regard to operations. Mr. Williamson said that there are one or two more towns that are giving some thought about coming on board with the PMUA, and administration will report back to the Board at the next meeting.

Mr. Young and Commissioner Dunn had a detailed and extensive discussion regarding the loss of revenue concerning the sewer. Mr. Young reiterated the results of the Authority's investigation regarding the loss in sewer revenues. He said one of the reasons is the serious reduction in CCF's with the loss of the Elmwood Gardens as well as the closing of Muhlenberg, two of the Authority's largest clients. Mr. Young said there was also an error report, when the Authority compared their records with the Elizabethtown Water, and that is a report that takes time to get it worked out, but once they get it linked up to the Authority's system that revenue will flow year after year. He said the Authority also has to make sure a process and procedure is in place, and he said the Authority has already started this, to make sure they reap the benefits regarding connection fees, he said the PMUA can't afford to let that money go, and he said there has to be a procedure in place going forward. Mr. Young said that there was a meeting with the City last week where they started a dialogue with them to make sure that process is put in place.

Mr. Williamson said there was a meeting on Friday with the City, and he reported it to the Chairman, and the City acknowledged there was a breach in protocol where they should have been providing the Authority with information regarding projects in the City and the need for connections and the fees associated with it. Mr. Williamson said that they are working out the process whereby the City will provide the Authority with the information and the PMUA will contact the developers, send them the appropriate letters and let them know what they have to do regarding the Authority before they can continue with their project. He said Mr. Sanchez, the Deputy Administrator, had a concern of not slowing up the development process, he said that they wanted a smooth flow of the information and continuing the development process. Mr. Williamson said it was understood that the developers were aware of the requirements regarding the connection fees, but they were just ignoring it. Mr. Williamson said that the City is going to help the Authority get the developer's attention so the projects don't have to be stalled for lack of having a sewer connection. He said the Authority expects to receive a list of projects from the City that they are aware of so the Authority could get involved in that process.

Commissioner Tyndale inquired if the Authority is going to be paid the outstanding fees.

Mr. Williamson replied yes. He said that Ms. London is going to give a report this evening regarding a request that was tentatively discussed at the Committee Meeting that was taken off the agenda concerning Lamington State, LLC, who was requesting a reduction in the connection fees. He said Ms. London has done the legal research and will report her findings.

Mr. Williamson said that regarding the understanding concerning connections, item F on the agenda is the Dunkin Donuts project that was proceeding without paying the connections fees, and as a result of the Authority's letter and contact with the City they did come in with their payment.

VII. EXECUTIVE DIRECTOR'S REPORT

A. Attorney's Report

Ms. London said that she had a follow-up to the Committee Meeting from last week. She said that the Commissioners were given a memo dealing with the request that was made for a reduced connection fee. She said that under the MUA law the only reductions that are permitted under the statute deals with if the request is made by a Housing Authority or nonprofit and affordable housing units are built. Ms. London said in that situation, the Authority could, if it chose to do so, reduce the connection fee up to 50 percent. She said other than that, the statute doesn't provide for any other reduction. She said that the way the connection fees are determined is based on the class of the user, and she said this particular user falls into a class that already exists. Ms. London said that unless there is a unique factor warranting a new class, a reduction could not be made for this particular applicant. In addition any type of reduction the Authority would make has to be made by resolution after a public hearing and then it's prospective, she said it can't be retroactive. She said that this particular applicant would not fall into that category where they could obtain a reduction anyway, even if the Authority decided to do that based on a new class because the new rate would have to be prospective.

Mr. Williamson said that if the Authority allowed for a prospective reduction through the resolution process it would have to be applicable to everyone in that class.

Ms. London said that would reduce the connection fees even further by creating a lower percentage of cost.

Ms. London said that the second item is to provide a follow-up to the Commissioners, as she mentioned she would do after Mr. Goldstein spoke last week. She gave the Board a summary of the Bergen County case, so the Commissioners would have it for their records and so that they are informed if the issue comes up again.

Commissioner Tyndale inquired what the connection fee was for the developer for Front St.

Mr. Williamson replied \$2,130.00 per unit; he said there are 80 residential units and five commercial units. He said the connection fee for the commercial units would be more depending on the kind of business that would be put in those five slots.

Commissioner Tyndale inquired if a payment plan could be entertained if it came to that.

Ms. London replied that would probably involve the hardship situation they had discussed before; she did know the Vernon Township MUA has a hardship policy that says it could be paid over time. Ms. London said a hardship policy will be presented to the Committee at the Committee Meeting and a recommendation will then be brought to the Board, but she advised paying over time should only be permitted in a hardship situation based on specific criteria otherwise the Authority would be setting precedent. She advised that generally the fees for developers who are generally for profit organizations, are built into the cost of the project. Ms. London advised that in that type of situation there really shouldn't be a hardship per se; she said it's more understandable for the Housing Authority and the YMCA, because they are nonprofit, but this situation is for a profit entity.

Mr. Williamson said part of the conversation with the City included the idea of when to require payment; he said the zoning process, they can't get their zoning permit to go forward until the fee is paid or construction permit until that money is paid, or at the CO. Mr. Williamson said the earlier they get it, the better off they are.

Ms. London said that the nepotism policy was submitted to the Committee and they will make a recommendation to the Board; she said with respect to the Opportunity to Compete Act, that was discussed at the Committee Meeting, that Ms. Carden has put together a revised application. Ms. London reviewed it and gave her comments, and she said that the application will also go to the Committee so they can see what the revised application is.

Mr. Williamson said there will probably be a need to have a workshop to make sure the Authority's employees understand how this works. He said it sounds simple, but there are a lot of moving parts to it and they have to be careful how it's applied.

B. Bills List Approval

Mr. Young said the majority of the Finance Report had been covered in the Committee Meeting, but he wanted to point out a couple of key expenses on the bills list. He said one for the September/October period, PARSA, \$688,000.00; disposal fees, \$652,000.00; debt service, \$503,000.00; salaries and wages, \$475,000.00; he said that brings it to \$2,323,000.00, which is 87 percent of what was spent during that time frame. Mr. Young said that is the majority of expenses they can't control.

Mr. Young said he passed out to the Commissioners what he didn't give at the Committee Meeting, the compilation for 6/30/2014 and he will forward that to the City per the ISLA Agreement; he said they are getting ready for their third quarter compilation through the period 9/30, and he said they have been doing a lot of work on the budget; he said they are having a budget meeting with the Finance Committee during the next two or three weeks prior to it going to the State. Mr. Young said he mentioned in the Finance Committee Meeting that there have been changes in the format of the budget, he said a lot of documentation that they didn't give before, but the State is changing its format. He said it's a bit more cumbersome; it's a detailed questionnaire, and all of the Authorities have to go through this process, so it takes a bit longer. Mr. Young said along with meeting with the Finance Committee, Lerch, Vinci & Higgins, the financial advisors, will come down and go through it, he said they'll go through what the projections are, and they should be ready to submit it sometime in November.

Commissioner Tyndale inquired about receiving the break down regarding repairs at the next meeting.

Mr. Young replied yes; he said that was a request made by the Finance Committee to give the information regarding vehicle repairs and maintenance on a month-to-month basis this year as compared to last year.

Chairman Mitchell inquired if Mr. Young could find out from PARSA what part of their budget they pay to Middlesex County and have that information for next month's meeting.

Mr. Young replied yes; he said that he talked to Rob Vallee last week, and they still don't have their budget yet because they are waiting for the MCUA, so Mr. Young is still waiting to get a figure from him. Mr. Young said there is going to be an increase, but Mr. Vallee doesn't know how much yet.

Chairman Mitchell said the citizens are under the assumption they pay the PMUA; he said the PMUA pays PARSA, and PARSA has to pay Middlesex County; he said the Authority needs to explain that to the ratepayers. Commissioner Mitchell said that PARSA is in negotiations with Middlesex County regarding their budget, and he feels they are going to raise the rates because in Middlesex County they are losing a lot of industries.

Chairman Mitchell said Plainfield's system is very old, he said this system is the oldest one in the State of New Jersey.

Mr. Williamson said it's 100 years old.

Ms. London presented **resolution #101-2014 authorizing the payment of bills list**. Commissioner Dunn moved, seconded by Commissioner Tyndale, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #101-2014 Bills List

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

Commissioner Brokaw advised that she would have to sign off at 7 p.m.

C. Resolution to Approve an Authorized List of State Contract Vendors for 2014 – 2015

Mr. Williamson said this is a list of State Contract Vendors who are annually approved to provide services to the Authority without the need to go out to bid.

Ms. London presented **resolution #102-2014 authorizing approval of a list of State Contract Vendors for 2014 – 2015**, Commissioner Dunn moved, seconded by Commissioner Tyndale, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #102-2014 State Contract Vendors 2014-2015**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

D. Resolution to Reject Bid Proposal for Parking Lot Improvements at Headquarters

Mr. Williamson said the Authority did go out to bid, but the bid that was received in the amount of \$69,000.00 exceeded the engineer's estimate of \$37,000.00. He said that administration is recommending that the bid be rejected and they wait until spring to go out to bid again.

Commissioner Tyndale advised that after the last rain storm the Chairman mentioned they should try to get some kind of remediation done to patch the parking lot because it appears it would be a problem to wait for the spring.

Ms. London presented **resolution #103-2014 authorizing the rejection of the bid received by the Authority in response for the request for bids for parking lot improvements**. Commissioner Tyndale moved, seconded by Commissioner Dunn, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #103-2014 Rejection of Bid**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

E. Resolution to Renew Membership with New Jersey Utility Authority Joint Insurance Fund

Mr. Williamson said this was discussed at the Committee Meeting, and it's an annual membership to remain in the insurance fund.

Ms. London presented **resolution #104-2014 authorizing renewal of the membership with the New Jersey Utility Authority Joint Insurance Fund.** Commissioner Dunn moved, seconded by Commissioner Tyndale, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #104-2014 JIF Membership Renewal**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

F. Resolution Authorizing Final Approval of a Sewer Connection for Dunkin Donuts Project 1300-1312 West Front St.

Mr. Williamson said this was the project he made mention of earlier, where the owner had not taken the necessary steps to pay the necessary sewer connection fees. He said they owed the Authority approximately \$6,000.00 and that was paid. Mr. Williamson said as a result of that payment administration is asking the Board to approve the sewer connection.

Ms. London presented **resolution #105-2014 authorizing final approval for a certain sewer connection**. Commissioner Tyndale moved, seconded by Commissioner Dunn, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #105-2014 Dunkin Donuts Sewer Connection

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

G. Resolution Authorizing Approval of Certain Recommended Personnel Actions for Employees

Mr. Williamson said that at the Committee Meeting the administration, Executive Director, and Mr. Young, CFO, requested that the Board approve across the board a pay increase for non-contractual, non-union employees at three percent; he said it would be effective at the Authority's next pay period, October 23rd for the remainder of the year.

Chairman Mitchell inquired if it was not to be retroactive.

Mr. Williamson replied it is going forward.

Commissioner Dunn inquired didn't they say it would be effective from October 1st.

Mr. Williamson replied it was going to be determined by the CFO.

Ms. London presented **resolution #106-2014 recommending certain personnel actions**. Commissioner Dunn moved, seconded by Commissioner Tyndale, approval of the resolution. Commissioner Tyndale had a statement, he said for the record let it be known that the percentage rate is based on the fact that the PMUA is doing as well as it's been doing, as well as the executive staff and the general employees, and in this day and age it's not expected to get a raise, but it's deserved. Commissioner Dunn mentioned that this raise in normal times would have been given January 1st. Mr. Williamson said normally the process would have been a merit increase based on the employee's anniversary date and cost of living increase; neither of those were imposed this year. He said with the budget, at the beginning of the year, all of the increases were frozen. Commissioner Brokaw and Alt. Commissioner Eke didn't have any additional comments. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #106-2014 Personnel Actions**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

H. Resolution Authorizing Approval of Certain Recommended Personnel Actions for Executives

Mr. Williamson said this would be for the two contracted employees, the Executive Director and Mr. Young, the CFO. He said they are requesting and making a recommendation for a three percent increase for them.

Commissioner Brokaw inquired when those raises would be effective.

Ms. London replied October 23rd.

Ms. London presented **resolution #107-2014 approving certain recommended personnel actions**. Commissioner Dunn moved, seconded by Commissioner Tyndale, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #107-2014 Recommended Personnel Actions**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke	X				

(Commissioner Brokaw signed off at 7:05 p.m.)

Commissioner Dunn inquired how many people will be going to the League of Municipalities, and how many with the exhibit.

Mr. Williamson replied that the intention is that everyone who goes is going with the intent of attending workshops, etc.; he said the Authority has the unit they took down last year for the booth, they're going to have a sign, and six or seven individuals. He said they are going to have people to set up, sales people, IT setting up computers and people who will be rotating at the booth. He said they are going to have the same location. He said these people are going to workshops as well. He said to his recollection there will be 14 or 15 people that the Authority will be financing their room and board, but there may be other people who go at their own expense and they can't stop them if they have the time to go. He said Commissioner Brokaw and Steve Dessino will be attending and going to the AEA Conference at the Golden Nugget while they are there. Mr. Williamson said all of the Commissioners will be attending except Commissioner Tyndale. Mr. Williamson will supply the Commissioners with a complete list and the cost.

Commissioner Dunn wanted to know how many people went last year and how many are going this year and what is going to be spent this year.

VIII. PUBLIC HEARING

Chairman Mitchell said they have come to the portion of the meeting where the public is allowed to speak; anyone who has the desire to speak, stand, give their name and address and they will have two minutes.

Commissioner Dunn moved, the public hearing be closed, seconded by Commissioner Tyndale, and unanimously approved by the Board.

Commissioner Tyndale moved, seconded by Commissioner Dunn and unanimously approved by the Board to adjourn the meeting at 7:15 p.m.

Regular Meeting Minutes

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October 14, 2014

Recorded by:

Roslyn Mathis, Board Secretary