

WESTERN MONMOUTH UTILITIES AUTHORITY

WORKSHOP MEETING

October 23rd, 2018

Chairman Pernice called the Western Monmouth Utilities Authority's Public meeting to order at 7:00pm. It was announced that pursuant to the Open Public Meeting Act and N.J.S.A. 10:4-6 et seq., adequate notice of this meeting has been sent to the Asbury Park Press, The Home News and Tribune, Clerks of Manalapan and Marlboro Townships, and is posted in the lobby of the Western Monmouth Utilities Authority ("W.M.U.A.")

Upon roll call:

Present: Messrs. McEnergy (on the phone), Mendez, Rosen and Pernice
Absent: None
Also in Attendance: Brian Valentino, CEO of WMUA
F. Borin, DeCotiis, Fitzpatrick & Cole, LLP
J. Carr, Chief Operating Officer
L. Warshauer, Chief Financial Officer
K. Leatherman, Chief Administrative Officer
A. Finnerty, Authority Clerk

All present cited the Pledge of Allegiance.

Chairman Pernice stated that for the record that all the Commissioners are present, and Commissioner McEnergy is on the phone.

Chairman Pernice asked for any public comment. There was none.

Chairman Pernice asked for any comment regarding the Chief Executive Officers Report.

Brian Valentino stated that all the topics that he planned to discuss will be covered by Jim Carr or have already been emailed to the Commissioners.

Chairman Pernice asked for a motion on the Consent Agenda.

18-127 Approving Minutes of October 9, 2018

Chairman Pernice asked for a motion for Resolutions 18-127. Commissioner McEnergy moved, seconded by Chairman Pernice, the vote was as follows:

AYES: Messrs. McEnergy, Mendez and Pernice
NAYS: None
ABSTENTIONS: Commissioner Rosen
ABSENT: None

Chairman Pernice proceeded with the meeting and moved on to Discussion.

- Chairman Pernice stated we will discuss the budget when Leslie Warshauer returns from her office with the budget information.

Chairman Pernice asked for a motion for each of the following Resolutions:

18-128 Authorizing CEO to Negotiate Purchase of Used Rescue Vehicle

Chairman Pernice asked for any discussion regarding the Used Rescue Vehicle. Brian Valentino stated that the Authority was made aware that the Englishtown Board of Fire Commissioners is selling a used rescue truck for \$18,000.00. We were in the market for a \$7,000.00 light trailer. This rescue vehicle not only has all the lighting capacity that we needed plus a lot more. It's also going to be used for a confined space entry rescue team and our tactical rescue team which is currently using a tool truck that we never got to use as a tool truck. Commissioner Rosen asked if the truck can put out fires. Mr. Valentino stated that it cannot put out fires. Chairman Pernice stated that it will bring us value because it serves a number of purposes. He stated that we should have a crash truck and this truck will be used for emergent night road jobs. It is cheaper than owning crash trucks which are prohibitively expensive. Commissioner Mendez asked if we are going to offer them the \$18,000.00 or are we going to try to negotiate with them. Mr. Valentino stated that the tires are worth \$10,000.00 alone and he feels we should just give them their asking price. Commissioner Rosen asked if we need to do anything to make sure that we are purchasing this correctly regarding rules and regulations. Mr. Valentino stated that this truck is in great shape and we have mechanics on sight. Commissioner Mendez asked if we purchase this truck for \$18,000.00 how much can we sell it for. Mr. Valentino said we could probably sell it for more. Mr. Valentino stated that he went to look at the truck last Tuesday and asked them to hold the truck for us till he was able to discuss this with you at tonight's meeting. Chairman Pernice stated that he should make the offer, however the purchase is over \$17,500.00. Ms. Leatherman stated that it is an intergovernmental purchase so it does not fall under the contracts law. Chairman Pernice asked for a motion on Resolution 18-128. Commissioner Mendez moved, seconded by Commissioner McEnergy, the vote was as follows:

AYES:	Messrs. McEnergy, Mendez, Pernice and Rosen
NAYS:	None
ABSTENTIONS:	None
ABSENT:	None

Chairman Pernice proceeded with discussion.

- Chairman Pernice asked for any comment on the 2019 – 2020 Budget. He stated that all the Commissioners received the preliminary budget. Next he said they will get together and two Commissioners will look it over. We need to introduce the budget at our next meeting which is November 13th, 2018. Chairman Pernice stated 20 days after we introduce it, we adopt it. Leslie Warshauer stated we adopt the budget before Thanksgiving. Ms. Leatherman stated that the budget gets adopted in January. The Commissioners reviewed the meeting schedule and stated that we will have to change the date of the meeting. The Commissioners stated that we should change the date of the meeting from November 13, 2018 to

November 27, 2018. Mr. Valentino stated that on November 27th, 2018 the Budget has to be introduced. Commissioner Rosen stated that it will be mandatory attendance for the meeting on November 27th, 2018. Ms. Warshauer stated that in the instructions from the state, it has to be introduced and approved. Ms. Leatherman stated that if the Budget is introduced, it is approved. Chairman Pernice stated as far as a committee is concerned regarding the budget he will make himself available. The Commissioners decided on Monday, November 5th, 2018 for a Budget meeting starting at 6:30pm.

- Chairman Pernice asked for any comment regarding the NJEIT Funding. Jim Carr, Chief Operating Officer stated that today we opened up bids for the Route 79 Pump Station Projects. We received 3 bids. The apparent low bidder was Carbro Constructors Corp. for \$6,378,652.33. Commissioner Mendez asked how they came up with the change/cents. Mr. Carr stated that there is a list of over hundred bid items and multiplied the units and that it how they came up with the cents. The engineers estimate was \$4.4 million. Mr. Carr repeated the low bidders bid. Commissioner Mendez asked whose estimate was 4.4 million. Mr. Carr stated that it was CME. This is one of three projects that we are funding through the EIT. Last month we opened bids for the EQ tank project and that also came in above the engineers estimate and we were waiting until today to figure out the total of all of the projects would cost and now we have the answer. Mr. Valentino stated that the total amount of money that we asked the towns to authorize us to go out to EIT funding for is roughly 3.5 million dollars less than the amount we have bids open for. Chairman Pernice stated this means when we went to the townships based on the estimates from CME and T&M, our engineers, we were way off. Chairman Pernice asked Jim Carr if we have a 10 percent contingency. Mr. Carr stated that there is a contingency which is not exactly 10 percent. Chairman Pernice we either have to go back to the township or we have to find the money. Chairman Pernice stated that he would like to talk to CME and T&M regarding the estimate. Mr. Carr stated that by law we have to either award or reject the projects within 60 days of the bid opening. The EQ tank was opened in September, we requested and extension from all the bidders so on that to early December. We have an extension so we don't need to act tonight and he is not prepared to recommend anybody tonight. Chairman Pernice told the Commissioners since we have 60 days and they need to discuss this during the Budget. Commissioner Mendez asked if this has to come out of the reserve. Mr. Valentino stated we need to make an informed decision. As of tonight we don't have any information to make an informed decision tonight. Commissioner Rosen stated that the estimates were very wrong and maybe it is based on the current economy. Commissioner Rosen asked if it is so terrible to go in front of the towns again. Our professional firms miscalculated and the bids are over and these are projects that need to be done. Chairman Pernice stated that will have to be a conversation during the Budget discussion. Commissioner Rosen asked if we can ask for more money from EIT since we already submitted the request. Chairman Pernice stated we still have to get approval from the towns. Mr. Valentino stated that we won't have to wait a long period of time during the application process and they have already approved us to go out to bid. Commissioner Rosen stated that he is positive that this occurs a lot. Mr. Valentino stated that there are things

that are going on in the world that are affecting our projects. Commissioner Mendez stated that we do have reserve funds. Mr. Carr stated that the bids came in for the Route 79 project today and we have until the first week in December for the EQ tank. And we can always request another extension. Mr. Borin the Authority Attorney asked if the engineers explained the discrepancy in the estimates for the EQ tank. Mr. Carr stated that they did. Commissioner Rosen stated that our next meeting is not until November 27th, 2018 and will that be a problem. Mr. Valentino stated that we have multiple avenues for dealing with this. We have a budget meeting between now and then and then we will have the meeting where we can take action. Commissioner Mendez asked Mr. Carr the reason for the incorrect estimate. Mr. Valentino stated that we should go into executive session for that purpose. He asked Commissioner Mendez if he needed an answer tonight, Commissioner Mendez stated that he can wait. Commissioner Rosen stated if both engineers' estimates are off, this leads him to believe that the economy and perhaps other factors are affecting these estimates.

Chairman Pernice asked if there were any comments on the bill list. There was none. Commissioner Mendez moved, seconded by Commissioner Rosen. All present voted aye.

Chairman Pernice asked if there is any other Authority Business. Chairman Pernice confirmed that the next meeting will be November 27th, 2018.

Chairman Pernice congratulated Katherine Leatherman, our Chief Administrative Officer on the birth of her grandson, Thomas Giovanni! The Commissioners all clapped and congratulated her. Ms. Leatherman thanked everybody for there well wishes!

Mr. Valentino stated that if we have more than 3 Commissioners on the October 5th, 2018 and if we discuss the NJEIT funding with the engineers, we should advertise the meeting. Chairman Pernice asked if all the Commissioners want to attend the meeting. The Commissioners confirmed so the decision was made to advertise a special meeting. Mr. Valentino stated that he will have dinner ordered for them.

At 7:PM, Chairman Pernice asked for a motion for Resolution 18-129 Authorizing the Commissioners to go into Closed Session for the Purpose of Discussing Personnel and they will not return to Public Session. Commissioner Mendez moved, seconded by Commissioner McEnery all present voted aye.

#####