

WESTERN MONMOUTH UTILITIES AUTHORITY

PUBLIC MEETING

October 27, 2015

Chairman Rosen called the Western Monmouth Utilities Authority's Public meeting to order at 7:01pm. 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. McEnery, Mendez, Pernice and Rosen
Absent:	A. Finnerty, Authority Clerk
Also in Attendance:	F. Borin, DeCotiis, Fitzpatrick & Cole, LLP
	T. Gillen, CME Associates
	M. Dziubeck, CME Associates
	K. Henderson, T&M Associates
	B. Valentino, Executive Director
	R. Smith, Facilities Manager
	D. Martindell, Regulatory Compliance Supervisor
	G. Kasternakis, Maintenance Supervisor
	M. Musich, Manalapan Deputy Mayor
	K. Leatherman, General Manager

All present cited the Pledge of Allegiance.

Chairman Rosen asked if there was any public comment.

Maryann Musich, Manalapan Deputy Mayor asked if there was a potential rate increase for 2016. Chairman Rosen stated that there is potential, but they are still discussing this with the WMUA financial committee.

Chairman Rosen asked for comment regarding the Executive Director Report.

Brian Valentino stated that the Commissioners should refer to the screens in the Meeting Room as well as the paper copy. He will be discussing the Budget. Mr. Valentino wanted the commissioners to know that all the wiring for the presentation was done by the WMUA staff. Chairman Rosen turned off all the microphones so that Mr. Valentino can present his discussion regarding the budget. Mr. Valentino stated our primary concerns are dealing with our known capacity issues as well as our aging infrastructure that has reached the end of its original intended life span. This is a corrective budget, in regard to the way we are funding some of our line items. The Commissioners have directed us to start a Human Resources Succession Plan. We are trying to use our cash reserves more strategically so we will be using some of this in our capital improvement plan. We are trying to establish and maintain an emergency threshold of about 7 million dollars. Mr. Valentino will try to diversify our revenue stream so we are not as dependent on user fees as we have been. This

is our budget for the future and to put us in a position where we have a foreseeable budget. We have a 5 year forecast operating budget, a 5 year forecast capital budget and a long range capital planning budget. The budget presented has a reduction in operating expenses of nearly ½ million dollars which is offset by 2 new managerial positions which gives us lowered operating costs by ¼ of a million dollars. We have removed all the funding of the emergency bids from the budget. We fund this yearly but only use a small portion of this budget. All of the bids funded in the operating budget are emergency contractors. We anticipate an increase in legal fees partially because we have our collective bargaining agreements are up next year and our labor attorney costs will go up. On the capital side we will be using over 7 million dollars in our cash reserves to jump start our capital improvement program in 2017. This does not include money that will be financed from the NJEIT. The capital improvement program will be targeting our deteriorating forcemains. We are re-activating our confined space rescue program which we abandoned several years ago to get our equipment up to date at a cost of about \$15,000.00. Chairman Rosen asked for more explanation regarding this. Mr. Valentino stated that any time we go into a confined space that is inaccessible we need to have a rescue team ready. We have to be able to rescue our own employees. We need to have a plant rescue team. We will continue to make our routine plant improvements, pump replacements, pipe replacements and our annual paving program. The next slide shows the anticipated budget for the next 5 years. We will work very hard not to allow our cash reserves to drop. We are trying to maintain at least 7 million dollars always in our cash reserves following the budget which will meet the objectives of the finance committee. Some innovations for the coming year; a merit program for management, part of the managers annual performance appraisals will determine salary increases out of the 5% merit pool. We have significantly stepped up our education training and certification program. We are training the next generation of plant managers and supervisors. We were able to reallocate money to start this program this year. The WMUA has developed a program by which we will have 4 certifications available for in house employees. We are sharing that with the AEA's professional development committee. Our in house program will become a pilot program for the AEA. We will develop a quality assurance program for residents for a certain dollar amount monthly. This will be concerning any breaks in their lines and will allow the Authority to repair the lines and bring revenue to the Authority. Our Emergency contracts will allow us to do that. All the authorities that utilize this program have made a profit using this as well. This would have to be endorsed by Resolution. We will have an expansion of our asset management program. The Commissioners have been added to this online program and can access this at any time. Contractors are now required to give us as-built's electronically as well as on paper. The AEA will be involved in a pilot program in an association wide asset management software program. We have been approached by some of our municipalities to enter into a series of shared service agreements that will generate some revenue. Any ideas that the managers share, Mr. Valentino will share with the commissioners as well as the professionals. This was a team effort and a real learning experience. Chairman Rosen complemented the Executive Director as well as the managers. This has been one of the most comprehensive reports the Commissioners have ever seen.

Chairman Rosen proceeded with the meeting.

- Chairman Rosen asked for comment regarding the Authority Budget 2016 – 2017. The budget has already been discussed in the ED report.
- Chairman Rosen asked for any comment regarding the Return of Cash Surety and Inspection Fees to David Michael Mercedes Benz, Project #412. Keith Henderson stated that they posted cash instead of bonds. The owner has been verified and they recommend release.

Chairman Rosen asked if there were any other questions, and stated that we are going to move right to Resolutions #15-124 and 15-125.

- 15-124 Authorizing the General Manager to Prepare Plans and Specifications, Advertise and Receive Bids for the Services Specified in this Resolution
- 15-125 Authorizing the Return of Cash Surety and Inspection Fees to David Michael Mercedes Benz, Project #412

Chairman Rosen asked for a motion for Resolution 15-124. Commissioner Mendez moved seconded by Commissioner McEnery. The vote was as follows:

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

Chairman Rosen asked for a motion for Resolution 15-125. Commissioner Mendez moved seconded by Commissioner Pernice. The vote was as follows:

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

Chairman Rosen asked if there were any other Authority Business. There were no comments.

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

At 7:23pm, Chairman Rosen stated that they will move into Closed Session right now and asked for a motion for Resolution #15-126, Authorizing the Commissioners to go into closed Session for the Purpose of Discussing Possible Litigation and Personnel and will not return to Public Session. Commissioner Mendez moved, seconded by Commissioner McEnery, all present voted aye.

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