

BUDGET MEETING, NOVEMBER 26, 2013

The Preliminary Budget Meeting of the Gloucester Township Municipal Utilities Authority was held on Tuesday, November 26, 2013 at 5:00 P.M. at the Gloucester Township Municipal Utilities Authority Building, 401 W. Landing Road, Blackwood, New Jersey.

The following members were present: Mr. Calabrese, Mr. Simiriglia, Mrs. Tarves, Mr. Edgar, Ms. Guevara, Mr. Pillo and Mr. Garbowski.

Also present were: Mr. Long, Mr. Leisse, Mr. Applegate, Mr. Benson, Mr. Carr, Mr. Engelbert, Ms. Tarves and Mrs. Hrynio.

Mr. Cardis was also present. Mr. Bianchini arrived late due to his employment obligation.

The Chairman read the commencement statement noting that the meeting was advertised in the Courier Post, and The Central Record Newspaper, and notice was placed on the bulletin board of the Township of Gloucester, and the Gloucester Township Municipal Utilities Authority; the meeting was recorded.

Chairman Calabrese stated that no action would be taken at this meeting.

Chairman Calabrese stated that we would change the agenda and begin with reviewing the Proposed 2014-2015 Solid Waste Budget and Supporting Revenue, as Mr. Engelbert has a commitment this evening. The meeting was turned over to Mr. Applegate.

Mr. Applegate stated that he would give a brief overview regarding both budgets. They both are a work in progress, as we do not have finalized insurance figures.

The overall Solid Waste Budget increased by \$48,250. The Debt Service portion of that decreased \$2,000, nothing significant there. He will leave the details of the budget for Mr. Engelbert to go over. It is a percentage increase of 2.76%. Mr. Applegate stated to Mr. Cardis that this is the Township's budget. This is what the Global Agreement is based upon. We did keep the tipping fees and compost sales the same as last year. As discussed before, we are "maxed" out without addressing the rates that we charge. With that being said, Mr. Applegate stated that he would turn the meeting over to Mr. Engelbert.

Mr. Engelbert stated he did not have anything to add. There were not any major changes. If anyone has any questions, he would be happy to answer

them. Mr. Cardis stated that he went through the budget and it looks solid to him. The benefits in the Grass Department seemed to have changed quite a bit. Everything else looks fine and of course, we have the Global Agreement. He did meet with the Mayor today, as they are trying to finalize their Capital Budget. He should have that done tomorrow to transmit to Council for the December 2, 2013 Workshop Meeting. They did go through the Solid Waste requests for the Capital Budget. The Mayor indicated that he would recommend to Council to purchase one (1) packer at \$165,000, one F-150 Pick-Up Truck based on his conversation with Mr. Engelbert late this afternoon, and, of course, they will apply \$38,000 of the Capital Budget for the DEP required improvements to the site maintenance. We were not able to accommodate the truck body or the 2nd packer.

Chairman Calabrese stated that our Capital Budget will be presented in the next meeting on December 10, 2013.

Mr. Simiriglia had a few questions. On Page 12 - Gas & Oil, Mr. Engelbert allotted \$60,000. We have already spent \$52,000 and we have four (4) months left in the budget. How do we figure that we can make it on \$60,000? Mr. Engelbert responded that the number was based on a figure that he had in early October. If we want to increase it, we can. Mr. Simiriglia stated that it just does not seem realistic. Mr. Engelbert stated that it does not look good but the new trucks use a lot more fuel than the other trucks. Mr. Simiriglia stated the other item he would like to look at is 5-02-300-7909 – Residue Disposal - \$45,000. Mr. Engelbert stated that we did not use that line item because the CCMUA has been taking it from us for nothing. Every year, it is always up in the air whether they will take it or not – if they need it or not. We have been very lucky that they have taken it. Mr. Simiriglia stated that means we have \$45,000 left from this budget. He said he would rather see us do a little better job at budgeting. Mr. Cardis stated that with the Global Agreement – he would like to leave things the way they are. Even if we have excess budget appropriations, it will still come back to the Township in the end. Mr. Engelbert stated that the \$45,000 is necessary because if the CCMUA does not take it, it could be at least \$45,000. Mr. Simiriglia stated that we already have the \$45,000 from this year. Mrs. Tarves asked when the last time was that we were charged. Mr. Engelbert responded that the CCMUA does not charge us. Mrs. Tarves asked if we think they may. Mr. Engelbert stated that the CCMUA will not charge us. We call them and ask them if they want it, and they say to bring some loads over. A different company charges us if we cannot get rid of it. The CCMUA mixes it with grease. Mr. Long asked if we can enter into an agreement with them in order for some stability to obligate them to take a certain amount each year. Mr. Engelbert stated that he did not think so, they are doing it for nothing. Mrs. Tarves asked what the advantage is for them taking it for us. Mr. Engelbert stated they mix it with something. Mrs. Tarves then asked, so they have a purpose for it? Mr. Engelbert replied, yes. Mrs. Tarves asked if we did have to pay to dispose of it, how much would it be – the \$45,000? Mr. Engelbert replied that it would be if we had to send the whole amount of material to Burlington County Landfill. Mr.

Engelbert stated that one year the CCMUA only took 100 tons from us and the rest went to Burlington. That number is based on the whole amount going to Burlington County Landfill. They are not charging us landfill fees, they are charging us as a landfill cover fee of \$30.00/ton. It is a discounted price.

Mr. Simiriglia stated that the only other item that he noticed is on Page 12 – Tires – 5-02-320-7203. There is \$25,000 allotted and so far this year, we have spent close to \$70,000 on tires in all departments of the Authority. The majority of that is the Solid Waste Budget. Mr. Engelbert stated that we have \$20,000 budgeted this year and we have spent \$19,500 in Recycling as of October 31, 2013. Mr. Simiriglia stated that all of the bills from Tire Corral total \$62,000, without November's bills included. Mr. Applegate stated that it is about \$40,000 in Solid Waste, so a little bit better than half is in the Solid Waste Department. There are three (3) different departments in the Solid Waste Budget. Mrs. Tarves asked why we split it up into three (3) different categories. Mr. Applegate stated that there are three (3) departments – Compost, Recycling & Grass. Mr. Long stated that the agreement is divided up that way.

Chairman Calabrese asked if there were any questions. Mrs. Tarves stated that she noticed that there was about a \$28,000 increase on the Hospitalization line item – Page 10. With the employees contributing more in this budget than they have in the past, did we take that into consideration? Mrs. Hrynio stated that we now have combined the separate line item for “Admin - Hospitalization”, which is Mr. Engelbert’s secretary, into “Hospitalization”. Mrs. Tarves asked what the reason was for this. Mrs. Hrynio stated it does not need to be broken out. Mr. Cardis stated that the first two (2) pages of the budget is for Compost, the next two (2) pages is for Recycling and the last two (2) pages is for Grass. Mr. Cardis wants them separated because that is how the Global Agreement is drafted. But he always did wonder why we separated things into “Admin”. Mrs. Tarves asked if we have people that only work in the Grass Department, Recycling, etc. Mr. Engelbert stated that he does interchange the workers depending on the time of year. Mr. Cardis stated that when we used to go out for bid for recyclables and grass, they needed this information to determine who could do it cheaper. Mrs. Tarves asked if we split up Mr. Engelbert’s salary. Mrs. Hrynio responded that his salary is listed in the Grass Department. Mrs. Tarves stated that we do it in some categories, but not all. Mrs. Tarves asked if the \$22,960 was for one (1) person’s healthcare. Mrs. Hrynio stated, yes. Mrs. Tarves asked how many people were included in the \$56,000 for healthcare. Mrs. Hrynio, responded four (4). Mrs. Tarves asked if we took into consideration the reimbursement from the employee. Mrs. Hrynio stated there is a line item for Hospitalization Reimbursement.

Mrs. Tarves referred to the auto insurance on Page 10. She asked if we received the breakdown from Mr. English. Mrs. Hrynio responded that we just received the information late this afternoon. Mrs. Tarves stated that when we had our meeting with our insurance broker, we asked for a breakdown on each

vehicle, in order to appropriate the correct amount. Mr. Cardis stated that the MUA is responsible for insuring those vehicles. Mrs. Tarves stated, yes. She stated to Mr. Cardis not to get set on these numbers, they may go up. Mr. Cardis assured the Board that we will receive our payments.

Chairman Calabrese asked if there were any other questions on the Solid Waste Budget. There were none.

Mr. Cardis and Mr. Engelbert were excused.

Chairman Calabrese stated that we would move on to the Sewer Budget and referred the meeting to Mr. Applegate.

Mr. Applegate stated that the debt service went down \$8,700 for the five (5) categories. This is normal. The administration went down \$12,000 and operations went up \$160,000, or a 4.15% increase. Again, this is preliminary. A couple of items of note – Page 1 – Office Personnel & Administrative Salaries – going from \$73,000 to \$42,000 and 192,000 to \$181,149 – that is the move of Mrs. Hrynio and retirement of Ms. Tarves. He did run the total salaries and the social security numbers – there is enough budgeted. Everything else is pretty much the same on the first two (2) pages. There is a new line item on Page 3 – Summer Help. There is really nothing significant on Page 4. On Page 5 – Garage. Mr. Benson said that is for the Old Administration Building. Mr. Applegate stated we reduced the New Administration Building from \$10,000 to \$8,000 and increased the Garage line item from \$1,500 to \$8,000. On Page 6 – Inspection Department Salaries – the increase was due to an employee changing departments. Any questions regarding the Pump Stations should be directed to Mr. Benson. However, there is a new line item – 5-01-240-7808- Pollution Insurance on Page 9.

Mr. Applegate stated that the budget, as it stands today, is \$5,381,142. Supporting that budget is the same, connection fees and service fees will absorb the increase, with the new rate going into effect January 1, 2014. We have a few things on the horizon with the Premium Outlets, etc. Mr. Applegate stated that was all he had on the Sewer Budget.

Chairman Calabrese asked if anyone had any questions. Mr. Edgar asked about the Pollution Insurance. Mrs. Hrynio stated that we had a three year policy. Mr. Simiriglia asked if our other policy was three (3) years, but it had to be paid all up front? Mrs. Hrynio replied, yes.

Mrs. Tarves asked why we moved an employee into the Inspections Department – did we not have enough employees in that department? It doesn't necessarily mean that we have more inspections, we just moved people around. Mr. Benson replied, yes.

Mrs. Tarves stated that she does not see anything in the budget for IT Support. Chairman Calabrese stated that we discussed it earlier – we are going to add that item in the budget. By the time the new budget rolls around, it should be minimum – so we are going to budget \$1,000/month. Mr. Applegate stated that we will make \$12,000 in budget cuts to allow for that new line item. Mrs. Tarves stated that based upon what she experienced in the last four to five months – we are going to need somebody. When something is not working right – we need to fix it right away. She thinks Staff needs someone or someplace to call when things are not working right.

Mr. Applegate stated that with our Edmunds contract, we do have support. Mrs. Tarves stated that it did not work in the past. Mr. Applegate stated that in our pre-meeting, we discussed if the staff has a specific question – we would go to Edmunds. If we are dealing with a process and how the computer software integrates with it – then we would call the IT Specialist. Mrs. Tarves wants the Staff to be comfortable that there is someone that we can call no matter what the problem is.

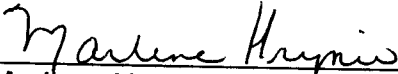
Chairman Calabrese asked if there were any other questions.

Chairman Calabrese noted that there was no one from the public present.

Chairman asked for motion for adjournment.

On motion of Mr. Edgar, second by Ms. Guevara, the meeting adjourned.

All signified their approval by stating aye.



Marlene Hrynio, Recording Secretary

APPROVED DECEMBER 19, 2013 REGULAR MEETING