

BUDGET MEETING, NOVEMBER 22, 2016

The Preliminary Budget Meeting of the Gloucester Township Municipal Utilities Authority was held on Tuesday, November 22, 2016 at 5:30 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, Ms. Guevara, Mr. Pillo, Mr. Bianchini and Mrs. Bradley.

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

Mr. Mercado and Mr. Cardis were also present.

Mr. Garbowski was not present due to a death in his family.

The Chairman read the commencement statement noting that the meeting was advertised in the Courier Post 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 begin with reviewing the Proposed 2017-2018 Solid Waste Budget and Supporting Revenue. The meeting was turned over to Mr. Applegate.

Mr. Applegate stated that the Solid Waste Budget has increased by \$335 over last year. Obviously there are some lines that have increased – salary & wages and health benefits, but other lines have been decreased to off-set that. It is a good budget. We looked at each of the lines and everything seems reasonable. On the revenue side - we continue to anticipate \$165,000 and \$150,000 for tipping fees and compost sales. That offsets the Township's contribution to the budget. The total of those two (2) items is \$315,000. We generated \$324,000 per last year's audit. So that is a fairly good number at this point. He does not think we are going to generate much more revenue than that without effecting the rates we charge to the customers coming in.

We are looking at a Township agreement in excess of 1.6 million as it stands with this budget as proposed. Mr. Applegate stated that there was nothing else to add.

Chairman Calabrese asked if Mr. Cardis had any comments. Mr. Cardis stated that he will take the budgets back to the Mayor and review it. However, he did notice the residue disposal line item of \$30,000.

Mr. Engelbert stated that we do not know year to year how much the disposal rate will be. Right now we are getting a pretty good rate. But you never know if next year they will accept it. It is very difficult to find places to take it. We could be hit with \$30 - \$40 - \$50/ton in a year. We have been lucky the last two (2) years. Every year, he worries about being able to get rid of it. Prior year - we had zero, before that \$15/ton and the year before that \$30/ton. So it depends on the market out there. He likes to keep the money in there in case we are hit with a \$50,000 bill.

Chairman Calabrese asked if anyone had any questions or comments. There were none.

Mr. Cardis was excused.

Chairman Calabrese stated that we would move on to the 2017-2018 Sewer Budget and Supporting Revenue and referred the meeting over to Mr. Applegate.

Mr. Applegate stated that the 2017-2018 Sewer proposed budget is up about \$10,000. Again, there are increases for salaries and health benefits but other various line items have off-set that. We have two (2) more payments to make for the 1993 Bonds. We have to pay \$795,000 two more times and then we are done.

On the revenue side, we are anticipating \$5,042,000 in rents. We generated \$5,356,000 based on last year's audit report (with the effect of the last rate increase a few years ago). We are generating more than we are budgeting for - which is good. This year's budget will be supported by the rates without any rate increase or any rate impact.

Connection fees are very volatile revenue. It changes from year to year. We have been consistently putting in \$230,000. Per last year's audit, we generated almost \$500,000, which was the result of the Premium Outlets and a couple of other projects. We have been pretty lucky over the last few years in getting some big connection fees which were able to support some of our local capital projects that we are doing in-house. We can pay for these without going out for bonds, etc.

Miscellaneous revenue is consistent at \$173,500. Per last year's audit, we generated \$176,000, so that is a solid number. Interest revenue is stagnant at \$17,000 and we realized \$3,400 last year. We have a little bit of a shortfall there but we are making it up on the rent side.

The budget is still in good shape. We are generating more money than we need. We are dropping money to the bottom line and we are able to use that for our Capital Projects also.

Chairman Calabrese asked if the Board had any questions or comments. There were none.

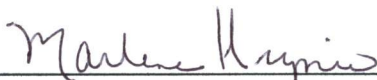
PUBLIC PORTION

There was no one present.

Chairman asked for motion for adjournment.

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

All signified their approval by stating aye.



Marlene Hrynio, Recording Secretary

APPROVED DECEMBER 15, 2016 REGULAR MEETING