

BUDGET MEETING, NOVEMBER 21, 2017

The Preliminary Budget Meeting of the Gloucester Township Municipal Utilities Authority was held on Tuesday, November 21, 2017 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, Mrs. Bradley and Mr. Garbowski.

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

Mr. Mercado and Mr. Cardis were also present.

Mr. Leisse was absent as he had a prior work commitment.

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 2018-2019 Solid Waste Budget and Supporting Revenue. The meeting was turned over to Mr. Applegate.

Mr. Applegate stated that the Compost Operating Budget increased by \$13,600, the Recycling Operating Budget increased by \$18,700 and the Grass Operating Budget increased by \$14,924. There is not a whole lot of change to any specific line item that attributes to that – it is more just attrition going forward. Overall, the Solid Waste Operating Budget has increased by \$43,850. We kept the tipping fees and the compost sales the same. We have been selling out the product and bringing in the same amount of tipping fees per year for the last 2-3 years, so we feel the \$315,000 is a good budget number.

Chairman Calabrese asked if Mr. Cardis had any comments. Mr. Cardis stated that he has spoken to Mr. Carr about a capital item - obtaining a lift. This is a safety issue and we will move quickly on obtaining that. He asked if we had our Capital Budget completed. Chairman Calabrese stated that would be the next meeting in two weeks.

Mr. Cardis stated that he will take the Operating Budget back to the Mayor and review. He does not anticipate any problems with the proposed budget.

Chairman Calabrese asked if anyone had any questions or comments. Mrs. Bradley asked about the Bank Service Fees line item. Mr. Applegate stated they are monthly bank charges.

Mr. Cardis was excused.

Chairman Calabrese stated that we would move on to the 2018-2019 Sewer Budget and Supporting Revenue and referred the meeting over to Mr. Applegate.

Mr. Applegate stated that the 1993 Bonds will be paid off on March 1, 2018. This is approximately \$790,000/year that the MUA will no longer have to pay. We are going to try to use the surplus that we are going to generate to accelerate our Capital Program, which will be discussed in our next meeting, and pay for some smaller type projects with our own money. That way we do not have to incur any interest expense and things like that.

There are three (3) new line items added this year. If you are familiar with the Capital Budget – the items are Emergency Repairs, Maintenance/Equipment/Repairs and Telemetry. Over the years we have discussed the fact that these items are probably not Capital Items. They are not going to create a Capital Asset. They do recur every year so we decided to move them into the Operating Budget. Emergency Repairs is \$75,000, Maintenance/Equipment/Repairs is \$50,000 and Telemetry is \$30,000. We added these line items this year to make them recurring items in the Operating Budget going forward.

The difference between those items and the remainder of the budget is \$71,164. These are generic increases – salary increases, healthcare costs, etc. The Inspection Department Salaries decreased, while the Collection Department increased.

Mr. Applegate stated that overall, we are in really good shape for this budget. The one change, on the cover sheet for revenues, is the anticipation of Connection Fees. We decreased that from \$230,000 to \$200,000 in an effort to wean us off the Connection Fees. They really should not be used to support operations. They are the fees that we collect for the fair share of buying into the system. We really want to use that money to fund our Capital Program. We should at least generate the \$200,000 and any excess will fall into surplus which will be applied back to our Capital Program which we will discuss at our next Budget Meeting.

Chairman Calabrese asked if Mr. Carr or Mrs. Hrynio had any comments. They did not.

Chairman Calabrese asked if the Board had any questions. Ms. Guevara asked why our service fees went down. Mr. Applegate stated that it is just a budgeted amount. Because the overall budget goes down from \$5.5 million to \$4.97 million, it is really just a balancing item. The amount that we actually collect will stay in the \$5.3 million range. The difference between those two numbers will go to Surplus and we will use that for the Capital Program. The Engineers and Executive Director are discussing a significant Capital Program going forward.

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. Bianchini, the meeting adjourned.

All signified their approval by stating aye.



Marlene Hrynio, Recording Secretary

APPROVED DECEMBER 21, 2017 REGULAR MEETING