

MINUTES OF THE REGULAR MEETING OF THE ATLANTIC
HIGHLANDS/HIGHLANDS REGIONAL SEWERAGE AUTHORITY HELD
JUNE 30, 2011 AT THE ATLANTIC HIGHLANDS BOROUGH HALL

This meeting was called to order at 7:10 PM at the Atlantic Highlands Borough Hall meeting room with the following roll call:

PRESENT: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

ABSENT: None

Staff members present were Mr. Palamara-Administrator, Mr. Gemmell-Engineer, Mr. McNamara-Attorney, Mr. Holman-Auditor, Mr. Leeser-Operations Supervisor and Mrs. Clark-Secretary.

Also present were Atlantic Highlands Councilman Dellosso, Mrs. Frotton-Authority Staff Member, and members of the public.

Mr. Braswell announced that this meeting is in compliance with the Open Public Meetings Act by virtue of notice having been sent to the Two River Times and the Asbury Park Press. The notice was also forwarded to the Borough Clerks of both Atlantic Highlands and Highlands.

APPROVAL OF MINUTES:

Mr. Fligor offered a motion approving the minutes of the Regular Meeting and the Executive Session of May 26, 2011 as distributed, seconded by Mr. Bishof and approved upon the following roll call vote.

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell

NAYS: None

ABSENT: None

ABSTAIN: Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

PERSONNEL:

Mr. Palamara explained the changes needed to the Employee Manual due to State changes in employee contributions for Health Coverage and increased Pension Deductions. The Authority reviewed the proposed Resolution. Mr. Palamara mentioned the following changes which were suggested by Mr. McNamara and his employment law specialists. In Item #2 the term Section 125 Plan should be changed to Internal Revenue Section 125 Plan. In Item #3 a provision is added that the employee would be responsible to pay 50% of the extra premium if he/she elects to participate in a plan costing more than the average, and the statement "in accordance with NJSA 48:10-21" is added. In Item #4 the following statement would be included, "in accordance with NJSA 48:10-17.1".

Mr. Palamara also explained what a flexible spending account is, and that although it does not affect any of the Authority employees at this time, the new law requires that it be added to the manual at some point.

RESOLUTION 42-2011, EMPLOYEE MANUAL – BENEFIT PROVISIONS was offered by Mr. Fligor with the addition of the amendments specified, seconded by Mr. Braswell, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: None

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Mr. Fligor noted that it was the responsibility of the Authority to provide copies of all updates to the employees, but it is the responsibility of the employees to sign for and retain those updates in their current manual.

Mr. Palamara noted that the advancement of Wayne Guttormsen to full time operator was decided at the last meeting and tonight's resolution is to memorialize that. He explained the credit for past work hours, which would bring Mr. Guttormsen to year four of employment, and that the health benefits opt out provisions are in accordance with NJSA 48:10-17.1.

RESOLUTION 41-2011, ADVANCING WAYNE GUTTORMSEN TO FULL TIME OPERATOR was offered by Mr. Bishof, seconded by Mr. Fligor, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. Rybeck

NAYS: Mr. O'Neil, Mr. Urbanski

ABSENT: None

Discussion began on a resolution to reduce the salary of Mr. Palamara and include him in the Authority's medical benefits. Mr. Rybeck offered a motion to table the resolution until the next meeting so that all commissioners have had time to read and understand it. There was a second by Mr. Urbanski with the following roll call vote:

AYES: Mr. Rybeck

NAYS: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski

The motion to table this resolution was not approved. Mr. Palamara further explained the resolution details to the Commissioners. He stated that this resolution would decrease his salary an amount more than offsetting the costs of the Authority's health benefits plan. There would be a personal savings to Mr. Palamara as far as the health benefits being pre-tax and he would have a savings in state taxes as well as Pension contributions. There would be a savings to the Authority of about \$3,000 plus an additional savings of approximately \$2,700 from reduced employer FICA and Pension contributions. Mr. Braswell asked that a report be produced after this is implemented to show the Commissioners the Authority savings.

RESOLUTION 46-2011, EMPLOYMENT CONDITIONS FOR THE AUTHORITY ADMINISTRATOR was offered by Mr. Bishof, seconded by Mr. Fligor, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski

NAYS: Mr. Rybeck

ABSENT: None

AUDITOR'S REPORT:

Mr. Palamara explained the Corrective Action Plan; he noted that it was approved by Mr. McNamara and Mr. Holman. Mr. Rybeck asked, in regard to item #1, if there was an Administrative Manual of Records Retention to list the locations of Authority records. Mr. Palamara said the Authority does have a records location list and that it is as up to date as possible considering all recent moving of the records.

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RESOLUTION 43-2011, CORRECTIVE ACTION PLAN TO IMPLEMENT

AUDITOR'S 2010 AUDIT RECOMMENDATIONS was offered by Mr. Rybeck, seconded by Mr. Fligor, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Rybeck

NAYS: None

ABSENT: None

Mr. Holman explained the need for some increases to the Budget. He said this amendment provides for the following increases; \$42,100 to Salaries and Wages, \$2,000 to Fringe Benefits, \$7,000 to Other Expenses, and Debt Service of \$131,000. This adds up to a total of \$182,100 which will be added to Service Charges and Revenues. It was also discussed that Mr. Palamara has been asked to monitor expenditures so that this money is not really being spent unless necessary.

Mr. Fligor noted that the Debt Service had to be increased because the Monmouth County Improvement Authority decided that the bond market in December was unfavorable and it was best to wait until January when rates were expected go down. The rates did go down, but they didn't go down as much as expected, therefore causing an increase to the Budget. He also mentioned that the salary and wages increase was due to the fact that the Authority had expected Mr. Mason to retire earlier than the date he chose.

RESOLUTION 44-2011, AMENDING THE 2011 AUTHORITY BUDGET was offered by Mr. Bishof, with the amounts provided by the Auditor, seconded by Mr. Rybeck, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: None

ENGINEER'S REPORT:

Mr. Gemmell reviewed his Monthly Status Report. He spoke of the installation of pumps #1 and #2 in Atlantic Highlands and their startup activities. He mentioned that there is an ongoing ragging issue requiring pumps and mixers to be cleaned on a daily basis.

He said that NJDEP has authorized award of the SCADA Installation contract to Sodon's Electric; upon receipt of the documents from Sodon's, T&M will provide the same to the Authority for final execution.

Mr. Gemmell spoke of a connection application for two homes at 41 Memorial Parkway that would share an existing lateral crossing the Highway. Sharing the pipe running under the highway is acceptable conditioned upon the property owner installing new laterals to this pipe, and cleaning the existing pipe and installing an internal liner for its entire length. Mr. Rybeck said he felt there should be a process in place to be sure that when this is done the lateral is not compromised. Mr. Palamara said that this provision is already in our Regulations, including provisions for our final inspection and approval.

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Mr. Gemmell discussed the investigation of installation of fine screen filtering equipment at the Authority Pump Stations to help reduce ragging. He said that while filtering is needed and should be cost effective, the equipment recommended by Mr. Mason does not appear to be suitable for the Authority due to many factors. He explained how the system would work and where the system would be installed at each station. He estimates the approximate cost of the equipment being \$100,000 per station plus installation and maintenance costs of about \$15,000 yearly.

Mr. Palamara said that the Authority should take into consideration that the comminutors are near the end of their life span and it will cost \$42,000 to repair them; they also have a fairly high maintenance and operation cost. He said the concept of the fine screening has promise and could be cost beneficial, they should keep looking for a solution. He and Mr. Gemmell and Barry will continue to investigate other equipment capable of solving these problems.

Mr. Rybeck asked that Mr. Palamara send a letter to both Highlands and Atlantic Highlands Borough Administrators to let them know of the problems with wipes and other clogging materials. Discussion followed regarding the problems and costs associated with the flushing of wipes and other materials.

ATTORNEY'S REPORT:

Mr. McNamara said that he will reserve his report for Executive Session.

OPERATIONS SUPERVISOR'S REPORT:

Mr. Leeser was welcomed to his new position by the Commissioners. He said that the pumps were installed and started up; AC Schultes has a small punch list of things to take care of. They are checking to see if they can sell the old pumps for more than the scrap value of \$150. He said ragging issues are a constant problem with the new pumps.

Mr. Leeser said that he has just learned that there were some items thrown into the emergency by-pass standpipe in Atlantic Highlands over a year ago. He would like to have the standpipe checked and repaired. Mr. Palamara said he would take care of this and two other repair items that have been needed for some time.

ADMINISTRATOR'S REPORT:

Mr. Palamara asked Mr. McNamara if the Authority could sell the old pumps to Red Bank Recycling for scrap value, about \$150 each, and sell the two extra wiring reels to the supplier for their scrap value, about \$100 each. He said the Authority is also exploring other ways to get additional value from these items. Mr. McNamara saw no problem with this.

Mr. Palamara spoke of a connection application for Seascape Manor, in Highlands. He said the courts have ordered Seascape Manor to connect to the town sewer by June 16th. They have made application to the Authority and he has given conditional approval but he has two issues for discussion. This is a Bed and Breakfast and the Authority has no listing for, or prior experience with, Bed and Breakfasts. Any single family residential house is considered one unit, whereas the number of units for a commercial property is determined by their flow.

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Mr. Fligor stated that the DCA looks at Bed and Breakfasts as single family residential units.

Mr. Palamara also asked for assistance with the fee. This is an existing building and not new construction, which is what the Authority usually deals with, and this situation is not addressed in the Authority Regulations. He said that a connection fee for a single family home is \$3,542 with an application fee of \$200. In the past when a home owner has had to pay for improvements required by the town, like the disconnection of a sump pump, they were offered a length of time to pay it off without interest. Discussion followed.

RESOLUTION 45-2011, CONNECTION APPROVAL FOR SEASCAPE MANOR was offered by Mr. Bishof, using a standard one unit connection fee with 0% interest, to be paid over 12 months, seconded by Mr. O'Neil, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: None

Mr. Braswell asked for a motion on the Payment of Bills.

There was some discussion regarding the number of hours being worked by the Authority Accounts Clerk, Mrs. Frotton. Mr. Palamara noted that there have been duties added in response to the recent audit and these require additional hours. He said that Mrs. Frotton is doing a good job and at a wage much lower than an experienced bookkeeper or CPA, they might take less time for some tasks but it would be more costly to the Authority. Mr. Palamara said that he has supplied the Commissioners with a list of duties and how long each should take. The Finance Committee will review the issue and come back to the Authority with their findings.

RESOLUTION 47-2011, PAYMENT OF BILLS FOR JUNE 30, 2011 IN THE AMOUNT OF \$188,759.67 FOR OPERATIONS AND \$31,776.84 FOR CAPITAL BUDGET/NJEIT/ FORCE MAIN REPAIR was offered by Mr. Bishof, seconded by Mr. Fligor, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil (approving all bills, with the exception of payment to Mrs. Frotton), Mr. Urbanski (approving all bills, with the exception of payment to Mrs. Frotton), Mr. Rybeck

NAYS: None

ABSENT: None

Mr. O'Neil left the meeting at 8:51 PM.

Mr. Palamara noted that he has distributed an updated list of contact information for Authority Commissioners, Staff and Professionals. He spoke about meeting attendance and the importance of having a quorum. He noted that a list of meeting attendance since 2009 has been included in tonight's packets. He said that the Authority could adopt by-laws for the Commissioners to list duties and responsibilities. Mr. Fligor suggested that the secretary and administrator be notified if someone will not be able to attend a meeting. Mr. Bishof asked that it be noted in the minutes if an absence is excused or not excused.

OLD BUSINESS:

There was no old business.

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NEW BUSINESS:

Meeting attendance was listed under New Business but has already been addressed.

Mr. Fligor suggested that if any Authority members haven't been down to the Pump Stations in a while they should go down and let Barry or Wayne give them a tour. Mr. Rybeck added that the tour should be offered to the new Highlands officials. Mr. Palamara suggested waiting till the second SCADA System is in and running. Mr. Braswell told the Commissioners that he has received word that Mr. Leeser is handling his new position very well.

PUBLIC COMMENTS:

There was no one from the Public in attendance.

EXECUTIVE SESSION:

Mr. McNamara stated that the Authority was going into Closed Session for the specific purpose of discussing the ongoing arbitration between the Authority and TOMSA.

RESOLUTION 48-2011, EXECUTIVE SESSION TO DISCUSS TOMSA ARBITRATION, AND RESERVING THE RIGHT TO TAKE ACTION WHEN BACK IN OPEN SESSION

was offered at 9:00 PM by Mr. Fligor, seconded by Mr. Bishof, and adopted upon the following roll call vote.

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: Mr. O'Neil

The Regular meeting re-convened at 9:32 PM with all members, except Mr. O'Neil, present.

There being no further business for the meeting, Mr. Fligor offered a motion to adjourn, seconded by Mr. Bishof and by voice vote was unanimously carried.

Meeting adjourned at 9:32 PM

Michelle Clark, Recording Secretary