

PLAINFIELD MUNICIPAL UTILITIES AUTHORITY

**Minutes of a Board of Commissioners Regular Meeting
Tuesday, January 10, 2012**

**127 Roosevelt Avenue
Plainfield, New Jersey**

I. OPEN PUBLIC MEETINGS LAW (STATEMENT OF COMPLIANCE)

Commissioner Mitchell, Chairperson, called the meeting to order at 6:23 p.m. by reading the Statement of Compliance.

II. SALUTE TO THE FLAG

The Pledge of Allegiance was said by all.

III ROLL CALL

Present

Commissioner Harold Mitchell
Commissioner Carol Ann Brokaw
Commissioner Malcolm R. Dunn
Commissioner Alex Toliver
Alt. Commissioner Cecil H. Sanders, Jr.

Also Present

Mr. Duane Young, Executive Director
Mr. James Perry, Chief Financial Officer
Mrs. Lana Carden, Manager of Human Resources
Ms. Leslie London, Board Attorney
Mrs. Roslyn Mathis, Board Secretary
Staff and Public

Commissioner Tracey Brown absent

IV. APPROVAL OF MINUTES (12/13/11 Regular Meeting Minutes)

Commissioner Brokaw moved that the minutes from December 13, 2011 be approved as distributed, seconded by Commissioner Toliver. The motion carried, on a roll-call vote, with four members in favor and none opposed. Commissioner Dunn was present but not voting because he did not attend that meeting.

RECORDED VOTE December 13, 2011 Regular Meeting Minutes

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn				X	
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

V. COMMUNICATIONS

None.

VI. REPORT OF COMMITTEES

None.

VII. EXECUTIVE DIRECTOR'S REPORT

Mr. Young reported that the Authority put together a fund for Bobby Morris, the employee injured in the unfortunate accident that happened on December 26th. Anyone who would like to make a contribution is encouraged to do so.

Commissioner Mitchell asked how Mr. Morris was doing. Mr. Young thought he had been moved out of the hospital to rehab. He's making progress, but there is a long road ahead and he may need additional surgery. Ms. Hamlin shared that due to the rehab at JFK on Oak Tree Road not having the right equipment, they moved him back to Robert Wood until they can find a facility that can best handle his condition.

A. Attorney's Report

It had been brought to Ms. London's attention, through an OPRA review, that there were two settlements that had been executed in the past but they did not have an accompanying resolution with them. She advised that she has a resolution to ratify those two Settlement Agreements. The first one is for a 2005 Employment Settlement with John Johnson and a 2011 Agreement with Aleta Alston. Ms. London presented **resolution 9-2012 ratifying certain Settlement Agreements**. Commissioner Toliver had a question regarding Ms. Alston. It's his understanding that there was some type of conflict, something was committed here and if so, why was there a Settlement Agreement with her.

Mr. Young replied that the settlement was prior to July 1, so he didn't participate in the settlement and he couldn't give a hands-on account of what the settlement was, but he thought it was dealing with employment. He's not sure how much they can talk about it. In terms of monetary, Mr. Duane thought it wasn't a large amount, but he could provide a copy to Commissioner Toliver.

Ms. London said both settlements are public documents. Ms. Alston received five week's pay, but Ms. London wasn't involved in that settlement.

Commissioner Toliver was concerned about Ms. Alston's settlement, because if she committed any unlawful activity in the Authority, why would she receive any settlement.

Ms. London wasn't sure what Commissioner Toliver was alleging, and she didn't believe that was part of the settlement. She asked Commissioner Toliver if he saw the Settlement Agreement. He replied yes.

Commissioner Dunn wanted to know if they were being asked to ratify something five years later and to approve it, when they don't know how much it is, because he didn't see any amount in the resolution.

Ms. London said the two Agreements should have been provided to each of the Commissioners for review before the meeting.

Commissioner Dunn asked when they were provided.

Mr. Young replied if they didn't get the Agreements, they will be provided to them.

Commissioner Toliver said he didn't get them either.

Ms. London advised that this should not go forward until they have had a chance to review the Agreements, so she withdrew the resolution until the next meeting.

Commissioner Dunn said he didn't need to review everything. He just needed to know how much it is totally.

Mr. Young replied that in terms of a summary, one was for five week's pay for Aleta Alston, and the other \$107,000 for John Johnson. Those are the dollar amounts.

Commissioner Brokaw clarified that the Agreements were negotiated by the previous administration and another attorney who represented the PMUA. Ms. London was not involved in these discussions.

Ms. London added that she was not involved in Ms. Alston's settlement but she had drafted the Agreement with John Johnson. It was given to Mr. Watson and that was the extent of her involvement with that settlement.

Commissioner Mitchell wanted to know who the other attorney was. Ms. London replied Ms. Paulette Brown.

Commissioner Dunn asked Ms. London if, after she drafted the Agreement with Mr. Johnson and gave it to Mr. Watson, was it offered here at the meeting and passed, because the implication is that Mr. Watson was involved in a \$107,000 Agreement.

Ms. London said that she drafted the Agreement and provided it to the former Executive Director as requested, and that was the end of her involvement. The last she heard about it was when it recently came up.

Alt. Commissioner Sanders moved that they look at the Agreements and come back to this issue at the next meeting. (Resolution 9-2012 was tabled.)

B. Finance Report and Bills List Approval

Mr. Perry summarized the major expenses as follows: PARSA, \$720,000; salaries and wages, three pay periods, \$717,000; New Jersey Utilities Authority JIFF insurance, casual, liability, workers comp, \$240,000, that's half of the full year, in another three months they will pay another \$240,000 and that will complete it for the year; health benefits, \$147,000; disposal fees, \$116,000, those items total 88 percent of their total expenditures for the month to provide services. Also behind the blue document would be found a summary of the other finances.

After a clarification for Commissioner Dunn of how the JIFF is paid, Ms. London presented **resolution #2-2012 authorizing the payment of bills**. Commissioner Brokaw moved, seconded by Alt. Commissioner Sanders, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #2-2012 Payment of Bills

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

C. Resolution Authorizing Award for High Reach Wheel Loader

Mr. Young said they went out to bid for a High Reach Wheel Loader for the Transfer Station to move the trash around. He asked Ms. Hamlin to give some background information.

Ms. Hamlin said the bids were opened on Wednesday, December 28, 2011 for the High Reach Wheel Loader, they received one bid and one letter from another company indicating they were unable to bid at that time. The bid that was received was from Jesco and the recommendation from the PMUA's engineer, legal counsel, and the Authority is that the bid be awarded to Jesco under the lease proposal, number two, for a five-year lease period.

Ms. London presented **resolution #3-2012 authorizing the execution of a contract with Jesco, Inc. and a lease agreement with John Deere, so it's a two-pronged agreement for High Reach Wheel Loader**.

Commissioner Toliver asked if there is a third party in this agreement, is this also an agreement with John Deere, Jesco and the Authority, that they will be awarded that Loader free of charge.

Ms. London replied they will have a contract with Jesco and a contract for the lease with John Deere and they will cross reference each other.

Ms. Hamlin said the application for the credit from John Deere was included in Jesco's bid proposal.

Mr. Perry added that this is similar to when they purchased the packers recently, and since they are doing capital leases this will become more and more common. When the Authority purchased the equipment from Jesco, the financing part is typically done through someone they do business with and in this case it's John Deere.

Alt. Commissioner Sanders moved, seconded by Commissioner Brokaw, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #3-2012 Contract for High Reach Wheel Loader with Jesco/John Deere

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

D. Resolution Authorizing Award of Emergency Contract for Automotive Gasoline & Diesel Fuel

Mr. Young said this item is to award an emergency contract. The Authority is in the process of going out to bid for gasoline, but they need a short window of time to evaluate their options. They have had some problems with the gas they were using and they need to get an approved short-term contract to allow them time to find a vendor they can feel confident with.

Commissioner Dunn asked if the PMUA, in terms of shared services, entertained buying gas with the City of Plainfield.

Mr. Young replied yes, they have talked about that on several different occasions, but there were some logistic problems in terms of where they were going to do it, at a spot down on South Avenue where the City has their vehicles coming to. The timing when the Authority's vehicles would come in and when the City's vehicles would come in, it wouldn't be to the Authority's advantage with the space requirements because the PMUA has a lot of big vehicles. The space on South Avenue that is allotted to refueling, it would be overwhelming in terms of the size of the Authority's vehicles and the City's vehicles, getting them in and out on the road in a timely manner.

Commissioner Dunn asked why it couldn't be done at the Authority's facility.

Mr. Young replied that the PMUA had looked into putting a gas bubble at the Transfer Station; they evaluated the cost, what the liability would be, but there were a lot of things to be considered, and whether or not it would be beneficial; also, where would the source of the funding for that come from. It could cost as much as \$50,000 or more.

Commissioner Dunn said to Commissioner Mitchell that he needs some information; he would like to know how many gallons of gasoline the Authority purchases in a year for their fleet of vehicles.

Mr. Perry responded that they were looking into that last year and there are a couple of issues that's right up front and one of them is the cost benefit. There are about five different categories of bubbles, everything from military right down to if there's enough property to put it on. Every vendor has asked how much free space does the Authority have, what's around their land, and if they're on wet lands. The Transfer Station, 60 percent is on wet lands and it borders on Green Brook. That being the case, there's a whole lot of issues other than the dollars. Mr. Perry said they would love to buy at the distributor's price, wholesale price, but it's not always as easy as the cost benefit might look.

Commissioner Brokaw agreed with Mr. Perry. She said the study indicated that they had some issues about wet land and spacing. They had tried at some point to buy the dog pound in front of the Transfer Station to have more room to move large vehicles in and out and also having more space for the bubble. They were not successful in being able to bid on that property. There were a number of issues that they were trying to determine whether or not it was appropriate at the time to do a bubble.

Commissioner Toliver said this discussion has been going on for at least two years.

Commissioner Mitchell added that the Authority used to fuel up with the City and there was confusion about that so that's why the PMUA went their separate way.

Ms. London clarified that they are entering into two contracts; the first one was for January 4 through the 6th and the second one for January 9th, so they are ratifying tonight since the contracts needed to be entered into prior to tonight's meeting because of the emergency.

Ms. London presented **resolution #4-2012 authorizing ratification of a short-term emergency contract with Terrill Exxon and Sunoco**. Commissioner Dunn would like to get a feel that the operation here would test that gas during these three months making sure they get the octane they are paying for. He is not accusing anyone of anything; he is just asking that the Authority makes sure periodically the gas is tested so they can provide the services they are being paid to provide. He asked if this can be done and Mr. Young and Mr. Perry replied yes. Commissioner Toliver moved, seconded by Commissioner Brokaw, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #4-2012 Contract for Automobile, Gasoline and Diesel Fuel**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

E. Resolution Authorizing Union County Cooperative Pricing System Membership Renewal

Mr. Young said they have a five-year membership with Union County Pricing System, which is about to expire. This membership has the potential to save money for the PMUA.

Ms. Hamlin added that this membership saves money by using vendors that are already part of the shared services with Union County.

Ms. London presented **resolution #5-2012 authorizing an execution of an Agreement with the County of Union for participation in the Union County Pricing System**. Commissioner Brokaw moved, seconded by Alt. Commissioner Sanders, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #5-2012 Membership Renewal Agreement
with Union County Cooperative Purchasing System**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

F. Resolution Authorizing Authorities Certified Recycling Coordinator to Prepare & File Annual Tonnage

Mr. Young stated that annually the PMUA has to prepare a tonnage report and it's required that they have a Certified Recycling Coordinator. The Authority has a Certified Recycling Coordinator, Trevor Gravesande. This report is prepared for the State, the money comes through the City and it is paid to the PMUA. It has been averaging historically about \$40,000 to \$50,000 per year.

Commissioner Toliver would have liked Mr. Gravesande to have appeared before the Board. Mr. Young said he will have him present at the next meeting.

Ms. London presented **resolution #6-2012 authorizing the Authority's Certified Recycling Coordinator to prepare the Annual Tonnage Report.** Commissioner Toliver moved, seconded by Commissioner Brokaw, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #6-2012 Authority's Certified Recycling
Coordinator to Prepare the Annual Tonnage Report**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

G. Resolution Authorizing UCUA Settlement

Mr. Young said Ms. London will be able to give the Board some background in terms of the settlement that the Authority is recommending. This item is dealing with an issue that was carried over from the previous administration.

Ms. London said this item is a result of issues that were raised while the PMUA was trying to obtain approval from the Union County Utilities Authority for the MRF Agreement. As part of that process, certain documentation was requested by them. As a result of that information being provided to the UCUA, it came to light that there was certain waste from 2006 through 2011, type 10 and type 13 that were not going to the designated facility. It appears some waste was going to the opposite facility and the rates are different, so the Union County Utilities Authority is seeking that rate differential that would have been paid, if the waste had initially gone to the correct facility. As part of the discussion between the UCUA and the PMUA, the Union County Utilities Authority agreed they would not impose any penalties or fines against the PMUA because the Authority had corrected the problem. Additionally, the Authority was able to successfully negotiate the Material Recovery Facility Agreement with the UCUA, on an interim basis, three months, beginning February 1st as a result of this settlement. This will allow the Authority to fully utilize the Transfer Station as a Material Recovery Facility, which is what the PMUA has been trying to do for quite some time.

The Agreement is to pay the UCUA that rate component that the UCUA did not receive because the waste was not properly delivered. There is also an agreement to enter into a MRF Agreement that will allow the Transfer Station facility to be utilized as a Material Recovery Facility for a three-month interim period.

If things work out, the MRF Agreement will turn into a long-term contract which will allow the facility to be fully utilized to accept waste from other Municipalities in Union County.

Commissioner Dunn asked what the estimated revenue the PMUA anticipates getting by operating this facility as a drop-off Recovery is.

Mr. Young replied it's difficult to estimate that revenue. It's based on additional contracts that they can receive as an Authority. They don't know what type of contract, if anything, they will get at this time. Hopefully, they will develop some type of relationship with the surrounding towns and get their business.

After discussion, Commissioner Dunn asked, since the PMUA is seeking this approval, how much trash could they handle?

Mr. Young replied they have increased the capacity from 99 tons to 280 tons per day. Mr. Young said he will evaluate everything, including the type of analysis the previous administration prepared.

Mr. Perry said going back 16 years ago almost to the month, all of this came to fruition in 2006. The PMUA started the process just about at the beginning. At the opening in 2006, the MRF process was not completed. As part of the process going to the State, to the DEP, to the County, that whole cost analysis was done in 2006. They will go back and look at that. All of that goes back to 2004 when all of this was filed, through the engineers, with the State and that's why the approvals they have now are finally getting into place so the Authority can accomplish what Commissioner Dunn and the late Mayor McWilliams wisely saw as an opportunity.

Commissioner Toliver stated that they are at the point where they need to dust off some of the old files, they are starting over, they have a new Director and they need to let the new Director get into those files and start making these evaluations, what is cost effective and what is not.

Commissioner Brokaw reiterated what Mr. Perry said in reference to the progress of the steps they had to get to in having a facility to allow them to go out for additional business. When she first came to the Board that was not happening and based upon her contribution to the PMUA and others, they pushed and finally in 2006 they had a facility that was capable to allow the Authority to go outside. There are other things that have been put in place, some of it has nothing to do with the people sitting in this room, and some of this has to do with people outside of this room who make decisions that affect the PMUA. Mr. Young and others are doing a good job to get themselves up to speed to further facilitate this effort, she thinks they are doing a good job and commends them for moving forward.

Commissioner Toliver complimented the cans downtown. Mr. Young thanked him and said it's good to get a compliment every now and then.

Ms. London presented **resolution #7-2012 authorizing a settlement with Union County Utilities Authority regarding certain waste issues and approval regarding execution of a proposed interim Material Recovery Facility Agreement with the Authority.** Commissioner Toliver asked what the cost would have been other than the \$157,000 with the Authority not doing things properly.

Mr. Young replied they were able to successfully negotiate with the UCUA to waive the fines and penalties. They were given a figure of \$4,500 per incident, and if he multiplies \$4,500 over everything that happened from 2006 up to 2011 it would come up to a big number.

Commissioner Dunn said in previous discussion it was mentioned that bringing the trash to their facility they would be able to separate the recyclables and that could be sold at a better price. He asked how many people they are going to have to put on to do that.

Mr. Young replied that will be evaluated based on the trash that comes in. They may be able to reassign employees in an effort to maintain costs. They would need to see how they could reorganize their existing staff as opposed to try to add cost which would impact the residents.

Commissioner Dunn couldn't see how adding a function that is going to take trash that is now dumped in one load and dropped on the floor at the Transfer Station, and separated, could be done without adding more people to do that on a regular basis, and he would like to know, from someone in the Department, how many more people it will take for just the Plainfield garbage beginning February 1st to be able to do that job.

Mr. Smith replied that currently, due to the volume they are receiving, they have adequate staff to handle the material.

Commissioner Dunn asked on the new function that the Board is being asked to authorize tonight. Mr. Smith said the new function; they are currently doing that with the material they are receiving from the City of Plainfield.

Commissioner Dunn asked how long they have been doing that. Mr. Smith replied three or four years; they are talking about tires, refrigerators, bottles and cans.

Mr. Young stated that's part of the reason they got the fine. Some of the waste they weren't authorized to do that for. Now that they've got the MRF, they can legally separate it.

Mr. Perry said he wanted everyone to be mindful of the fact that if they make a decision to hire someone, it would be based on having the revenue, because the waste from the waste stream is more valuable. They would not hire people just to be hiring them, if it can be separated out under the MRF and they need people to separate it out and what they generate from that is more than the cost of hiring people, then they could do it.

After the above discussion Alt. Commissioner Sanders moved, seconded by Commissioner Brokaw, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #7-2012 UCUA Settlement Agreement**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

H. Resolution Authorizing IP Based Telephone Survey & Network System

Ms. Hamlin said that they went out to bid for the telephone system. They received two bids, one from Business Automation Technologies and one from Net Connect. The bid proposal from Business Automation Technologies was the lowest bid amount, however they found that Business Automation Technologies modified their bid proposal which wasn't in line with the Authority's bid specs, therefore the recommendation is to award the bid to Net Connect.

Ms. London presented **resolution #8-2012 award of a contract for an IP based telephone system**. Commissioner Brokaw moved, seconded by Commissioner Toliver, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #8-2012 Award of Contract to Net Connect

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

VIII. UNFINISHED BUSINESS

None.

IX. NEW BUSINESS

Mr. Young thanked the Board for a lot of the good questions that were asked, it establishes a level of accountability.

He has been in the position of Executive Director only six months and he has learned a lot and uncovered a lot and he is trying to address a lot of issues, it's a matter of prioritizing things that need to be done. He also presented to the Board last week, on January 4th, a Status Report of Actions Taken and Accomplishments Since Appointment & Request For Consideration for Permanent Appointment. Mr. Young wanted to read this Report to make it part of the record so the public and Board will know some of the highlights that have been accomplished in the last six months, how money has been saved and the reorganization that has been done in a very short time.

“Dear Board of Directors, as you know, effective July 1, 2011, I was appointed by the Board as the Interim Executive Director for a one year term and it was agreed that I would be evaluated and considered for permanent status for the remaining three years of my current contract. Since we are at the half way point in the Interim appointment I thought this would be a good time to highlight the actions that I have taken as Interim Executive Director and to also advise you on my strong interest in being appointed on a permanent basis to the position.

“The past six months have been very challenging and exciting. When I was appointed, I immediately met with all staff because I felt it was important to hear from them directly regarding the work that they perform for the authority and to seek their input and ideas regarding the changes and improvements they thought could make their job more productive while also benefiting the Authority organization. I gathered very valuable information from these discussions which enabled me to work closely with our consultant Wayman Pearson on ways to better structure the organization of the Authority. It was and is my belief, that the way an organization is structured is key to its success. Consequently, one of my first early actions was to present to the Board a proposed restructuring of the organization and staff. The restructuring was then implemented. I believe the changes have been very positive. These changes also helped to identify positions that were redundant which resulted in a slight staff reduction, which then enabled the Authority to stabilize rates going into 2012 and even provide a rate reduction also starting in 2012 for Plainfield residents.

“Some of the other actions that I have taken include:

1. Successfully negotiated a settlement with Morris County, with PMUA legal counsel, regarding two violations that were issued against the PMUA. These violations could have cost the PMUA thousands of dollars in fines but we successfully negotiated zero dollars in fines and only approximately \$600 in legal cost.
2. Successfully negotiated with PMUA legal counsel a settlement of the UCUA issues regarding prior actions by the PMUA regarding waste diversion and successfully getting the UCUA to agree to approve a temporary MRF Agreement with the UCUA. This action is very important because it puts the PMUA closer to being able to provide service outside of the City, which is my major goal. Also, I have been able to get our engineers to better prioritize and actually complete a lot of the work that was needed to be taken from their end to get the approvals we need from the Department of Environmental Protection to provide service outside of the City.
3. I have been diligently working with our staff on a strategy for obtaining outside contracts. I know that this is a major goal of the PMUA and I am doing everything possible to make this happen as quickly as possible. I took the initiative to streamline the application process for seniors and disabled residents to apply for our rate discount. In addition I took action to seek approval from the Board to increase the senior citizen and disability discount rate from 10 percent to 15 percent. This will be an added plus to these residents and an action that is good public relations for the PMUA.

4. I recognized soon after I became Interim Executive Director and from my discussions with staff that one of the reasons the PMUA was not attracting more business right in the City was because our roll off rates were too high and not competitive. Therefore, I took the initiative to move for a reduction of PMUA roll off rates to make us more competitive and to generate more business thereby increasing the PMUA's revenue.
5. When I became Interim Executive Director I thought it was important to maintain and improve the PMUA's relationship with the City. I attended a Council meeting and received positive feedback for the PMUA. I have also indicated to the Mayor and Council that the PMUA is looking forward to making a positive change and working with the Mayor and Council.
6. It was clear to me soon after my appointment that the PMUA was not fully utilizing the services that PARSA offers. I immediately reached out to PARSA's Executive Director Rob Ville. We are currently investigating the shared services that can be provided by PARSA and how we can work together in the future in ways that will help to save the residents money.
7. Many residents and several members of the Council have requested over the past year or so that there be more transparency of the PMUA organization through the website. I immediately directed staff to begin posting Board minutes, agenda, rules & regs and other documents on our website. We have received very positive feedback since this was done.

"There are other actions that have been taken, but these are just a few that I wanted to highlight to show the extent of the work that I have done and my accomplishments over this very short period of time. I want to continue to help the PMUA develop to its full potential, and especially, I want to be in a position to help the PMUA achieve the goal of expanding our services both in the City and outside of the City. I believe I have the ability and skills to help lead the PMUA to achieve its goals and therefore I am asking that I be permanently appointed as Executive Director."

Mr. Young said that these are just some of the things he has accomplished in his time frame as Executive Director. Yes, he is interested in the position as the permanent Executive Director. He feels what he has done with his time as having been here almost 12 years from the financial perspective, understanding the industry over that period of time, he would just ask for some consideration when this is determined.

Commissioner Toliver said he just wanted clarification, what Mr. Wayman Pearson does throughout the country as far as coming in and advising Municipal Authorities he thought should be shared with the public because they don't know who he is.

Mr. Young replied that he is a gentleman that is known throughout the country in terms of restructuring, he's been in the solid waste industry forever, and he's considered an expert. The PMUA has used him in the past on a consultant basis and his knowledge is very, very valuable.

Commissioner Mitchell said they didn't have to go outside of the PMUA and hire someone; they had someone in Mr. Young who could hit the ground running. Commissioner Mitchell appreciated Mr. Young's skills and that's what they need here. Mr. Young has Commissioner Mitchell's support and he will continue to support him just like he supported the previous Director and Assistant Director. He is willing to approve an extension on Mr. Young's contract.

Commissioner Toliver added that Mr. Young has his support and Commissioner Brokaw indicated he has her's as well.

Commissioner Brokaw said she was not initially the biggest cheerleader in terms of not going outside and doing more research. She still hopes at some point in time they will be able to engage someone as an engineer on staff, they need that as part of their growth process. That's not a position Mr. Young can fill, but one that can be filled.

Alt. Commissioner Sanders said he didn't see this on the agenda so he wasn't prepared, but he is happy with what Mr. Young has given them in the way of a report and that will be taken into consideration. Alt. Commissioner Sanders is relatively new so he wants an opportunity to gather more facts and information.

Commissioner Toliver said initially Mr. Young had one year for re-evaluation and he still has six months in that regard.

Mr. Young replied he agrees with that, but he would hope the Board has given thought about this and is thinking about this in terms of the impending transition to make this decision before the year is up. The sooner the better it would be if the Board makes its decision, better for the Authority and for him as well.

Commissioner Dunn said he likes what he sees in terms of the written financial accountability that is current; he didn't have anything to measure it against right now. He does have a very serious concern, which stops him from giving his support at this time. It is his understanding that with the recent union warning, their employees are now being represented by a union. He thought it was premature since they are going to try to negotiate with this union, and he asked Ms. London to stop him if this is inappropriate; he is against the union period, that's how he feels and that's how he will vote. However, they are in house and the Authority has been warned that they represent their employees. Commissioner Dunn has a concern with the decision that was not made after Mr. Young informed them that he met with the employees and Commissioner Dunn asked the question of his fellow Commissioners and he was told they did not know about the union effort or the success of the union signing up the workers until November 18th.

Commissioner Dunn said the fact that the union has happened under the watch of the present administration and the present Board, he is reluctant to give his support at this time. Second, certain questions were asked regarding costs, and to say they have an organization and to say we can't answer those questions at this point, although nobody can come in here and in six months know it all, but until the union situation is settled one way or the other, he didn't feel they should give anybody a permanent situation.

Commissioner Dunn said a memo went out from this administration that said everyone will get a two percent increase and they will get a merit increase up to three percent according to certain criteria. He didn't know what that criteria is, and Mr. Young didn't have to give it to him now, however to give it to everybody who coincidentally did not sign the union contract sends a serious signal.

Mr. Young wanted to respond to a couple of things. One, this is not the first time they have had the union here. There has been talk of a union every year. They even had a union back in 2003 or 2004; he wanted to make sure they're clear on that. He wanted to dispel the idea that this union was something that was directed to his actions. Two, the memo went out regarding the two percent, all employees were aware early on when Mr. Young took this position and he was asked if they would get an increase, he told the employees this is the plan, two percent cost of living beginning in January and zero to three percent potential for merit; everybody, in the field as well. As to the question of merit, merit is based on the supervisor's evaluation of an employee, what they bring to the table; the evaluation process will dictate where their merit will be.

Mr. Young said the union as he sees it, is something they will have to deal with and he didn't see it as something that's going to bring down the PMUA. There's going to be various challenges whether he's in the seat or someone else. They will work their way through it.

Commissioner Dunn appreciated Mr. Young's response. After other discussion, Commissioner Dunn asked Mr. Young what happened when they had the union before. Mr. Young replied that they voted it out.

Commissioner Dunn asked if the two percent raise that was announced was for everyone other than those who are going to be represented by the union and the merit pay is that also only going to those who did not sign the card. Mr. Young replied at this particular time yes.

X. PUBLIC HEARING

Commissioner Mitchell said they have come to the portion of the meeting where the public is allowed to speak, please stand, give your name and address, and they will be allowed two minutes.

Dan Damon, 661 W. 7th St. Regarding resolution 4, the emergency fuel purchasing, he noticed that's Fanwood and North Plainfield, he asked if there was a reason why there was no Plainfield supplier.

Commissioner Mitchell replied that there was a Plainfield supplier but they had a problem. The Plainfield supplier needs to be investigated. Commissioner Mitchell asked Mr. Young if through their investigation a test can be given to determine if the fuel was tampered with.

Mr. Young replied that he didn't think they can determine that. They went through one phase to see whether it was done by tampering. He didn't think the investigation could point that out.

Tom Crownover, 1112 Watchung Ave., Plainfield. He wanted to know if the Watson and Ervin \$1.2 million claim was put off until the next meeting.

Commissioner Mitchell replied, candidly, they don't have the money for the \$1.2 million; the money is not there for \$250,000. The money is not there for anything. They are asking for additional money. They don't have the money to pay them and he is not going to support it anyway. They had a contract; they didn't abide by that contract. They have been paid and when it comes up he will vote no.

Mr. Crownover gave some additional comments in that regard; back on February 23, 2010 Governor Christie signed Executive Order No. 15, which reads in part, "WHEREAS in order to address the current economic and fiscal emergency in New Jersey at a time of unprecedented economic crisis, all spending by independent State Boards, Commissions, Authorities and Agencies (hereinafter referred to as "State Authorities") must be scrutinized more closely than ever before and,"

"WHEREAS, the spending at certain State Authorities remains excessive and wasteful, necessitating my veto of agency actions that would have ratified or approved wasteful and extravagant spending; and. . .

"WHEREAS, several employees of State Authorities have secured employment contracts with lucrative termination clauses (sometimes referred to as "golden parachutes") that are especially abusive of the public trust during this time of economic difficulty and recession...

"No State Authority shall include any financial incentive relating to termination or separation from employment in employment contracts with its employees, unless expressly authorized in writing by the Governor's Office."

Mr. Crownover offered that as an informational commentary.

Commissioner Brokaw thought it was important for people to know, with respect to the process, that last June, when Mr. Watson and Mr. Ervin announced they wanted to be let go from their contracts, at that time they had a contractual dispute as to what Mr. Watson and Mr. Ervin were entitled to. The Board submitted that question to arbitration. As far as she is concerned, the arbitration process should move forward. If the Board is wrong, they will have to live with that. At this juncture, Commissioner Brokaw didn't see any need to abort that process and they need to live with that. This has nothing to do with whether or not they like Mr. Watson or Mr. Ervin, all of the Commissioners on this Board were supportive of them.

Ms. London clarified that the Executive Order that was read, and the word that was used over and over again, State Authority, the PMUA is not a State Authority.

Bill Kruse, 1009 Hillside Ave., Plainfield. In connection with the arbitration, as he understands it, they are no longer considering the settlement offer the gentlemen put on the table, they rejected it. Commissioner Mitchell replied they have not made a decision, three of them saying back to arbitration. Mr. Kruse stated they don't have four. It's still pending whether they are going to reject that settlement. Commissioner Mitchell replied yes.

Mr. Kruse heard the word transparency and asked is the window of transparency clear enough for Ms. London to tell him the basis of the claim that these two men have.

Ms. London replied that when Mr. Kruse asked that question last week, she reviewed his request with other arbitrators and attorneys and concluded that the response provided last week was correct. She reiterated that they are still in arbitration, at least until some decision is made, so it is inappropriate to discuss the details; a detail is a claim. Once a decision is made and the Board decides on the settlement, the basis of their claims will be laid out.

Mr. Kruse said he would prefer to see Commissioner Mitchell and Commissioner Brokaw prevail because there is a suspicion being floated, which is probably incorrect, that what troubles some members of the Commission panel here, is that they are afraid not that they will win, but afraid they will lose, because there is sympathy among some of them to make the award to these gentlemen. He felt it would be better to let it run its course. If this is a stress claim, for some intimidation that occurred while they were here, that's a very difficult thing to prove. As a former panelist, he told them that Arbitrators are very well trained and they will get to the core of it. He would rather put his faith in them than to see the Commissioners capitulate.

Tom Kaercher, 1115 Prospect Ave. He shared with Commissioner Dunn that it is refreshing to be here and hear him ask some penetrating questions. It hasn't happened in a long time in his experience since he has been coming to these meetings. He would go along about getting the business from other communities and what is an essential element to him as a ratepayer is are they going to be at the market rate because right now they are twice the market rate for trash pickup than his mother pays in Cranford. Maybe they were ill-advised where they take their trash. His mother pays \$66 for three months; he pays \$199, she pays half of what he pays for trash. He feels the rates are too high for the services that are being provided.

He was particularly dismayed to find out they are considering a cost of living increase in 2012; that is ridiculous in this economy. There isn't anybody else in the real world paying a cost of living increase. He hoped the Authority would be able to bring the cost down significantly. The sewer bill in Cranford is \$200 a year; he pays \$260 a quarter. His neighbors pay \$1,000 a quarter. That's outrageous. It's abuse of the public trust. The cost should be commensurate with the market cost, not build an organization that can charge what they want to charge. He would hope, in their role, the Commissioners would hold the Authority accountable.

Commissioner Toliver responded that the sewer costs are not regulated by the PMUA, that regulation is done by the water company. Mr. Kaercher could have a water problem that is running up his bill.

Dr. Reichen, 11 Brook Lane. When he thinks about running a business, he would want to do a comparative analysis, that's the only way they can be competitive and attract customers. One of his concerns as a citizen here in town regarding how the PMUA does business, they're in the dark half the time. They need to know what the market demand is. They can't have it the way the PMUA has been running it in the past. He would encourage them to do business that's in line with the market.

Liz Adams, 1112 Watchung Ave. She is one of those people with a huge sewer bill. She does use a lot of water, she waters her lawn. That's not going down the sewer. In the winter she uses less water. She was raised in Denver, Colorado where they had no water so she is a water nut. She stands over a bucket when she takes a shower so she can use that water on her plants. She did have water leaks and she spent a lot of money getting them resolved, but the PMUA uses a two-year history so she has to have three years of good water bills to get any change in her water bill and the Authority also charges for a sewer system on a year-round bill when 95 percent is going on her grass and very little going in the sewer system. So if they looked at the winter water bill, they would have a better view of what is being used going down the drain. Why do they use a two-year history?

Mr. Young replied it's a one-year history in terms of determining what the future bill is going to be. They have heard this complaint often and they have been advised by their engineers. Mr. Young said they are evaluating a lot of things, this is a new day. This will not be pushed to the side. It will be evaluated.

Frank DiVersa, 72 Netherwood Ave., Plainfield. He asked for clarification because it's been knocked around for years. The way they price the sewer bill, is the water, the meter on the water, is that State mandated or something the PMUA came up with.

Mr. Young replied he is not sure if it's State mandated, but that's the way the PMUA chose to use as a basis for their bills.

Mr. DiVersa said years ago he was told it was mandated by the State. If it's not done this way throughout the State, how are the other ways that they are doing it? If there is no alternative of costing out the use of water, then what are they? The third step is are these alternatives, are they cheaper? There's a lot of stuff running around the City because there's a lack of information and the other thing is when, because it can be done, to shift the way it's billed so it can go on and be deducted from the property tax bill.

Mr. Kruse stated it doesn't matter whether they take two years or whatever; it's not going to reduce the total cost they have to pay the PMUA. They are mandated to collect from the public what they spend. If their cost is \$20 million a year, somehow they have to bill them \$20 million.

Mr. Kaercher stated their example paying for the water if they have a leak, but the fact that water is there doesn't translate into a sewer expense in maintaining and keeping the sewer line going. The water that's leaking may not go down the sewer. They are charging twice as much as other communities.

Alt. Commissioner Sanders said that there's going to be a study and when it comes to the business of trying to get outside business for the community, they are definitely going to do a comparative study. They're not really talking about water usage; they're talking about the age of the sewer, how old their sewer is in comparison to the other communities they're comparing them to. Do they have the same maintenance; all of these comparisons have to be taken into account. Maybe Cranford doesn't have a sewer as old as Plainfield.

After an extensive discussion, the public hearing closed.

There was a need for an Executive Session. Ms. London presented **resolution #10-2012 authorizing a meeting not open to the public in accordance with the New Jersey Open Public Meetings Act to discuss a contract dispute involving the former Director and Assistant Director**, moved by Alt. Commissioner Sanders and seconded by Commissioner Dunn approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE Resolution #10-2012 Executive Session

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell	X				
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

The Board adjourned into Executive Session at 8:40 p.m.

The Board returned to the public session of the meeting at 9:40 p.m.

Commissioner Brokaw summarized Executive Session. She said, they had a discussion concerning a proposed settlement offer from Mr. Watson and Mr. Ervin concerning the arbitration. Each Commissioner was allowed to express their views. Alt. Commissioner Sanders will make the motion.

Alt. Commissioner Sanders moved, "Mr. Chairman and fellow Commissioners, I have done research on the matter of a settlement and inasmuch as it's been confirmed that there was no firm, formal resignation letter submitted by either Mr. Watson or Mr. Ervin, and inasmuch as in our press release of September 2011 re-indicated through the PMUA that the decision for Mr. Watson and for Mr. Ervin to leave was mutually agreed upon of a phase out for their employment, allowing for a smooth transition to find a replacement, and inasmuch as we found that neither Mr. Watson or Mr. Ervin had ever had any type of negative evaluation, in fact to the contrary, these two gentlemen were indicated to be very dedicated, loyal men who had unsurpassed administrative skills and they provided a great service to the PMUA, and inasmuch as these gentlemen are Plainfield residents coming from our own community, and inasmuch as these gentlemen are family men and happen to be African Americans that have done a great job for the PMUA from its inception to the point of them leaving, I recommend the settlement to Mr. Watson in the amount of \$450,000 and Mr. Ervin in the amount of \$275,000, all inclusive, to be paid out over a period of four years with the necessary contingencies that our legal advisor deems necessary to protect this PMUA Authority." The recommendation was seconded by Commissioner Dunn.

Commissioner Mitchell said he is going to vote no. They started a process, the arbitration, and it appears that arbitration now has been voided. They paid them X amount of dollars, they accepted that. If they are going to do anything, he would agree to go back to arbitration. That's the reason he is voting no.

Commissioner Dunn said yes. He said Mr. Mitchell mentioned arbitration, but they just talked earlier with regard to the providing of funds to cover their responsibility if the arbitration had been ruled against them. He finds it unfair and deceitful that the Board did not allow anything at all to cover the provision, in case Mr. Watson and Mr. Ervin had been awarded even \$10. There was nothing, which means the Board just disregarded these former employees and evidently, since the Authority has no money, the Board sought to wait until 2013 to pay whatever was identified, which might be the case now, but he is asking that the Board will grant this money and if they need to know where a couple of hundred thousand dollars can come from, ask him and they don't have to lay off a soul.

Commissioner Mitchell said the other point is that they signed a Settlement Agreement.

Ms. London presented **resolution #11-2012 authorizing settlement of employee contracts.**

After Ms. London read the resolution, Commissioner Dunn stated that the resolution didn't mention the amount that was initially originally asked for by Mr. Watson and Mr. Ervin. He said their current proposal is a reduced amount of what they originally asked for. This settlement is the Commissioners response to what Mr. Watson and Mr. Ervin had asked for. He said it was initially \$1.2 million, Mr. Watson and Mr. Ervin reduced that to \$775,000, and now the settlement is \$725,000. He wanted the resolution to reflect that. He wanted the Governor to be able to see where they came from.

When the Commissioners were called upon to vote, Commissioner Brokaw said she could not vote for this settlement. She felt this is an issue that should be resolved by arbitration in fairness to all parties, so her vote was no. Commissioner Mitchell voted no for the same reason. He felt it should be resolved through arbitration. Commissioner Dunn, Commissioner Toliver and Alt. Commissioner Sanders voted yes in favor of the settlement. Commissioner Brown was absent. The motion carried on a roll-call vote, with three in favor and two opposed.

RECORDED VOTE

Resolution #11-2012 – Settlement of Employee Contracts

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw		X			
Rev. Tracey Brown					X
Malcolm R. Dunn	X				
Harold Mitchell		X			
Alex Toliver	X				
<u>Alternate</u> Cecil H. Sanders, Jr.	X				

Commissioner Mitchell said that this is Commissioner Brokaw's last day and he wanted to thank her for the dedication and service she has performed all of these years to the Plainfield Municipal Utilities Authority. She will be missed.

Commissioner Dunn moved, seconded by Commissioner Toliver and unanimously approved by the Board, to adjourn the meeting at 10 p.m.

Recorded by:

Roslyn Mathis, Board Secretary