

MINUTES
ORDINANCE COMMITTEE MEETING
TOWNSHIP OF MONROE
NOVEMBER 7, 2013

A.) CALL TO ORDER & ROLL CALL

The Ordinance Committee Meeting of the Township of Monroe was called to order at 7:00 PM by **Ordinance Committee Chairman, Cncl. William Sebastian** in the Joe Pace Meeting Room of the Municipal Complex located at 125 Virginia Avenue, Williamstown, New Jersey.

This meeting was advertised pursuant to the Open Public Meetings Act of New Jersey (NJSA 10:4-6 thru 10:4-21). Notices were placed in the official newspapers for the Township of Monroe (i.e.: Gloucester County Times, the Courier Post and the Sentinel of Gloucester County) and copies were posted on the bulletin board at the Municipal Complex.

SALUTE TO THE FLAG

Cncl. Rich DiLucia led the assembly in the Pledge of Allegiance to Our Flag.

ROLL CALL OF PUBLIC OFFICIALS

Cncl. Walter Bryson	Present	
Cncl. Frank Caligiuri	Present	(Arrived 7:25 PM)
Cncl. Marvin Dilks	Present	
Cncl. Rich DiLucia	Present	
Cncl. Ron Garbowski		Excused
Cncl. Daniel Teefy	Present	
Ord. Chairman, William Sebastian	Present	
Business Administrator, Kevin Heydel	Present	
Solicitor, Charles Fiore	Present	
Deputy Clerk, Sharon Wright	Present	

PRESENTATION

- **Energy Aggregation Program**

Business Administrator Kevin Heydel spoke of attending a presentation given by **Andrew Sinclair** and **Mike Slapp** of **Jersey Energy Group, LLC** at the Gloucester County Administrator's Meeting in September regarding an energy aggregation program and he introduced Mr. Sinclair and Mr. Slapp who were in attendance at the meeting to give the same presentation to Council. Mr. Sinclair extended his appreciation for being invited to the meeting and distributed an information packet to Council. He explained Jersey Energy Group was selected by the County to help run their energy aggregation cooperative. He explained when engaged by a county the company educates the public through town hall meetings and through mailings. Mr. Slapp explained electricity supply and delivery come from the utility right now but people can get the supply from a third party supplier at a cheaper price. Residents and large commercial users have been able to do this for ten years and the big gap between the two is that only 5% to 10% of residents have switched while 88% of commercial users have switched. Commercial users have such high use that firms like Jersey Energy can go in and explain to a CEO or a purchasing manager why this makes sense, exactly how it

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works and why the program is beneficial to their company while residents just get phone calls from people not very knowledgeable or letters stating how much money could be saved by switching to another provider. The problem is it is very hard to figure out the providers that are on the up and up, as some offer fixed rates and others offer floating rate pricing. The legislation of New Jersey was changed in the summer of 2012 to allow aggregation of residential homes, which means companies can spend time with governmental officials to explain the bidding process that gets the same rates for residential customers as IBM, Boeing or GE have been getting for ten years. Mr. Slapp spoke of growing up in Princeton and being familiar with New Jersey but starting the program in Illinois because the legislation passed there earlier. The program is a run-away success in Illinois with 75% of all households no longer getting their supply from the utility. Our company has been able to negotiate some great contract terms for the residents and we believe New Jersey will be no different. He noted the information provided to council is the information that will be distributed at a town meeting and is simplified so everyone can understand it. The market right now will save people 15% on their supply bill from what they were getting from the utility but that may increase or decrease because it is a commodities market. If people have already switched to a third party provider this program will not affect them but if they want to join, they need to think it through as their programs may have termination fees. Jersey Energy Group will know which homes have already switched and will leave those people alone to make their own decision on whether to join up with the aggregation because it would not make sense if they have a \$100.00 termination fee. If those people want to opt in we would let them know that they have a contract and there is a process to opt in. Mr. Slapp noted when purchasing electricity for 12,000 homes there is a pretty large leverage with a supply company. The way the process works is Jersey Energy Group would go out to bid for energy supply and those companies bid against each other to give the lowest possible per kilowatt hour price. On top of that we have great consumer protection in the contracts, there are no termination fees and people can join or leave the program any time they want and there is no fee associated either way. The program is very flexible and if people are skeptical in the beginning they can opt out and then if they see their neighbors are saving money they can opt back in and get the same price as everyone else in the program. The way the New Jersey Statute is written there is a 30 day opt out window but in all of our contracts people can opt out whenever they want, as we felt the way the legislation is written does not make any sense, so if a resident wants to opt out in 60 days, 90 days or a year in, they can do it. The governing body, which is the County, as they are running the cooperative program, determines whether they want a 12 month, 24 month or 30 month fixed rate and we will have a recommendation based on where we think energy prices are now versus where they are going. Council questioned what length of contract the County has requested. Mr. Slapp noted they have not had that discussion yet because right now his company is trying to sign up as many municipalities as possible. This has been done four times in New Jersey so far and those contract terms range from one to two years at a fixed price. Mr. Sinclair explained the program was presented to Clayton and Mantua and they are moving forward with the ordinances and he has discussed the program with either elected officials or business administrators in eight municipalities in Gloucester County. **Solicitor Fiore** questioned whether the county went through the RFP or bidding process to bring on Jersey Energy Group. Mr. Sinclair explained his company is on a pilot program through the DCA

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called the E Procurement Pilot Program. The program is not specific to the aggregation program; it is for a variety of services. The program has been around since 2001 and is basically a waiver for municipalities so they do not have to go through an RFP process. Mr. Slapp explained the program is an opt out program that starts with 100% of the residents and then they choose to opt out if they do not want to join. Before aggregation started in New Jersey approximately 300,000 - 350,000 homes switched to third party suppliers out of 3.5 million homes. Council questioned what happens to Atlantic City Electric or PSE&G's if their rates are not low enough and everyone switches their supplier. Mr. Slapp explained the profit center for ACE, PSE&G and JCP&L is delivery, transmission and service; they do not make any money in supplying electricity. The utilities buy from the same third party generation companies that Jersey Energy is doing business with. They are buying at market rates but utilities are regulated in such a way that they have to price it for the consumer at a three year rolling average price. Across the country in the last four years electricity rates have been declining yet customers in New Jersey and in Illinois were paying artificially high prices because they are still paying a three year average price and three years ago prices were much higher than today's price. The utilities are buying from the same generation companies at market prices but they are not legally allowed to sell it to the resident at today's price; they have to blend with three years of past prices. The idea at the time was they did not want a volatile market; so what we have seen happen in 2008 was a massive price decrease in energy and electricity and that has left a decent amount of headroom for residents to save money. The suppliers in the contracts negotiated in Illinois agreed if the utility price ever dropped below the aggregation's price they would either switch everyone back to the utility or meet that lower price. The residents will not be put in a position where it was great for a year but in the second year base prices collapsed and we ended up charging residents more than they should have been paying. That is something that we will not allow to happen, as that is a big part of the consumer protection that you get when you are buying electricity for thousands of houses at a time. Prices can be negotiated because suppliers want the customers. Right now this is a great business but in two years it depends on where the market goes. Two years from now if prices keep falling, it may not make sense to be in an aggregation and people can go back to the utility and there is no action they have to take to do that. **Cncl. Bryson** noted utilities are deregulated in New Jersey and that means that they do not have to go through the Board of Utilities to raise their rates. Mr. Slapp noted that is correct but with the aggregation program the price is negotiated with the supplier and that price is fixed. This only covers supply and right now JCP is hiking their transmission and distribution cost but that is separate it has nothing to do with our program so we cannot impact that at all. **Cncl. Bryson** felt this program will impact transmission because if the utility company's profits are not as great they will increase their transmission prices. Mr. Slapp explained the way deregulation was set up is, utility companies make no money in supply; all their money is made in distribution and transmission. The supply side is a break even business so they are making zero dollars on it. **Cncl. DiLucia** requested Mr. Slapp to explain what it is the company does and what the structure will be. **Cncl. Caligiuri** questioned why utility companies are locked into giving an average rate. Mr. Slapp explained that is regulated by the State. Utility companies are not allowed to make money on supply and ACE has actually lowered their rates and are basically giving dividends back to customers, as they are charging below market rates. **Cncl. Caligiuri** questioned whether PUC allow the utility company to make

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say 15% markup or some percentage of mark up on their purchase price. Mr. Slapp replied no, it is his understanding that it is a straight pass through cost so they purchase from a third party generation and whatever that cost is, they pass through to the consumer except it gets averaged in a three year rolling average. Cncl. Caligiuri noted so at the end of three years if they generated a profit in the subsequent three years their rates would be reduced perhaps below their own costs. Mr. Slapp noted there could possibly be a period of time but not for very long because they are managing it to make zero. The perfect example of that is ACE was at nine cents for three months, it is now up to nine and a half cents and soon it will be ten cents. Cncl. Caligiuri questioned if they re-average every month. Mr. Slapp noted they can but they do it once and then that price is fixed in June for each utility zone so people know what they will pay during the winter and summer months and that, is what allows us, to tell you we can get you a cheaper rate for the same time period. Cncl. Caligiuri noted if ACE and Jersey Energy is negotiating the rate from third party companies how is it that Jersey Energy can sell the product cheaper than they can if they have to sell it at cost. Mr. Slapp replied because they have to average with the higher prices over the last four years and when they locked in four years ago they paid higher prices. When Jersey Energy as well as the utility buys, the supplier builds in a margin and that is the market rate. Right now, we both pay eight and half cents but ACE is blending that rate with all their higher rates from the last three years and as they do that, it brings the eight and a half up to nine and a half cents, which is why our company can say we can save 15% or 10%. Mr. Slapp referred to the information given to Council and proceeded to explain the delivery of electricity is like an oil pipeline, the electric company owns the lines the electricity runs through and customers get charged rent on those lines. Transmission and service goes along with delivery so when the power goes out customers call ACE and all those costs are included in delivery costs. Supply cost is the commodity price bought from generation companies averaged over the last three years. Supply costs are generally 60 to 70% of the electric bill depending on usage and this program focuses on lowering that supply cost. Aggregation allows purchasing in bulk, which provides better contract terms and better pricing when purchasing for 12,000 homes. The residents will still get one bill from the utility provider the only difference is it will state the name of the third party supplier that wins the business. Jersey Energy Group takes the municipality through the process and educates the residents so if people understand what is going on they will be less likely to opt out. We also do risk management, which consists of selecting a supplier. This bid must go out to every New Jersey licensed supplier but not everyone can handle this size business and many do not have the staff to handle customer support. The financial stability of the supplier is also considered. Some of these companies are publically traded and have credit ratings and that is considered when choosing a supplier. Mr. Slapp noted he comes from a Wall Street background and this is his specialty. His office has a Bloomberg terminal rented on a monthly basis that provides top notch materials on all these companies. So he gets to see where their credit default swap prices are and that is basically an insurance price the market puts on large power companies. It is really important because you do not have to take the lowest price because the lowest price provider may be the guy who is going out of business in six months. At the end of the day if it cost residents sixty cents more a month to have a financially stable firm you want to have that choice and that is our job to advise you on the top three financial companies. If a supplier did go out of business there would not be a blackout because customers would revert back to the

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utility so from a residential standpoint, there would be no disruption in service. Customers would not have to do anything but they would lose their savings and that would look bad for Jersey Energy as well as the governing body so a lot of time is spent to make sure that is well vetted. The township would need to adopt an ordinance to join the County co-operative and sign a contract. There is a 30 day opt out window for all residents and that window goes on for however long the supply contract is in place but during that 30 day period mailers will be sent out explaining the County is doing this service, the aggregation price is X, your current price is Y, which represents a 15% savings for a one year contract and if you would like to opt out call a certain number or send back the postcard. Mr. Slapp noted they do not want people to leave the program so if they understand it is less likely they will opt out. The average opt out rate is 10% but in Illinois it was 5% and that was attributed to educating the residents. The program also includes a Price Match Guarantee that demands the winning supplier match any price from the utility if the utility falls below the aggregation price. The winning supplier will either match that price or put everyone back on to the utility. That protection means you cannot end up having your residents pay more because they went with this program. The savings may start out at 15% and go up or down depending on how long the contract period is but at no point will a resident say they saved 10% in the beginning but now it has gone up. Mr. Sinclair passed around a sample mailer that will be sent to residents informing them of a town hall meeting to explain the program. In Illinois the education included the mailer, live town hall meetings and newspaper advertisements, which made people feel like it was an open transparent process because until they really understand the program, they are afraid the government is going to make the same mistake as people who have been ripped off by third party suppliers. **Cncl. Sebastian** questioned how Mr. Slapp gets paid and if Council decides to adopt an energy aggregate ordinance when will it go into effect. Mr. Slapp explained he is paid a commission by the winning supplier and that is included in the supply rate. The County is basically the conduit for this; they are putting their resources to help Gloucester County municipalities do this but cannot sign a contract on behalf of the township unless an ordinance is adopted. **Cncl. Sebastian** noted there are twenty-one municipalities in the County so would it behoove the township to wait to be the twenty-first one to join because then instead of 12,000 homes there would be 40,000 homes. Mr. Slapp explained the County wanted to get this going quickly and get a first waive done. The first municipalities that agree to this will be put together and with the number of houses we have right now we feel we can get a fantastic price and good contract terms. Pricing is affected up to about 8,000 to 10,000 homes and once you get over 12,000 houses the next step is leveraging contract terms. The County has 104,000 homes and we expect to get about half of those. In terms of pricing within weeks of each other the difference could be less than 100th of a penny per kilowatt hour. The market moved a little so it is hard to gauge it but it will not be a massive difference. Mr. Slapp explained Monroe Township has 12,000 homes and he would like to include those homes but if Council wants to wait the township would be no worse off. **Cncl. Caligiuri** questioned whether Gloucester County would receive any type of compensation or cost concession. Mr. Slapp replied no, that is absolutely illegal. The way State Statute is written a municipality or county cannot benefit in any way from this program. **Cncl. Bryson** questioned if several large municipalities joined and received a rate of for example eight cents and then next year a smaller municipality signs up could they get a rate of seven and a half. Mr. Slapp noted that is possible but that would

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depend more on the market than just when they join the program. Prices could decline or the market could go up and they would get a rate of nine cents or prices could go up enough that it may not make sense to leave ACE so they would be out. Cncl. Bryson questioned whether there was a time limit the County would pass on to us such as four or five years that we could leave if the program did not benefit us. Mr. Slapp explained the County would go out to bid for every municipality that signed in for what would be called round one, which could be for ten municipalities. It is considered a usage number and that number is bid on by all suppliers. If the County is happy with a bid price and they want a year term, if a municipality within round one, depending upon its size, decides to pull out, that would not be the same bid and we may need to rebid but we have not discussed how the County want to handle that. Cncl. DiLucia noted if he was a supplier he would look into forming a consortium of his own because suppliers are not going to be bound by any rules other than the bid of the initial winner. Their job is to advertise a cheaper rate so if there are seven suppliers in the State and their goal is to beat the utility, the ones that do not win the bid will either be out of business or be very competitive. Our problem is going to be when their rates drop below the ACE rate Jersey Energy's supplier has no obligation to match that because the contract only obligates them to match the ACE rate and he questioned what Mr. Slapp's experience has been with that. Mr. Slapp explained the way this has worked thus far, and he believes will continue, is the six to seven suppliers large enough to handle this business will bid on every aggregation across the state and one guy will not win all of them. At certain times one supplier may decide to eat into his margin a little bit more. All suppliers bid against each other so for one that lost a bid it would make no sense, from a business prospective, to advertise door to door to pick up 100 or 200 customers, as it would be pretty tough to manage a rate lower than the aggregation price and they certainly would not have the same contract terms. What could happen is after a year prices could decrease and suppliers could come back and say they can offer a price below the aggregation price but they would not offer the same contract terms. Thus far we have lost less than 1% of our customers in Illinois and our aggregation price is 4.19¢ fixed for three years, which is definitely lower than the utility price and better than an individual house rate and it is the lowest rate in the State of Illinois. In New Jersey the utility rate is about 10¢ and we can probably get into the 8¢ range. We have seen 8.6 - 8.7¢ in PSE&G territory and they're charging 10.5¢ so there's real headroom plus we know our suppliers are making money so there is room there to compete with each other. Cncl. DiLucia questioned if the County is appointing a group to handle this and would they determine the term of the contract that we would be bound by. Mr. Slapp felt the County wants to be the leader and shoulder the burden of the program but he didn't see why every municipality could not have a seat at the table to talk about the contract terms before going out to bid. BA, Kevin Heydel explained the County will be the facilitator for the electric for the residents in the municipality but the municipal buildings, the street lights and parks are in the South Jersey Cooperative, which includes Camden County and Gloucester County municipalities and schools. All of our accounts are taken and they go out to bid for a one or two year contract. The municipality is paying 8.5¢ right now, which is below what we were paying before and it is actually the same thing the County wants to facilitate the residential side. Cncl. DiLucia noted he would like the initial contract to be for a year, as he would like to see how the competitors react and whether they find a way to get back into the ballgame. Mr. Slapp explained what he found in Illinois is the

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phone calls and mailers stopped after the aggregation because the other companies lost every house to one supplier and they do not want to spend marketing dollars on a whole town that just switched. That was not expected and the residents were actually happy because they were no longer being bothered by phone calls at dinner time. If for whatever reason a supplier decides to undercut our aggregation and their deal is better, residents are free to leave our aggregation and go with them. Cncl. DiLucia noted he was just concerned with the perception of this and he hoped that in his presentation Mr. Slapp would explain that scenario to residents and what their alternative is if that would happen. Mr. Slapp noted it is possible so it makes sense to educate people and he tries to be clear and let people know that he is talking about his prices versus the utility's in the meetings as well as in the mailings. Cncl. DiLucia questioned if gas would be included. Mr. Slapp explained he could, but gas is not as clear cut as electricity so for right now the starting point is to get people comfortable with electricity and once that is successful we will see where gas is. The contract terms for gas is a win but the pricing is not fixed in the State for very long and sometimes prices are better and sometimes they are worse. **Cncl. Pres., Teefy** noted the program sounds great to save people money but there is a lot of speculation in the room for the hidden thing and he questioned what the contract consist of. Mr. Slapp explained the contract is all about what the supplier agrees to do for the County. The meat of the contract is the term, the price, how long it is fixed for and whether the County wants a green option, as that would increase the price a little. In Illinois the residents made that choice because green costs more. The next part of the contract is there are no termination fees; any resident can leave at any time and they pay zero dollars and any resident can join at any time and pay zero. Cncl. Pres., Teefy noted if another supplier has a lower rate and all 12,000 residents opt out he would advocate to do that if a new aggregate could be established. Mr. Slapp explained you cannot opt out as a municipality but all 12,000 residents could opt out and then you can do another aggregation. Cncl. DiLucia noted buying in volume and bargaining for the lowest prices for a period of time sounds like a good sound approach but he was concerned about people understanding deregulation terms and he wants them to understand up front what this Council has agreed to. He doesn't want the presentation made that this is mom and apple pie; he wants included the intangibles of what could happen in the event an aggressive supplier decides to go for the business below the original bid and he wants people to be able to do their due diligence and check their electric bills on a regular basis. Mr. Slapp noted if it is a very aggressive supplier we may look at it and see that the price may be better but the terms could be egregious with a \$200.00 cancellation fee and that may be something you want to make people aware of. He noted since it is a commodity market prices can decrease but we haven't found that yet because in Illinois prices have gone up so we are saving our customers more money. Once the supply contract is signed the fixed price is guaranteed for the term of the contract and if prices do fall during that time the supplier will probably renegotiate the contract if the term is extended for another year. Mr. Slapp explained how he keeps on top of what is going on and will be here telling you prices are really dropping and we think we can renegotiate the contract to get an even lower price. Cncl. Sebastian questioned whether in the State of New Jersey contracts can be extended because we had a similar situation in the school district where the contract ran out for the food service and the State told the school board they could not extend the contract for a year and had to go out to

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bid. Mr. Slapp noted in that situation the contract ran out; in this we would be renegotiating the contract. Solicitor Fiore noted if a contract expires it cannot be extended but if the contract is still in effect as long as all the parties agree and it is in the confines of the Statute it can be extended. Cncl. DiLucia questioned why is electric so much cheaper in Illinois than it is in New Jersey. Mr. Slapp felt that it is the demand issue, as there is not a lot of demand in the southern part of Illinois and there is a lot of generation in the mid-west. Cncl. Pres., Teefy referred to the information packet regarding the Price Match Guarantee and questioned why the first two line items were bolded and the third backed out of it. Mr. Slapp explained that is included due to market changes. We are asking for the Price Match Guarantee and think it will be included but suppliers are not committing 100% so we do not want to commit that to you. Everything has a price and I think we can get this language but it may not be as cheap as it was in Illinois so it could be no Price Match Guarantee with a 17% savings or we could get a Price Match with a 14% savings. Council noted once we sign on, the County does the negotiations and we accept what they do unless we have someone on the board of trustees. Cncl. Sebastian suggested including that in our ordinance and then it will not take effect unless we have someone on that board. Mr. Slapp felt it would make sense to have someone from each municipality involved. Solicitor Fiore noted the township is involved in a pilot program for County wide tax assessment so the word pilot sometimes has a negative connotation. He noted he googled the Statue and found a host of towns that within the last two years have adopted their own ordinances establishing the ability to go out and get the aggregate electricity and gas on their own and he questioned if Mr. Slapp had any data on what the success rate has been for individual towns. Mr. Slapp noted so far only four have completed the process, Plumstead, Montgomery, Toms River and one other and others have adopted the ordinance but have not completed the process. State Statute allows municipalities to do it either by county or individually but the County prospective is that it saves a lot of time and work if one body manages the process. Solicitor Fiore agreed; noting we need more information from the County about what procedure will be established because it will work if there is interaction between the municipality and the county. Mr. Sinclair noted he would get their thoughts on a board, as that has not been discussed. Mr. Slapp felt it would not take long for people from each municipality to get together and tell the county what they would like included in the contract. Cncl. Sebastian noted Council does not want to adopt an ordinance until we find out what we are going to have because it binds us to the county group. Mr. Slapp noted it binds you to the county group but it does not bind you to a contract so at some point the municipality will have to sign into the cooperative, which states the county has the authority to sign the contract for you. Solicitor Fiore explained the ordinance just states you are going to participate and indicates you are going to authorize the mayor to execute any and all documents to participate however it is silent to what the terms are going to be. Cncl. Bryson questioned whether Jersey Energy Group could work with the township if we decide not to go with the county. Mr. Slapp replied yes, he could work with the township. Mr. Heydel noted the firm that is starting the process for Glassboro contacted him in September before he saw this presentation. An engineering group also contacted him so they could be paid so when he went to the administrator's meeting and saw this representative he felt a county cooperative would be a better selling point for the residents. Mr. Sinclair noted the company handling Glassboro charges twice as much as his firm and have zero experience in the business. Solicitor Fiore

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noted we will not gain anything by running the show so if the county creates the process and handles it, it is a win win situation for us and he questioned whether other counties in New Jersey are doing this. Mr. Sinclair advised Gloucester County is the first but Burlington and Somerset are also forming one. Cncl. Bryson noted gas prices will probably be going up and he questioned if that would be a good area to get into now. Mr. Slapp agreed, noting President Obama is in the process of licensing a few companies to export natural gas and right now in other parts of the world natural gas is incredibly expensive. It would be a good area to get into except explaining that process to the public is a lot tougher right now. Cncl. Bryson felt if people like Mr. Slapp could get more people to go into a cooperative for natural gas they could control the pricing. Mr. Slapp explained that would take a lot of people just because the demand is so high in Europe and other places where they pay almost double from what we pay. Cncl. Pres., Teefy questioned in Illinois when they went through this process was there a feeling from the public that big brother or government was taking over their electricity. Mr. Slapp noted there was some of that but in Illinois the process was different because they had a referendum question on the ballot during the Presidential Election and we campaigned for this. The referendum question was well written and a considerable amount of money was spent on letting people know what the savings would be and the referendum passed by 92%. Cncl. DiLucia questioned what the distinction was between small and big business. Mr. Slapp replied it is a kilowatt distinction and that is around 15,000 KWH. The commercial program is different, as people have to opt in to it and there is no opt out portion. Small business such as a law or dentist office would be lumped in the residential and they can opt out at any time. Cncl. Sebastian noted Council has three meetings remaining this year and in order to have this program in place by June an ordinance would need to be approved at the second meeting in December. To do that Council needs to know whether the County is going to put together a board and if they are planning on a one, two or three year contract so if that information could be provided by November 25th it could be discussed at the Work Session in order to have it on the agenda for the first meeting in December. If additional information is needed that could be gotten before the December 4th Ordinance Committee Meeting and that would give Council time to make a decision before the December Council Meeting. Mr. Sinclair and Mr. Slapp noted they would discuss the issues with the county and get back to Council.

B.) APPROVAL OF MINUTES

Cncl. Walter Bryson made a motion to approve the minutes of the October 2, 2013 Ordinance Committee Meeting. The motion was seconded by Cncl. Pres. Daniel Teefy and approved by all members of Council in attendance.

C.) PUBLIC PORTION

Cncl. Rich DiLucia made a motion to open the Public Portion. The motion was seconded by Cncl. Marvin Dilks and unanimously approved by all members of Council in attendance. With no one wishing to speak Cncl. Walter Bryson made a motion to close the Public Portion. The motion was seconded by Cncl. Pres., Daniel Teefy and unanimously approved by all members of Council in attendance.

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D.) ORDINANCES FOR REVIEW

- **Sign Ordinance**

Cncl. Sebastian explained the sign ordinance went back to the Planning Board for review and they did not like the fact that Council wanted LED signs restricted to corridors. Council also wanted Cncl. Pres., Teefy's recommendation for those signs to be utilized by the township in emergency situations and that language was not included in the proposed ordinance. Len Schwartz contacted the Clerk's Office regarding that and the language was added to the ordinance. Cncl. Pres., Teefy noted the ordinance is not ready to move forward because the section dealing with the township using the signs during emergency situations is not correct, as it makes it voluntary for everyone and that is not what Council wanted. We talked about asking current sign owners to voluntarily register but going forward everyone will be required to register their signs with the township. **Solicitor Fiore** explained as a condition of approval all new permits can be required to register with OEM. Cncl. Sebastian polled Council and all were in favor of changing that language to what was discussed. Cncl. Pres., Teefy noted the other issue is Council wanted the Black Horse Pike and Glassboro Road as sign corridors but the ordinance only included the Black Horse Pike. He also suggested including Berlin-Cross Keys Road as a sign corridor. Cncl. Sebastian noted if that's done why don't we just make them permitted in all commercial zones like the Planning Board recommended. Cncl. Sebastian noted if the ordinance stated Berlin-Cross Keys Road it would only affect Sam's Club and the Guzzo property and they could come to the Zoning Board for variances. Including Sicklerville Road was also discussed but Council felt there are too many residential properties along that road. Upon conclusion of their discussion Cncl. Sebastian polled Council and it was the consensus to designate the sign corridors to the Black Horse Pike and Glassboro Road and to include the language mandating use of LED signs in emergency situations for all new signs. Mr. Fiore will prepare the changes for the November 25th Council Meeting.

- **Energy Aggregation Ordinance**

Cncl. Sebastian noted no action would be taken on this ordinance until Mr. Sinclair and Mr. Slapp returns with the requested information. Solicitor Fiore questioned whether Council wanted him to contact County Counsel, Matt Lyons to find out if they have anything in the pipeline on that issue. **Cncl. DiLucia** suggested the Solicitor advise Matt Lyons that Council wants to be represented on an aggregation board. Council agreed and requested Mr. Fiore to contact Matt Lyons.

E.) MATTERS FOR DISCUSSION

- **Title 39 Enforcement - Block 11301 Lot 2.01 (Schultz Property)**

Cncl. Sebastian noted Council received a letter from Officer Mark Burton requesting additional information before approving the Title 39 request. Officer Burton would like to see the plans designating no parking, handicap areas and locations of all signs on the property. Cncl. Sebastian noted in the years he has been on council the police department has never

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E.) MATTERS FOR DISCUSSION

requested to see the site plan for Title 39 request. **Solicitor Fiore** explained in order for the police to enforce it they need to make sure all the signage is in place according to the site plan because if not, it is not enforceable even if Title 39 is written. He noted Mark Burton is very thorough and it was probably not done correctly in the past. **Cncl. Sebastian** noted the letter states that Council can approve the Title 39. **Cncl. Caligiuri** cautioned that there may be some liability if someone has an accident there. **Solicitor Fiore** explained the property must have proper signage and marked out areas and Engineer, Chris Rehmann should do site inspections to make sure all the signs are in according to the plans. He noted he is assuming the Planning Board required them to post bonds and inspection fees for Chris to do inspections and once everything is put in place that is when tickets can be legally written. **Cncl. Pres., Teefy** noted Officer Burton is asking for the information so he can look it over and approve it. Mr. Fiore noted a copy of the site plan should be sent to Officer Burton to review. He also noted he would prepare the ordinance for first reading at the November 25th Council Meeting.

- **Designating Active Bus Stops**

The Deputy Clerk explained the Clerk received a letter from a firm retained by the New Jersey Department of Transportation to investigate unapproved bus stops in the township. Four locations were listed on the evaluation and the Clerk found resolutions that previously designated two of the stops but there were two, one on the Black Horse Pike by Walgreens and one on Main Street by CVS that were never designated by resolution or ordinance. These two bus stops could be designated by resolution to comply with this letter by November 26th but the Clerk would like all bus stops to be adopted by Ordinance so they can be codified into the Township Code Book. Some were codified and included in the code years ago but most are not. **Solicitor Fiore** noted he would draft a resolution for the November 25th meeting designating those two bus stops and then get together with the BA regarding the requests for bus stops in the area of the Madison Apartments.

F.) NEW BUSINESS

Cncl. Pres., Teefy noted he was approached by the owner of QEI, a company that owns Airport Drive and he wants the road dedicated and taken over by the township. The road has been paved and the lots along it subdivided and the owner thinks buyers would be more attracted to build there if the road is not private but owned and maintained by the township. **Solicitor Fiore** noted we need to check to see if the road was paved according to roadway standards. **Cncl. Pres., Teefy** noted Dawn Farrell said we should look to see whether curbing and sidewalks would be needed and she checked to see if it was already designated as a paper street. Mr. Fiore noted all the options must be looked at because there may be advantages or disadvantages, as the township will have to plow it, pave it and pick up their trash. **Cncl. Sebastian** questioned whether **Cncl. Teefy** had brought this issue up to the mayor. **Cncl. Pres., Teefy** replied no, he was just bringing it up to Council. **Cncl. Sebastian** noted he would contact Engineer Dave Cella and Mike Calvello and ask them to take a look at the road.

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F.) NEW BUSINESS (cont'd)

Cncl. Marvin Dilks noted he received a complaint from a resident regarding the township picking up commercial trash at the strip stores along the Black Horse Pike so he contacted the BA who said we have been doing that for years. Cncl. Dilks felt the township should not pick up trash from commercial business with four or five sites without them paying an additional fee but questioned what would dictate trash collection for a large commercial site versus a small one. Solicitor Fiore noted our ordinance states commercial trash is not supposed to be picked up and he has discussed that issue with the BA and Jim Agnesino in the past. He noted he is a commercial business and has township trash pickup and would be the first to get a dumpster if needed because people would point out that his trash is being picked up. We are trying to draw businesses here but picking up commercial trash is a big cost to the municipality. Cncl. Dilks questioned if the township could charge a fee to pick up commercial trash. He noted Kevin is looking into the issue and will be giving him more information on it. Solicitor Fiore noted paying a fee would be easier than getting a dumpster and Kevin might know how many commercial stops are on the Black Horse Pike and Main Street. Cncl. Dilks noted he could understand if the resident lives there but how can you draw the line on this. Cncl. Sebastian noted trash is not supposed to be picked up for a commercial entity and apartment complexes get their own trash pickup and we have to reimburse them. Cncl. Pres., Teefy questioned how the day care next to the Solicitor's office handles their trash. Mr. Fiore noted they have a dumpster but John and Doug's has township trash cans. He noted trash should be handled the same way across the board because that is a big expense to the township. Cncl. Sebastian noted he likes the idea of fees because the trash truck passes by those businesses anyway. Cncl. Bryson suggested allowing commercial businesses with one can to be picked up but if more than one is needed, there could be a fee for each additional can. Cncl. Sebastian noted the ordinance does not allow commercial trash to be picked up so we can't allow a free ride on one and charge for the others. Cncl. Bryson recommended changing the ordinance.

Cncl. Walter Bryson noted every year for the last eighteen years the Historical Society has sponsored the train show at the Pfeiffer Center but this year Don Erlich who usually sets it up has been sick and someone else is taking it over and moving it to Brooklawn. He requested Council to let him know if they know anyone who has a train layout and would set it up at the Ireland House, Old School or at the Pfeiffer Center because the kids really enjoy it at Christmas.

Cncl. Rich DiLucia noted he is going to continue to put on the record the issue of whether we should do our own towing or not. Cncl. DiLucia noted he is tired of waiting for Kevin to get financial information regarding that so he would like to see Cncl. Pres., Teefy appoint a committee to perform a feasibility study to see whether we are going to do it ourselves, put it out to bid or just forget about the revenue. In conjunction with that Cncl. DiLucia noted he would also like to see a Dog Park because our residents are going to the one in Washington Township and paying fees there while we have ground and could be getting that revenue. Cncl. DiLucia noted one thing that bothers him about the red light camera is the number of "almost" accidents as well as the accidents that do occur there that are caused by people trying to get through that yellow light before it turns. He spoke of driving through Blackwood and seeing a countdown light at an intersection that counted down the seconds before that light turned yellow. He suggested installing one in the area of the red light camera

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F.) NEW BUSINESS (cont'd)

so people would know when it is going to change. He suggested negotiating into the next red light camera contract a countdown light, as that would alleviate a lot of frustration for our residents and it should not cost that much. Also, the warning signs for the red light camera are too close to the intersection to give adequate warning; one is even behind another sign. Cncl. Pres., Teefy noted he would address a committee to discuss towing after the list has been established for 2014.

Cncl. Walter Bryson noted another extension may be needed from the Pinelands for the 200 houses in the redevelopment zone so a meeting will be held with Tim Kernan next week. Cncl. Sebastian explained the developer wants to build houses not in the redevelopment zone but on the new lots he purchased. Cncl. Bryson explained we may need to recommend changes to the zoning and possibly extend the redevelopment area if we want it under redevelopment. Solicitor Fiore suggested by ordinance rescind the Redevelopment area and then at some point in time come up with a new plan. Cncl. Sebastian noted whenever there is a redevelopment plan the Pinelands wants mixed use residential so they can get their PDC. The problem is the layout of the sixty acres in the redevelopment zone is not going to change because the back of that property is all wetlands and the commercial part in the front of the property was approved by the Pinelands. Stuart Wainberg is the one who would like to put up residential because he feels apartments would draw traffic and increase vendors wanting to come here. Cncl. Sebastian noted when Guzzo wanted apartments behind the commercial on his property he did that by paying full taxes until completion and those apartments are going up fast. Guzzo has already started his first commercial site and he has IHOP going in and that is generated by the apartments and the residential across the street. Mr. Fiore noted Guzzo got his ground at a good price while Stuart is under contract with everyone and paying a lot of people's taxes for a long time so he is cash poor. Cncl. Sebastian noted Guzzo tried to buy back the liquor license from Applebee's. They paid \$385,000.00 for it and he offered \$450,000.00 to get it back and they said no and are keeping it as a pocket license. Council asked Mr. Fiore if a microbrewery wanted to come to the township under the new law could they get a license from the State. Mr. Fiore replied he believed it would be through the State. He noted the State legislation which would have generated new liquor licenses in redevelopment areas got bogged down in the highlands in North Jersey. He added the liquor license law is an antiquated concept; if a person wants to open a business with a liquor license they should be able to do it.

G.) OLD BUSINESS

• Law Committee Update - Dealers of Precious Metals Ordinance

Cncl. Sebastian reported the Law Committee met with Det. Gene Sulzbach in the OEM Office and he held a conference call with the Florida company running the Rapid software program so the committee could see how the police end of it operated and the gentleman on the line answered Council's questions. Much of the program is actually faster than doing it by hand due to the drop down menus. It also does the mathematical calculations and generates the receipt. Cncl. Sebastian noted he requested Gene to see if we could set up a demonstration

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G.) OLD BUSINESS (cont'd)

for the vendor side of the software so they could come in and see how easy it is. Gene contacted the software company and they do not have a demo but could do a walk through from the Florida office to show how the vendor side works. Det. Sulzbach spoke with Mark Fera about a demo for dealers and he said even if he saw the demo he would still be against the program in principle so since he is the most vocal detractor of the program Det. Sulzbach did not feel a demo would be beneficial in any way. Cncl. Sebastian felt Mark Fera will be against whatever Council does with this ordinance. He indicated he spoke to the BA about the municipality paying the \$250.00 a year vendor's cost because the only reason vendors would be utilizing the program is to benefit the police department. The cost for the four vendors would be \$1,000.00 and Kevin said that could come out of the police department budget if the program is mandated by the township. If the vendor does not have a computer he would have to purchase that but the township would pay for the annual rental of the software program. **Solicitor Fiore** noted the vendors are in the business of buying and selling gold so why should the taxpayers of the municipality pay for what is part of doing business. The other gentleman that sells coins may be exempt but for those in the business of selling/purchasing precious metals it seems unfair to all the other taxpayers when those vendors will not pay an application fee or registration fee. Cncl. Sebastian noted but we are mandating it. Mr. Fiore stated that's what ordinances do, we mandate a whole host of things in the code book but we don't pay for them. Cncl. Pres., Teefy felt if they cannot afford to pay \$250.00 for the initial fee then they probably should not be in business. Mr. Fiore noted even if the township agreed to pay for it the vendor is concerned big brother is looking into his business and he will still challenge it no matter what. This is being done for a legitimate purpose; yes it is an infringement upon their fourth amendment rights but the law allows that if you are trying to protect the overall public and he is satisfied that the ordinance will withstand constitutional muster. Cncl. Sebastian explained the information is not public, it is locked into a server in Washington DC in a law enforcement secured site. **Cncl. Bryson** expressed his concerns that the ordinance deals with more than precious metals so if Council wants it precious metals it should be changed. If they want to leave it the way it is than Verizon and AT&T who buys cell phones or anyone that buys and sells used furniture should be included because that's what the ordinance says. Mr. Fiore noted his interpretation of the ordinance is that it is for businesses not for individuals selling items and he felt that is the interpretation that will be upheld by the court. **Cncl. DiLucia** questioned what would the township be required to enforce beyond precious metals. Mr. Fiore explained it deals with someone selling, to a licensed business items that are being stolen such as electronic devices, laptops and cell phones and he felt Cncl. DiLucia had a good idea making the vendors pay by check. Cncl. DiLucia noted he feels strongly that if Council requires them to pay by check it will cut down on thievery because people who steal, do not want a check and none of the businesses are opposed to paying by check with the exception of the one vendor. Cncl. Pres., Teefy explained the software will improve their process, as it has a basic POS system for free but they can upgrade to a bigger and better one if they want. Vendors will not be required to spend more time inputting into the system due to the drop down menus. The process Mark Fera does now takes longer because he scans items, writes a receipt and emails everything but with this system, that all happens as he records the items. Pictures can be taken of a group of items and then each can be itemized from the drop down menu. Once a seller's information is inputted into the system the next time they go to Fera's store in Williamstown or Clayton that person's

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G.) OLD BUSINESS (cont'd)

data will come up so it does not have to be inputted again. Cncl. Bryson questioned what information a seller has to give to the vendor. Cncl. Sebastian replied a picture driver's license. Cncl. DiLucia questioned just because Mr. Fera does not want to see a demo why wouldn't we invite the other vendors to come. Cncl. Sebastian noted we are not getting complaints from the other jeweler and dealer at Trader's Lane, they will come on board. The coin dealer does not have a computer and is running a very small operation. Cncl. Bryson again expressed his concerns that the ordinance is too broad and encompassing the way the police department wants it and he would like the ordinance to spell out that it just deals with businesses because throughout it says "all". Cncl. DiLucia suggested wherever it says all to put a preface that it means "businesses", as that would resolve the issue. Cncl. Pres., Teefy noted this is a great tool for the police department. Cncl. Sebastian noted we will review the ordinance a little more and adopt it after Christmas.

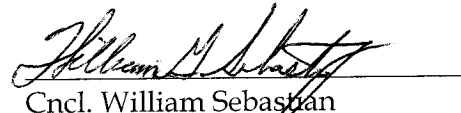
Cncl. Walter Bryson brought up the Mandatory Water Ordinance and stated the Director of the MMUA does not have a problem if we change that. Solicitor Fiore noted he will prepare the amendment for the November 25th Regular Council Meeting.

H.) ADJOURNMENT


With nothing further to discuss Cncl. Rich DiLucia made a motion to adjourn the Ordinance Committee Meeting of November 7, 2013. The motion was seconded by Cncl. Pres., Daniel Teefy and unanimously approved by all members of Council in attendance.

Respectfully submitted,


Sharon Wright, RMC
Deputy Clerk


Cncl. William Sebastian
Presiding Officer

These minutes were prepared from excerpts of the recorded proceedings and hand written notes taken during the Ordinance Committee Meeting of November 7, 2013 and serve only as a synopsis of the proceedings. The official recording may be heard in the Office of the Township Clerk upon proper notification pursuant to the Open Public Records Law.

Approved as submitted  Date 12/4/13
Approved as corrected _____ Date _____