

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
NOVEMBER 23, 2015**

A.) OPENING CEREMONIES & ROLL CALL

The regular scheduled Work Session Meeting of the Monroe Township Council was called to order by **Council President Frank J. Caligiuri** at approximately **7:03 PM** in the Conference Room on the first floor of the Municipal Complex, located at 125 Virginia Avenue, Williamstown, New Jersey.

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

SALUTE TO OUR FLAG – Cncl. Miller led the Assembly in the Salute to Our Flag.

ROLL CALL OF PUBLIC OFFICIALS

Cncl. Walter Bryson	Present	
Cncl. Marvin Dilks	Present	
Cncl. Rich DiLucia	Present	
Cncl. Bob Heffner	Present	
Cncl. Bart McIlvaine	Present	
Cncl. Cody Miller	Present	
Cncl. Pres., Frank Caligiuri	Present	
Mayor, Daniel Teefy	Present	(Arrived 7:20PM)
Business Admin., Kevin Heydel	Present	
Solicitor, Charles Fiore	Present	
Engineer, Kathryn Cornforth, ARH	Present	
Dir. of Public Safety, Jim Smart	Present	
Dir. of Code Enforcement, George Reitz	Present	
Dir. of Public Works, Bob Avis	Present	
Deputy Mayor, Andy Potopchuk	Present	
Municipal Clerk, Susan McCormick	Present	

B.) MATTERS FOR DISCUSSION

- **Developers Agreements**
Barclay Glen at Cross Keys, LLC – Block 101, Lot 2
Site Plan #444 – Cross Keys Monroe, LLC

Solicitor Charles Fiore advised there are currently two sections of Barclay Glen that have been on Performance Guarantees and are required as part of their original approval to sign a developer's agreement. They are now on Maintenance and based upon financing issues the developers would like to know if it is ok to release them from their obligations under the original developer's agreement. Mr. Fiore noted he did not see an issue with that because generally up until about four (4) years ago we did not require any type of bonding on private development (*site plans*). Recently, we have been requiring bonding and now that they are under the Maintenance portion everything has been basically accepted by

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the township engineer. Mr. Fiore added the developer's agreement simply says that they are going to put everything in place that they would during the performance guarantee process. The project is finished, they are just asking for release of those agreements and the Maintenance portion stays in place. Also this is just for the part that has been built, they will have to post new bonding for the new development being built. Mr. Fiore advised the proper mechanism would be to prepare a resolution authorizing release of the developer's agreement for both sites as referenced above. It was the consensus of council members to authorize the solicitor to prepare resolutions for the Monday, December 14th agenda.

- **State Health Benefits**

Business Administrator, Kevin Heydel indicated the he emailed all council members a packet of information that was color coded and easier to read and primarily the reason he sent this in color is because he submitted two (2) plan comparisons from the state one being the Blue Cross/Blue Shield Direct 10 Plan, the other being an Aetna 15 Plan. He explained those are the two plans that would be most compatible to what we have here today. The plans go line by line to show you the difference in plans and when you look at the comparisons what you will find is anything highlighted in BLUE means for those line items the plans are exactly comparable. Anything seen in RED is where it is not comparable. Also what you will also find are the co-pays and what you see in YELLOW is where the SHBP is better than the plans we have today. He referred to out-of-network costs where today those costs are covered at 70%, going into the state plan they are covered at 80%. For the past two (2) years I have been evaluating the SHBP in comparison to the plans that we have. Last year there was roughly an 11% difference in the rates (*premium costs to the township*). He explained in dollars that would represent about \$660,000.00 (*SHBP less*). He then spoke on the 2016 rates for the SHBP and when he does the same comparisons the rates are cheaper by about 5 to 6%. However, in looking at that it is comparing our 2015 rates to the 2016 SHBP rates and we are due for a renewal in April, 2016. Mr. Heydel then went into explaining the SHBP and how they offer some 10 to 12 different plans and our employees will have a choice of those plans however I would venture to figure that most employees will go either for the Direct 10 or the Aetna 15 so I did all my cost calculations based strictly on those plans. He continued and noted when I do the cost comparison from 2015 rates we are paying today to the 2016 rates in the state there is roughly a savings of \$25,000.00 per month or close to \$225,000.00 for the year, this is right off the bat and is without our rates going up in April from our existing carrier. When you look at the SHBP they offer the 10 to 12 plans as noted above and it consists of basically three (3) groups, a group for local units, a group for state and a group for schools. Mr. Heydel continued noting there are roughly 739 local employers in the SHBP, along with the entire state and there are roughly about 377 school districts. He spoke of the number of people they cover being roughly 241,000 active public sector employees also about 172,000 retirees for a total of about 412,000 public sector employees both active and retired. **Cncl. Pres., Caligiuri** questioned if there was any way to determine what the difference might be in out-of-pocket expenses to the employees. Mr. Heydel responded, that most of the savings is with the retirees, there is minimal savings with the employee but out-of-pocket township wide there is a \$7,000 savings to the employees, not claim wise I am talking about what they are paying in premiums so there is a savings right

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there. He stressed that he was comparing the 2015 to the 2016 and there is a savings, now let's talk about what we can expect in April for Blue Cross/Blue Shield. He advised in the packet submitted to council they would find a "Claims Experience Report" and suggested they take a look at that as this is fairly important. When you look at this report, when we first started we went back to 2012 and they are the increases on a certain period of time and they take from October of a given year to the September of the next year, to be the period they are going to base our renewal on. The first time we went for a renewal they gave us a 14.7% increase, we know why they gave us this rate because when we first went in and came out of the HIF they under cut in order to get our business. The first year of our renewal we had an increase of 14.7% increase with a claims experience of approximately 81%. In the second year we had a 6.5% increase and last year we widdled them down to a 3% increase, this is when they have claims experience of 81, 84 and 81%. Our claims experience right now is 92.6%. Mr. Heydel then further explained the claims experience noting that 92% of the money that we give them goes to claims with the balance going toward their overhead. He noted their overhead is 16% so anytime you have a loss ratio under 84% they are making money on us and once we go over they are not making money because they have to cover their overhead. Last year they came in at 3% when their first initial increase was at 10% and 10% is the trend, so going into 2016 I don't believe we will get an increase that is under 8%, if we get that. You have to figure if we are at 92% (*claims experience*) and 84% is the threshold you are at 8% already and all they do is break even. What about the 10% trend in increases? **Cncl. Miller** questioned if you are projecting a 9% increase overall, what would be the additional cost to the township in terms of what we would be paying. **Cncl. Pres., Caligiuri** then noted that 8% is about right because he is currently reviewing the health benefit package for his employer so that figure is just about correct. Mr. Heydel then distributed a work sheet for council's review (*Horizon BC/BS vs. SHBP Cost Savings Projections - April 2016 - December 2016*). He elaborated on the document explaining the monthly breakdown of what we are going to pay based upon the percentage increase. Generally, what is going to wind up happening and we can basically predict what they are going to give as an increase and I will say that, at a minimum, it would be 8% but I (*Heydel*) feel it would be way more than that. **Cncl. Miller** questioned what would that cost in terms of an 8% increase. Mr. Heydel responded that an 8% increase is going to cost us \$325,000.00 additional for nine (9) months next year and that is money we will have to come up with.

Cncl. Bryson then questioned if the claims experience would also go over to the SHBP and added that from what he understands we are not the only township that is going to be going into that state plan there are others going in at the same time and some of those other state plans have almost the same percentage of expenses. So if you (*Heydel*) are telling me that the 92.6% claims rate is going to affect BC/BS that rate is going to also affect the state plan. Mr. Heydel noted the SHBP is self-insured. **Cncl. Bryson** noted we had a self-insured plan before, that being the HIF and when we backed out of the HIF the savings we made by moving over to BC/BS was considerable and that was because other townships had joined the HIF and had very high expenses. Mr. Heydel noted what happened was they had a run on claims. **Cncl. Bryson** noted if you can save money, fine. I am saying I don't think you can. He then noted we don't know the rate from BC/BS. Mr. Heydel indicated the reason we don't have the rates from them is due to (*at this time there much discussion, some of which*

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B.) MATTERS FOR DISCUSSION (cont'd)

was inaudible). **Mr. Heydel** then spoke noting the claims experience they are going to use is exactly the claims experience that I gave you. **Cncl. Bryson** then noted basically what **Mr. Heydel** was saying is that it doesn't matter to the state whatever the claims experience is going to be and it doesn't matter to the state as to the rate that you perceive we are going to get if other towns come into that. **Cncl. Bryson** advised he understood from other council members here who have told me that there are going to be multiple towns coming in there almost at the same time. He then questioned if **Mr. Heydel** had checked with different plans other than the state and if so what were the rates you got? **Mr. Heydel** responded, no and do you want to know why, because there is no one else out there. We are waiting on BC/BS, we didn't go to AmeriHealth because they will be more than what BC/BS will be because last year we went to them and they were at a 5% increase then when BC came in at 3%. You have Aetna and they won't even bid on it, there's nobody else. **Cncl. Bryson** noted that Aetna has a plan with the state. He then questioned if we got any numbers from the person who has our BC/BS now on comparable plans because this plan is less. **Mr. Heydel** again stressed that they won't give me anything until sixty (60) days before, even on a different plan.

Cncl. DiLucia noted about three (3) years ago we took a look at the cost of the plan and at that time the HIF was asking us for a 9½% increase on a \$5 million dollar business. We went out with Blue Cross and they made a bid of 3% and it was a 6% savings and we decided to go with them. At that time some people, including **Mr. Heydel**, argued that going forward Blue Cross was going to raise it. **Cncl. DiLucia** added he didn't feel that way at the time and he felt let's grab the savings. Saying that, I think, if there is a savings we have to do what is right for the tax payers but we also have to do what is right for our employees. The first thing I would like to point out is that the 14.7% that was raised in the second year was against an 18% trend in the HIF. Therefore, if we had stayed with the HIF we would have paid 9% and then 18% which would have been a total of 27% and we ended up paying 3% and 14.7% and there was a considerable savings and going forward we still have a considerable savings. But today is today and we are still looking for today's money. I think what we have to look at first of all is at that time, when we moved from the HIF to Blue Cross that BC plan was better as there were things like no referrals so when we were able to present that to the employees we presented it as a win-win situation, that the township on behalf of the tax payers was going to save money and the employees would get a better plan. **Cncl. DiLucia** noted one of the difficulties he has with this, adding that he did not have a problem moving anywhere that is going to give a decent benefit to the employees if it is going to save money. He then noted the problem he has is the difficulty in calculating this as you are not looking at apples to apples. Both plans in the SHBP are inferior to the plan we presently pay for. In terms of whether BC is going to give us a quote or not, they certainly will give us a quote and this will be around 90 to 60 days before which still would give us ample time to make a reasonable, financial decision. Whether they will be motivated to undercut their profit to keep this account or not, I don't know they did before. Last year they only raised it 3% and that was a combination of both prescription and medical. He noted they were at 10% and they cut out the additional medical and put it towards the prescription, with the fact being they lost money to keep the account. It is a competitive business and this is a big account, it's a \$6 million dollar account. **Mr. Heydel** then noted they lost a half million dollars. **Cncl. DiLucia** then noted whether they lost it or not, they can afford to lose it because

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they can transfer money from account to account. He then noted he would prefer, before any notification is given to anybody, to wait and get that quote from our broker whether it is 90 days or 60 days before. That will give us ample time to move, the savings will still be there, the percentage won't increase from now 'til then with the state and we can take a look and see whether they can come up with a plan to match this plan which has a co-pay or whether they will give us a quote on the present plan. The other thing that is more troublesome to him as an individual is that you are in the process of collective bargaining, you have at least two more contracts and in those contracts it says that they have a right, until negotiated, to maintain the present plan. Under PERC as he understands it there are negotiations there is a process, you just can't arbitrarily take this plan and replace it, you have to bargain to an impasse. I don't believe you have bargained to an impasse, yet. Cncl. DiLucia noted if you check with your Labor Attorneys they will tell you there is a process that follows this. That is a mediator, fact finding and arbitration as these workers do not have a right to strike so therefore they have a litigated right, they have a right that if there is an impasse in bargaining on an issue and there will certainly be an impasse on this, that we can't arbitrarily move it or unilaterally move it. Cncl. DiLucia advised that his suggestion is to tell Jim (DeMarco) that we want a quote, try to get it 90 days before as this gives us ample time because we can't get out of the BC until April. We were the ones that signed the contract, they didn't take our arms and force us to sign. Mr. Heydel did advise they just need a 60 day notice. Cncl. DiLucia noted the last time we could have said we did not want to sign the contract for a year, we did sign the contract for a year and in that provision it says they will let us out with 60 days, we can get out within 60 days. He did not see why we should, tonight, make any decisions until we know all the facts. Mr. Heydel noted that he did not ask anyone to make decisions tonight, the reason he brought this forward is because he would like a decision made at the earliest at the December 14th meeting or the meeting of December 28th. Cncl. DiLucia then noted what he would like to know is when you do these calculations what your estimated cost will be in the area of making up the difference in the plans for the retirees. Presently, the retirees are entitled to various benefits (\$2.00 co-pays, etc.) where this new plan has a family at a \$1,000.00 co-pay which will put us in a situation where there certainly will be some monies that we will have to take out of our savings to give back to those retirees. I would also like to know what the reduction will be based on the employees contribution they now pay towards their premiums if the premiums are going to drop and how much revenue we will lose in that area. We know we will have a loss of revenue in the area of savings on premium costs. He noted so that everyone understands that if you are paying somebody who is paying 35% and receiving a plan worth \$25,000.00 a year, that is costing about \$7,000.00 a year. If you now get a plan that is going to be cheaper than 35% will yield less revenue that is going to be retained by the township and he wanted to know what that number would be. He believed that last year we retained \$1.5 million and he requested to know what the new number estimate would be.

Business Administrator, Kevin Heydel then responded that he did mention it (SHBP) would save the employees \$7,000.00. **Cncl. DiLucia** questioned how much less we would be getting as a result of those premiums going down. Mr. Heydel explained we are not going to be getting less because the only way we will be getting less and we would lose money is if the rates don't go up. Cncl. DiLucia noted that when you do calculations, you do it on

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the assumption of two things, one going to the state and one going to Blue Cross. This is just another assumption that if we go to the SHBP and don't stay with BC what will be the difference in the revenue loss by the township. Mr. Heydel noted we are not going to lose revenue we are going to gain revenue from them because their rates are going up, they are going to pay more in their payments. Cncl. DiLucia noted when you are doing charts and comparing this with that you also have to take into consideration a potential loss in revenue. Mr. Heydel noted if we go up 8%, \$325,000.00 is what our overall increase is going to be and out of that amount the employees are going to wind up paying \$56,000.00 of that. Cncl. DiLucia then posed the question in another way, if we stay with BC and it costs us \$6 million and we go with the SHBP and it costs \$5½ million there is going to be less revenue derived by the township because now they are going to be paying on \$5½ million as opposed to \$6 million and for the purpose of preparing retention revenue, that is a number that is important. Mr. Heydel again noted the employees are going to pay less, \$7,000.00 less based on that number. Discussion on this went back and forth between Mr. Heydel and Cncl. DiLucia in regard to costs and revenue to the township. Cncl. DiLucia noted the revenue to the township is now roughly around \$700,000.00, now if you go with the SHBP and that premium decreases you would get less than that figure. Mr. Heydel indicated it would be \$693,000.00. Cncl. DiLucia then questioned if he had an estimate on the cost for retirees. Mr. Heydel responded, yes \$50,000.00 and honestly in these numbers it is already taken out. That is what I calculate I am going to have to reimburse them for the difference in their co-pays, etc. Cncl. DiLucia noted at some point in time when BC comes through with a number to us and we take that number and compare that figure with the SHBP and we extrapolate these other factors we will be able to know if we are going to save money or not save money and how much. He questioned is this not the prudent thing to do. Mr. Heydel responded, yes if you are willing to take a risk. The risk is you are getting this thing now January 30th, you need three (3) months to get into the SHBP, we won't have resolutions approved until the end of February by the time you go back and forth and calculate (*he then referred to the projections previously distributed*). Cncl. DiLucia questioned when the latest date is to get a quote from BC, if in fact they want to give one. Mr. Heydel responded, sixty (60) days. Cncl. DiLucia then questioned how long it would take for administration to get through the legal obligations they have with the employees through collective bargaining. Mr. Heydel advised we already have one group who signed on to this, so now you are talking eighty (80) employees that are holding us up from going. At this time Cncl. DiLucia questioned the 80 employee figure. Mr. Heydel advised the police represent about 60 something and there are approximately 155-160 employees. Cncl. DiLucia then noted so the majority of the employees have not agreed yet. Mr. Heydel noted this was correct. He then went on to the collective bargaining, the township has made a better than average proposal to the employees to help cover this. We didn't offer them 2%, we offered them better than 2% for the three year contract. There are other things we also offered that are also built in and that is a little more incentive for some things that we are looking to accomplish. We are looking on the employee's side to make sure they are not getting hurt. He then noted that he checked with the labor attorney on this and we have to give a plan that is equal to or better. Cncl. DiLucia then noted you have a contract that states Horizon BC/BS and if I am wrong I'll stand corrected but I read it and the copy that I had given to me said that the employees were entitled to Horizon BC/BS not a plan or better. The last time it did, not this time. Discussion then

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ensued back and forth. Mr. Heydel then noted when we moved into BC/BS we didn't bargain that with them. Cncl. DiLucia noted because it was not a contract expiration, you went to them and said, this plan is better and they agreed. If you would have gone to them and said this plan is inferior and they said no I am not agreeing, you could not have moved it. This plan presented is inferior and I am not going to get into the economics, if they want to agree and I want to make this clear on the record. If the employees want to bargain, whatever insurance they want to bargain, as a councilman I will approve it. But I am not going to approve something without you (*administration*) concluding bargaining because that is a violation of the law. Mr. Heydel advised that the township has a labor attorney and he sees it differently. Cncl. DiLucia noted, I don't agree with him. Mr. Heydel noted, that is why he is a labor attorney. Cncl. DiLucia noted, that doesn't make him right. PERC says that you have an obligation to bargain and if you bargain to an impasse you have to declare it an impasse. You just can't arbitrarily and unilaterally implement the terms of a new contract, there is a process to go through including arbitration. Now that's the process, if he is telling you that you can just take it and move it, I do not agree. If the rest of the councilman agree with you, they will vote that way, I won't because I do not agree that you can arbitrarily and unilaterally move that plan without bargaining for it. Cncl. DiLucia continued, it is not the fault of the employees that we didn't start bargaining until way after January 1st when that contract expired. That contract expired December 30th and we are now in negotiations saying this is a rush to the end. Mr. Heydel noted they have a union representative so don't just point at me to say administration is the one that didn't bargain. Cncl. DiLucia noted what I said was there was no bargaining, I don't know whose fault it was. If this issue was there, there should have been ample time to reach a conclusion on time frames. Don't hold this council hostage for that. Mr. Heydel noted, I am just giving you the facts, I am bringing this to you and saying what are you doing? You are putting the township at risk for the increases noted in YELLOW if we wait. He added, what we could do is this, we could pass the resolutions and hold them until or even send them, then pull out before we even begin if BC seems to be better. Cncl. DiLucia noted, I am only one person speaking, I don't have a problem to give whatever notices you want to give as long as they are not binding on the negotiations. If in fact, you can reach a conclusion with the unions within that time frame I don't have a problem. But I will not say that I am going to give you a right as a councilman to unilaterally move the employees to another plan, without concluding bargaining. In one way or another it should reach its legal conclusion and whatever PERC indicates is the legal conclusion, that is what I want followed.

Cncl. Pres., Caligiuri questioned Cncl. DiLucia, would he (*administration*) be able to accept an agreement then force it down the union's throat. Cncl. DiLucia noted he didn't even know what that meant. Cncl. Pres., Caligiuri clarified and noted what I am saying is, would he be able to accept a health care plan that we would pass and then advise the union they have to accept it. Cncl. DiLucia noted, what I am saying is, I don't care about complying with time frames, I'm not going to make a vote to put a time frame in place and then allow anybody to unilaterally move them to another plan without reaching their legal obligations under the bargaining, under PERC. As I understand PERC you have to reach a point in negotiations where there is no agreement. Then there is a legal process you go through because those employees unlike the private sector do not have a right to strike. So, in lieu of

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a right to strike you have a process that a mediator be brought in if there is a dead lock on negotiations, than a fact finding which is given out to the public and then you go for binding arbitration. Cncl. DiLucia advised that is not going to circumvent the collective bargaining obligation that I believe we have. **Cncl. Pres., Caligiuri** questioned what, if any, bargaining unit has accepted this SHBP. **Mr. Heydel** advised it was accepted by the police. Cncl. DiLucia then noted but you can't move unless everybody goes. **Mr. Heydel** then noted the township labor attorney differs from that opinion. Cncl. DiLucia questioned if the labor attorney advised you can just go. **Mr. Heydel** noted he did as long as I make them whole. Cncl. DiLucia questioned, make them whole in what way. **Mr. Heydel** explained, financially on reimbursement for the differences in their co-pays. Cncl. DiLucia noted that was a different issue, you never even put that on the table to us, what you are saying is that you are going to give them enough money to buy them an equal plan. **Mr. Heydel** responded, no what I said was we made a very generous proposal to them, a better than average proposal. Cncl. DiLucia noted what you said just now about making them whole is different than a generous proposal. There was back and forth discussion on equal or better and making them whole along with what is stated in the contract and the process that must be followed. **Mr. Heydel** then noted that the labor attorney said, as long as we make them whole with the existing plan, we can move it. Cncl. DiLucia noted, that is a different issue, what you are saying is, in collective bargaining that your last offer is you are going to pay every penny, to everybody, out of pocket that they wouldn't have incurred under the old plan, is that what you are saying? **Mr. Heydel** responded, I am not going to say that is what we are going to bargain, I am going to say that is what we would do if they don't accept it. Cncl. DiLucia then questioned what that would cost. **Mr. Heydel** noted probably another \$30,000.00 to \$40,000.00. **Cncl. Pres., Caligiuri** noted that he felt this was the number that we need. I feel at this point, if they don't accept the agreement exactly what it would cost to make them whole. He requested **Mr. Heydel** check this and come up with a real number unless you are absolutely sure of the amount. **Mr. Heydel** noted he was fairly confident with that number. **Cncl. Dilks** questioned if council could receive a copy of the letter from the labor attorney. A copy of the letter will be given to council members. **Cncl. Heffner** questioned when you said "make whole" is that in the difference of the plans or "make whole" because they will be given an increase in salary. **Mr. Heydel** responded, if they don't accept the plan we are pulling our proposal. The proposal we gave is predicated on the fact that we move to the SHBP, if they refuse to move to the state we are pulling that proposal and then what we'll do is turn around and make them whole for the differences between the two plans.

Cncl. Pres., Caligiuri advised that we find out exactly what it would cost (*worst case scenario*) to make them whole and whether that represents a savings or not. **Mr. Heydel** stressed the numbers are based on estimates and what on to explain that he has already calculated what the differences are based upon the whole numbers he has. I can't go through and calculate dollar for dollar on every person, it is impossible. **Cncl. Pres., Caligiuri** felt he could come up with a reasonable estimate. **Mr. Heydel** noted a reasonable estimate is about \$40,000.00. Cncl. DiLucia suggested what could be done is the difference in these plans now are that an employee will pay \$400.00 max out of pocket (*\$1,000.00 max for family*) so if he (*Heydel*) takes every person and calculates the figures by that he will get a maximum number of the out of pocket. He continued I am not part of the bargaining and it is not my obligation

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to bargain it is his (*administration*) but I still haven't heard clearly that there has been a proposal put on the table to make them whole. What I heard was there is a proposal to give them more than 2% and that's a different issue. If you are going to give a wage increase and say this is going to fund that, it is different than saying that I am going to guarantee that any additional costs to you are going to be reimbursed. Because, if you give it in the way of a wage increase, it is taxable. If you give it in the way of a reimbursement for costs it is not taxed. Mr. Heydel noted there is not and there is not going to be a proposal to make them whole. We are not going to negotiate that, if they are not going to take the proposal and we are forced to go then we are going to go ahead and reimburse them for the difference but we are not going to negotiate that, we are going to continue to negotiate until we can reach a deal. **Cncl. Pres., Caligiuri** noted that he would sending this matter to committee and have them meet with legal counsel. Mr. Heydel strongly suggested that council look at the plans that were sent and really take a look at how much difference is there. Everybody in the state has \$15.00 co-pays. **Cncl. Pres., Caligiuri** noted if the union accepts that then it's fine but if they don't accept that then you will have to reimburse them for what they want, one way or another. Mr. Heydel noted we made a very, very good proposal that offers an incentive and quite frankly I don't even know if the committee (*negotiation*) went out to the body, because they should be putting that out for a vote. **Cncl. Pres., Caligiuri** felt council should do due diligence. **Cncl. Heffner** noted there has been no bargaining, for a year there has been nothing and he was not implying it was Mr. Heydel's fault because there are two parties that have to negotiate and if they want to play this game of wait a year later then jam it down my throat, then let the chips fall with the employees and the town. If this was negotiated over a year ago the SHBP may not even be an issue right now. **Cncl. Pres., Caligiuri** then advised this will be turned over to the law committee for review (*DiLucia, Heffner, Bryson*).

Cncl. DiLucia posed a question with regard to the prescription drug benefit and his understanding that there are prescriptions they (*SHBP*) will not cover. Mr. Heydel noted he was not aware of any, none of that was ever brought to my attention. **Cncl. DiLucia** requested a list of excluded prescription drugs (*if any*) in the SHBP that are covered now under our existing policy.

C.) PUBLIC PORTION

Cncl. Bryson made a motion to open the Public Portion. The motion was seconded by **Cncl. Miller** and unanimously approved by all members of Council in attendance.

Jack Luby - 1664 Silver Birch Road approached council members with his concerns dealing with the gas lights in the Forest Hills development. He distributed a booklet of information he compiled consisting of billings from SJ Gas along with a list on the location of each street light in the area where gas lights are installed in a section of Forest Hills. He then referred to the street light located just outside his home and some 45 days ago or so SJ Gas came out to his house to service the light, he felt it was nonsense that we should be paying money for something that doesn't even last 3 months. Mr. Luby advised that he did some calculations and proceeded to go over the numbers and explain his findings and the discrepancies with their billings. He then went on to speak of the costs for labor and how

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C.) PUBLIC PORTION (cont'd)

possibly our Public Works department could handle this and save the township a considerable amount of money. Cape May does this and they order parts direct from the manufacturer. Mr. Luby advised he contacted the manufacturer directly and they have more globes than they know what to do with as they outfit the entire United States and Canada. The price for a glass globe is \$159.00 per piece. Mr. Luby also noted that they have been charging us for hard mantels, they put in cheap mantels and I have heard from people at SJ Gas that these things are made of plastic. You can also regulate the amount of gas that goes into these lights and explained how gas is being wasted. He then went over some duplicate billing charges presenting examples and he felt we were getting ripped off big time. Mr. Luby noted that he would be more than happy to discuss it further but he felt for the township to be billed \$70,000.00 a year was outrageous. He then explained what we are being charged per therm, the average in this area is \$.60 per therm, we are paying over \$1.00 which amounts to 44% more. Mr. Luby noted he wasn't saying that you have to call the New Jersey Public Utilities Commission or the Attorney General's office or anything like that right now but he felt this matter needs thorough investigation and he recommended that the Auditors be brought in or you get a Forensic Accountant to be over the bills and find out exactly what is going on and compare it to other alternatives we may have.

Cncl. Miller made a motion to close the Public Portion. The motion was seconded by **Cncl. DiLucia** and unanimously approved by all members of Council in attendance.

Cncl. Pres., Caligiuri then noted to the Law Committee they should proceed and schedule a meeting on the health benefits. **Cncl. DiLucia** requested clarification on who the committee should meet with. **Cncl. Pres., Caligiuri** advised he would speak with the attorney (*Labor Counsel*) the Business Administrator as well as the alternate provider and whomever you feel is appropriate. **Cncl. DiLucia** spoke on what the committee was being charged to do, on one hand the BA says that he can move it because it is equal or better and when I pointed out the contract doesn't say that he then says we will make them whole. He noted he did not really have a clear understanding of what it is we are charged to do. Are we just charged to get something factual or do you want me to get the lawyer and have him there to tell me he can just unilaterally move it or are you looking for financial comparisons, I really don't know what our committee is charged to do. **Cncl. Pres., Caligiuri** replied, that if I was approaching this and I am not as knowledgeable in this area as you, I would talk with the Labor Attorney and the board chair (*police representative*) that has already approved the change and the rationale for approving it. To look into if we are saving money, but not hurting anyone with the move. **Cncl. DiLucia** responded the issue, as he sees it, is the legality of doing what Mr. Heydel says he is going to do. He added the committee will do their best.

D.) NEW BUSINESS

Cncl. Walt Bryson read from a prepared statement.

I would like to comment and make a recommendation as to what action Council should consider in response to the November 10th letter from the School Board Solicitor,

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D.) NEW BUSINESS (cont'd)

concerning an email threat made by Council President Caligiuri and the resulting Times Article of November 13th.

The school board Solicitor's letter was addressed to the board liaison and Council VP Cody Miller and copies to all Council members. It addressed an email threat to the Superintendent by Councilman Frank Caligiuri and attached a copy of that threatening correspondence. I would hope we all read the School Board solicitor's letter and attached email written by our President. He said quote "I will get to the bottom of this and I don't care how many dead bodies I would leave in my path." I don't care how you spin it, but, this is a threat to the Superintendent, his administration, and more seriously to our town's children. This terroristic threat and other actions by our President mentioned in the letter were serious enough for the School Board to ban him from school grounds and file a police report.

For sure, this cannot be blown off by saying it was hyperbole, political, or figurative. His email seemed to be a last ditch attempt to get this person's job back at any costs. However, reading the email more closely, the body count threat is just one of the serious things found here including more threats. Threats like pending legal action against the administration and more seriously he is also threatening to expose some kind of alleged unethical behavior, that of a school employee's exposure to our students. What kind of exposure is he talking about in this communication? Then he is accusing the Administration of some kind of cover up. If Frank knew or knows of something that amounts to wrong doing by a school employee, or the Administration, and uses it to black mail that's an even more serious threat because it puts our students in harm's way. We all know it is his responsibility and duty to contact the proper authorities with this information and not use it as tool to gain his objective of re-hiring this person.

It also appears that Frank has implicated this Council and the Township in this quest and if so, I for one have not given my advice or consent to do so and he does not represent me in this matter. I hope all of you agree with me. Also, I was not one of the public officials he claimed asked for political favors to get this teacher re-hired as stated in the news article. I feel that our Mr. Caligiuri has used our Council's good name for his personal gain and abused the power given to him as our President.

I would therefore recommend that this Council vote on a resolution requesting the voluntary removal of Councilman Caligiuri and request for his immediate resignation on the grounds that he made terroristic threats, bullied and blackmailed School Board Officials, ignored his duty to report illegal activities, misrepresented the Council & Township for his personal gain and abused his power as Councilman and Council President. Thank you.

At this time, **Solicitor Charles Fiore** advised that he would strongly suggest that Cncl. Pres., Caligiuri not respond to that. He then advised council members, since it is was already brought forward publicly that he advised the mayor as of last week that he contacted the Prosecutor's office. As a matter of review that is the independent entity that should take a look at it due to the criminal nature of the allegations that are being made. From his standpoint, as solicitor, this was really the only appropriate way to proceed. Now, whatever council decides to do they can certainly do whatever they want to as far as a motion or a

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D.) NEW BUSINESS (cont'd)

resolution. But in order to protect the township I took that step, I've advised the mayor and I was going to advise council tonight in closed session but obviously it is now public.

Cncl. Bryson noted to the solicitor that what he was going to do, if he had enough time is, I was going to ask council for the resolution that I requested. **Mr. Fiore** noted at this point in time it is unfair to Mr. Caligiuri, unfair to everyone, to take any action until the Prosecutor's office reviews everything and decides what they are going to do, if anything. **Cncl. Bryson** then noted that he reviewed the Faulkner Act before he even made the presentation and there are certain actions that we can do under the Faulkner Act and the actions that I did present are those actions which we can legally do. The solicitor then noted, certainly I am not trying to thwart what you can do, I am indicating from my standpoint what I have done so far, I've advised the mayor and I've advised Frank and that is the step we are taking at this point in time. **Cncl. DiLucia** noted he wanted to stay away from what he thought are the legal things. I think the statement is pretty public if it is in the newspaper. He then emphasized when you sign your name as president of council and you send an email, you didn't send it in my name. **Cncl. Pres., Caligiuri** indicated he didn't sign it as council president. **Cncl. DiLucia** said, it is signed as council president, I have a copy of it and at the bottom of that email it says council president, Frank Caligiuri. Now I am not going to debate that too much more because that is a matter of fact. But what I have a problem with and this is not a threat to anybody however there is a man's name mentioned in that email that I understand is a principal, now when you read it, it reads to me like this person has done something very evil and clearly what that communication was to that superintendent was either you give me what I want or I am going to go to the attorney general, the newspapers and 350 or 3,050 emails. **Cncl. DiLucia** then said, for the record, he did not say it in my name as a council member although he used the council's name, I do not agree with the way it was done. There is a liaison to the school board and that is the person that should have dealt with this issue to get to the bottom of it. There is a collective bargaining representative, the union that could have consulted about what the terms of a recall is and whether she was entitled to recall or whether she was unjustly terminated. These are all things that should have been done, not handled by this council. Again, he reiterated that he wanted to say for the record, he didn't say it on my behalf as a council member, I do not agree with the communication and I want to disown it and I don't agree with what was done.

Cncl. Pres., Caligiuri then noted he would take the advice of the solicitor and let the prosecutor look at the information and I will submit whatever information they need, some photographs and some other documents.

E.) OLD BUSINESS - None

F.) COMMITTEE REPORTS - None

G.) QUESTIONS REGARDING RESOLUTIONS SCHEDULED - None

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H.) QUESTIONS REGARDING ORDINANCE SCHEDULED - None

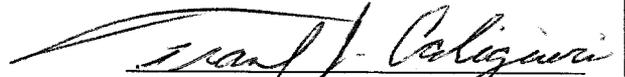
I.) ADJOURNMENT

With nothing further for discussion, **Cncl. Bryson** made a motion to adjourn the Council Work Session of November 23, 2015. The motion was seconded by **Cncl. Heffner** and was unanimously approved by all members of Council in attendance.

Respectfully submitted,



Susan McCormick, RMC
Municipal Clerk


Presiding Officer

These minutes were prepared from the tape-recorded proceedings and the hand written notes of the Council Work Session of November 23, 2015 and serves only as a synopsis of the proceedings. Portions of the official tape may be heard in the Office of the Township Clerk upon proper notification pursuant to the Open Public Records Law.

Approved as submitted AmJ
Approved as corrected _____

Date 12/14/15
Date _____