

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
MARCH 14, 2016**

A.) OPENING CEREMONIES & ROLL CALL

The regular scheduled Work Session Meeting of the Monroe Township Council was called to order by **Council President Cody D. Miller** at approximately **7:05 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. Dilks led the Assembly in the Salute to Our Flag.

ROLL CALL OF PUBLIC OFFICIALS

Cncl. Walter Bryson	Present	
Cncl. Frank Caligiuri		Excused
Cncl. Marvin Dilks	Present	
Cncl. Rich DiLucia	Present	
Cncl. Bob Heffner	Present	
Cncl. Bart McIlvaine	Present	
Cncl. Pres., Cody D. Miller	Present	
Mayor, Daniel Teefy		Excused
Business Admin., Kevin Heydel	Present	(Arrived 7:07PM)
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, Mike Calvello	Present	
Deputy Mayor, Andy Potopchuk		Excused
Municipal Clerk, Susan McCormick	Present	

B.) MATTERS FOR DISCUSSION

Nick Fortunato, President Monroe Township Little League was in attendance to extend an invitation to Mayor and Council to participate in Little League Opening Day Ceremonies scheduled for **Saturday, April 9th at 10:00AM**. He advised line up for the parade down Main Street to the Church Street complex will be at the Williamstown Fire House at 9:30AM. Mayor and Council were extended an invitation to either walk the parade route or meet at the complex for the ceremonies. He thanked Mayor and Council for their continued support of the association.

John McKeown, Chief of Police was in attendance to give a special report on the efforts of the Monroe Township Police Department to combat unlawful narcotics activity. Chief McKeown had submitted a report to council prior to the meeting and he went through the specifics highlighting areas such as: Educational/Community Efforts, Enforcement

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Partnerships, Enforcement Activities, Narcan Program, and Restrictions on Enforcement, where he elaborated on the Overdose Prevention Act of 2013. The Chief then went on to speak of a recent development that just came up, that being, an initiative that is happening in Burlington County to divert arrestees to treatment programs in an attempt to give them a choice of jail or treatment. We will be reaching out to the Gloucester County Prosecutor's Office to see how that would integrate with current bail reform initiatives that are coming up from the state this year. **Cncl. Bryson** noted it sounds like what happened was the state tied your hands with the Narcan program and since the drug problem is so prevalent here in Monroe there has to be dealers who are doing this, he questioned how many of the drug dealers have we arrested and put away. Chief McKeown responded, that we have been involved *emphasizing he could not give specifics on some cases* in some high level investigations, multi-jurisdictional with some neighboring towns and some late last year resulted in the arrest of some regional distributors. Chief McKeown stressed we can still arrest all the normal people that we catch with drugs on the street, it is just those that are over-dosing that we can't arrest, so it is only a portion that we can't get in the system but it is a pretty significant portion, a portion that desperately needs help and what we are doing so far is saving them, we are taking them to a hospital but then asking nicely that they get help. That is all we can do but we are also asking them nicely to tell us who their suppliers are, most of them are not very cooperative.

C.) PUBLIC PORTION

Cncl. Heffner made a motion to open the Public Portion. The motion was seconded by **Cncl. Dilks** and unanimously approved by all members of council in attendance.

Stacey Schwalb spoke in reference to the resolution scheduled with regard to an MMUA Audit, *Resolution Of The Township Council Of The Township Of Monroe In Response To A Request For Qualifications Appointing GPM Associates For Services Associated With Water And Sewer Valuation And Efficiency Study Of The Monroe Municipal Utilities Authority And Authorizing The Proper Township Officials To Execute The Required Documentation* - adding there has been some Facebook chatter stating that this is an employee evaluation. **Cncl. Pres., Miller** emphasized this is not an evaluation adding he was looking at the posts and knew we were going to have people here. He wanted to reiterate the actual scope of the work. There are three (3) tasks that are done in conjunction with this type of audit. 1.) Revenue Requirement - to provide reliable water and waste water services a utility requires sufficient revenues to cover costs. 2.) Cost Allocation after revenue requirements have been determined. 3.) Evaluating Rate Design. Nothing in this proposal discusses doing anything with an employee performance evaluation or any hindering in the employee's ability to do their work. Ms. Schwalb then commented, then this is truly a financial audit. **Cncl. Pres., Miller** responded, yes it's technically considered a financial efficiency audit so no one is going to be following any employees around with a clip board trying to evaluate their work performance that is not being done in this proposal. Ms. Schwalb then questioned, how much would this be costing taxpayers considering this is something that is actually done from a private company on an annual basis and sent to the state. **Cncl. Pres., Miller** noted there are other utilities authorities that have had this same type of study done, where they have done an evaluation on the costs of the rates and they have given recommendations as to how to consolidate costs, cut costs, and see if they are providing the most efficient service possible. This isn't

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something that's just being done per say, this is actually being done by a company that has done this throughout the State of New Jersey. Ms. Schwalb questioned what is this going to accomplish, because at this point it looks like political retaliation. I know exactly what the Township of Monroe is looking at and all of its employees. Cncl. Pres., Miller advised that this has nothing to do with political retaliation. Ms. Schwalb asked on whose part? On yours or are you speaking for everyone? Cncl. Pres., Miller noted on council's part and on the mayor's part. We had conversations about this, we had our Administration Committee (*Caligiuri, Heffner, Miller*) meeting and when we had our first meeting we felt we were not given adequate answers to the questions we had asked as we had sent a list of questions. The next step in the process was that in order for us to get the answers we had to go through the MUA attorney. Us, as council members and the mayor we incorporate the utilities authority so the fact that we are requesting public information and we have to go through an attorney to be able to do this, to me this just seems to have complicated the process. When utilities authorities that are incorporated by municipalities ask questions of their authorities because they incorporate them and appoint the board members, they normally give that information out. This is one of the cases where we had a constant struggle trying to get answers. He added, it is not even just that this has been a long, arduous process and I wasn't informed that part of the reason for the meter issues was that it had something to do with the life of the battery being 10 years. We (*administration committee*) weren't informed of that and I learned that information from an actual board member. Then as we went through the process we started looking at the reason for the rates and what we want are answers in terms of why the rates were raised as much as they were, and not even just that. When you look at comparable water rates in other towns we are nowhere near what the (*inaudible*) amount would be. Ms. Schwalb then noted this seems like a witch hunt. Cncl. Pres., Miller noted it is not. Ms. Schwalb then said, all of this information is already taken care of annually and sent to the state. If you want financial information why not look at their budget. **Cncl. Pres., Miller** advised we have done that, the administration committee has looked at the budget. We've been faced with attacks saying that we were going to privatize the utility and we are going to eliminate jobs, we never had those discussions. Everyone is creating this lie, that we are somehow going to do that and everyone is going to lose their jobs which is why we faced a lot of these conflicts. What we want to understand is the reason for the rate design, the reason for the rate increase and if it turns out that the rate increase was possibly not justifiable it gives recommendations for our board members going in to say this is what you need to do. It doesn't mean to lay off employees, it doesn't mean to attack the utilities authority and it doesn't mean political retaliation or a witch hunt, I can promise you that, this is not a witch hunt. An unidentified member of the public questioned what the cost of this was to the taxpayer. Cncl. Pres., Miller advised this analysis (*referred to in the resolution as referenced above*) has a cost of \$32,000.00. This is a one-time analysis/study that is going to be done. Many people interrupted at this time and Business Administrator, Kevin Heydel advised that there was some travel expenses included in the study but still those travel expenses will not be astronomical anyway.

Cncl. DiLucia noted for clarification, if you take a look at the end of this document, there is a whole hourly rate schedule ranging from \$60.00 to as much as \$200.00 per hour with at least 15 different categories of people working for this company. It does reference in

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this 30 page document that you may at some point require further assistance. So, like any other company, they are going to give you a little bit for what they charge and that is supposed to take six (6) weeks and if you want more they are prepared to package this and sell it, because that is what this company does. If you read this there are many companies in here which this company has sold, it is packaged to American Water Company and sold. Cncl. DiLucia went back to the question of political retaliation, feeling this was a good time to air this issue. Since the election you have already removed three (3) members of the board, before that every one of those board members was appointed by this council. He continued and noted that he understood there was one (1) member of council (*he did not mention names*) that addressed the MUA and said this is the beginning, that they were going to dismantle the MUA in terms of the board. Now, if that isn't some form of political retaliation I've never seen one. To tell me that people that served on that board and were removed for no reason at all because there are a number of council members now that outnumber any other vote is absurd. Cncl. DiLucia then noted the first time he saw the first resolution, he said, when you read this resolution it reads like an indictment, like a criminal indictment, that's what the first resolution looked like. Cncl. DiLucia advised that he questioned the mayor, what was it that raises it to this level that we have to somehow investigate an agency that is supposed to be part of us/part of the town. He answered well I have asked questions and I haven't gotten the answers. Cncl. DiLucia then noted he happened to see the questions that were asked as someone shared them with me. For example, whose family member works there, how much people make, questions which he felt were irrelevant to the issue of whether it was operating correctly or not. So, he (*DiLucia*) said at that time, council or whomever is representing that committee should go back and ask those questions that are relevant to what it is that you want answered. Never was that returned to this council, we never received a report, I know I didn't, about what it was that they asked on questions that were not adequately answered. Now we find that there is going to be an audit, and don't say this does not involve employees because this proposal says clearly, that they are going to talk with employees. He continued, in order to do a financial analysis part of it is going to involve wages because wages and benefits make up costs. He added he heard from this council just as recently as the last council meeting that people there are overpaid. Cncl. DiLucia then said, in return, that if you have thirty (30) years of seniority and have been in place for 30 years you are going to have a decent pay. So the pays are relative to the service dates of the people. Cncl. DiLucia then noted I will vote not to do this because one I think it is a waste of money and two I think it is the beginning of privatization and I am opposed to privatization. **Cncl. Pres., Miller** then noted, as are the members on this council. **Cncl. DiLucia** noted you say that but this does not indicate such. **Cncl. Pres., Miller** noted he says that because I promise that is not what we are doing. I have spoken to each council member individually and we are not selling it to New Jersey American Water. **Cncl. DiLucia** noted the fact that you (*Miller*) promise is admirable of you but I don't know how anyone is going to vote and I am telling you I am concerned that someday when we're not sitting there and four (4) councilman will decide that we should sell it. Now I don't understand why we couldn't have gone to their auditor along with our auditor who could have sat down and asked the same questions that this company is going to do. I have a problem with this and if I was an employee I would have a problem with it also. Cncl. DiLucia then said it was his understanding when a councilman addressed them (*MUA*) he made it pretty clear that this was just the beginning, wasn't after the people

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but this was just the beginning. Well, if you are not after the people, who are you after? You already removed three (3) members of the board and the same people that removed them were the same people that appointed them. Cncl. DiLucia stressed that he just didn't understand, maybe if you remove one member I could understand but when you remove three (3) members in two years? So now you are one year away from control of the MUA because it takes four (4) votes to make the chairman. Where are we heading with this thing? It is wrong and it ought to be stopped. I am voting against this tonight and I am going to make that clear.

Cncl. Bryson noted he read the entire proposal and the company you are selecting or are anticipating selecting is a company that goes through MUA's, evaluates it and then makes a decision whether or not they will become a partner in the purchase of that MUA or whether or not that MUA is to be sold off to someone else/American Water. All the things that you are looking for is relative to the financial stability of the MUA. He then noted that the next MUA audit is scheduled to be approved tomorrow night. If something can be done to save the cost associated with this audit what you should do is wait to see the MUA Audit and read it. Cncl. Bryson then spoke with regard to the fifty (50) questions presented, indicating he read every one of them as well as every answer and the only ones you did not receive an answer on are two silly questions which didn't require an answer. Now, since that time, there should have been or there could have been communication between us and the MMUA. Instead, there was a lot of innuendo so we don't really get the facts. I think (*own personal opinion*) as a councilman that we should wait and see what that audit comes out to be. He then spoke on the resolution scheduled to get GPM Associates as a consultant which he felt was a waste of taxpayer's money. Cncl. Bryson went on to note he did not know what the agenda was, what do you intend to do, you and the other council people that were involved with that meeting. What do you intend to do with our MUA, because what is spelled out in this proposal is not a nice thing. Cncl. Pres., Miller noted he felt everything was spelled out in the proposal which is an evaluation of the design as well as cost allocation, as well as expenses. It is an analysis of their financial (*inaudible as many speaking at once*). Cncl. Bryson then questioned the management of the MUA and have you been discussing this, taking over the MUA. Cncl. Pres., Miller stressed this is not a study being done to take over the utilities authority, this is a study that is going to evaluate their rate design, their methodology as to why the rates increased as well as a cost analysis of comparable size utilities authorities in the area. Cncl. Bryson questioned, to the ultimate goal of what? Cncl. Pres., Miller noted the way he views the document it is a blue print for board members to act in the future when we are talking about rate increases or ways to potentially save costs. Cncl. Bryson noted, you don't think that they have. At this time many people interrupted and were speaking at once.

Cncl. DiLucia noted that he represents 8,000 people in Ward 2 and he has received not one (*zero*) calls complaining about the first increase in water rates in seven years. How many people are a lot that gets you to the point that you react, it is a reactionary thing that fifty (50) people said something and now the other 38,000 doesn't matter. The thing that really bothers me is that for seven (7) years they haven't raised rates and if you use the minimum amount the cost is \$16.00 - \$18.00 per month, the rest is sewer rates which no one

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has any say over because it is a county charge. So we are talking about \$18.00 a month on a minimum bill, when we have taxpayers paying \$10,000-\$11,000 and we are sitting here not worrying about it to the degree as this. If you really wanted to have an audit we ought to have an audit of our town to see if we are running an efficient operation. **Cncl. Pres., Miller** advised we are looking at the lowest tax increase that we have had since 2002 and that's just the preliminary budget. Not even excluding that we are not one of the highest taxed municipalities in South Jersey. **Cncl. DiLucia** again noted we are talking about a \$16.00-\$18.00 rate increase and we are going to commission a study to find out whether that is exorbitant or not in a rate that hadn't been raised in seven (7) years. We have raised taxes every year for the last eight (8) years and we have tax payers come in here all the time and say I'm paying \$10,000-\$11,000 a year in taxes and we are not worried about that, we didn't ask for no audit on ourselves. **Cncl. DiLucia** went on saying, it's not right and these people that are working for the MUA have an absolute right to be concerned because this looks to me, and my background is with labor, like the beginning of privatization. It looks to me like a company where their job is to package it, to make it look good and sell it off. Now, there were meetings between the two because it says that in that thing (*GPM proposal in conjunction with R:89-2016*) It says, it was a pleasure meeting with you and your Council representatives on February 13, 2016. **Cncl. DiLucia** then questioned how many people bid on this. It was noted that one RFQ was received. **Cncl. DiLucia** then spoke on the one proposal that was received adding for a job of this magnitude to him he would not have given it to them because they were the only company. I don't know how competitive this bid is, aside from the other issue.

Cncl. Bryson then referred to the GPM proposal and read into the record a **partial** list *Selected List of Rate Studies, Evaluation Studies, and Financial Consulting Experience:*
City of Bridgeton, NJ – completed evaluation and privatization study
Borough of Haddonfield, NJ – completed privatization study/recommendations
Woolwich Water & Sewer – completed privatization study and assisted in sale of utility
Wynnewood Sewer Co., NJ – completed rate study and assisted in sale of utility company
Brookdale Utilities Corp., NJ – provided management and operations services and assisted in sale of utility company
Borough of Avalon, NJ – rate study for water and sewer departments
Seaview Water Co. – negotiated pending sale of Utility Company

Cncl. Bryson then requested a straight answer, what is your objective? Because you can get the information you want or you need right from the MUA Audit that is supposed to come out and be voted on tomorrow night, without costing the taxpayer one dime.

Joe DiLolle, Chairman MMUA addressed council noting he did wish to argue but he did not agree with you when it was said questions were asked and not answered. I believe everything was answered. Do I believe this a witch hunt, yes I do. The water rates were not raised in seven (7) years and we have gone the last six (6) months without a liaison. If you guys had such a serious concern about the MUA why didn't you contact us, why didn't you have dialogue with us, talk to us so that we could work our problems out. It seems the only

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time the MUA is of any worth is when we are plowing snow to help the township or redoing the finance office. So when we are good for you guys to help you, we are okay but the rest of the time you just want to beat up on us. It is a shame there are a lot of good hard-working people in here, the authority is run very well and you guys may not agree with that and that is your prerogative, I am not here to argue, I am stating facts. Seven (7) years without a water rate increase think about that, thank you.

Joe Papparro approached council members and noted on behalf of all his brothers and sisters in here, I want to know, have you guys met with anybody New Jersey American, Aqua, CCMUA, have you guys met with anybody that has privatized, anybody? I need a straight answer, no lies, no nothing. I got everybody here now and I want it on the record.

Business Administrator, Kevin Heydel explained none of us here whether it be council, me or the mayor have any idea how to deliver water services, absolutely none. When the issues came up and everything came up about people complaining on their water usage that stems back from the July 23rd MUA meeting and all the people that came out to that meeting with the TV station there, everybody has complained about their usage. At this time, people interrupted and many were speaking at once. So, what happens is nobody really knows about meters or anything else. We then called in an expert who knows about water delivery systems, knows about metering and also we were able to gain knowledge from that person about water delivery and we asked about trends as there were concerns as to people with over 30,000, 40,000 even 50,0000 gallons of usage, we did not understand that. What happens is we get to talk to this person and asked them about trends from year to year as people are complaining. The knowledge we gained from that is those trends are no different then what the industry trends are based upon the precipitation rates and things of that nature. We gained knowledge and understanding, so where else are you going to go? You are going to go to somebody that is independent where you can kind of get answers from a professional and that is exactly what we did. Now from that, people keep talking about privatizing. **Cncl. Pres., Miller** questioned who was the individual that was contacted. Mr. Heydel noted he was from American Water, he did not know his name. He then noted there was no talk about privatization, there was only talk about rates and doing the design. So, in the interim what the township has done is compare the rates of Monroe (*with the increase*) to about eleven (11) different other municipalities just to do a quick check and it turns out that we are high by a lot then everybody else. If you look on the Evesham Township web site they have a chart because they are looking to dissolve their MUA. If you look at that chart Monroe is number 12 out of 27 townships on quarterly fees based on 18,000 gallons usage per single family home. If you were take away the privatized ones we are number five in south and mid-Jersey as far as costs. Mr. Heydel continued and noted that we did not just go into this saying we are going to get somebody, he stressed we did our due diligence. What the residents called for and what you said on Facebook, we want a professional audit. So we come here, we do our due diligence and take a look at this and we go out to bid/RFQ. We then receive a document from CES and this document is to propose compensation and business conditions, propose engineer/independent financial advisor to evaluate water and waste water assets of the Monroe Municipal Utilities Authority water and sewer valuation. We looked at that and said well that is not what we want because that is what you do to evaluate to find the worth

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of your system and the worth of the system is what you would use to privatize and that was not what we wanted. What we want is a rate study, rate design so we can take a look at it and see how it can be improved and to make recommendations. Mr. Heydel then noted if you were to analyze that rate structure and looked at the demographics of Monroe Township which is a middle income, family oriented township they are not using 3500 gallons a month so let's take a look, the people using 3500 would be a one or possibly two person household and we haven't raised rates in seven (7) years so what happens, if you take a look at those households using 3500 gallons they are coming out to about a 1.6% increase every year (*compounded*) and that is how you get their rate today. People using 5,000 gallons on average that increase is 2.46% every year for seven (7) years. People using 6,000 gallons on average that increase is now 3.8% to 3.9% every year. People using 7,000 gallons on average that increase goes up to 4.2% every year. People using 18,000 gallons that is a 5% increase every year. Mr. Heydel then noted, quite honestly if I was to present the budget at 4% every year would that budget pass? That is what the whole rate design thing is going to look like, so you can evaluate that because you are penalizing people with more usage. These are the numbers this is how they come out.

Cncl. DiLucia then noted, as he recalled, three years ago we raised ours 9%. Mr. Heydel noted three years ago was during the compliance plan. He then went into the numbers advising that last year was 2.4%, the year before that was 4.91% (*compliance plan*) and the year before that was 15.5% and that was only half the town and then they got it reduced. Cncl. DiLucia then noted the point he was making was when you put that 15% in the average it eschews the whole average the same as the water thing can be eschewed, averages don't show everything it shows peaks and valleys, you take statistics like that but I am telling you practically I represent 8,000 people and I haven't had one complaint. The point that I am making is I understand the people that did complain that all of them were serviced directly and that some people had leaks in their sprinkler systems, toilets, etc. and every one of them was spoken to and their problems resolved so it wasn't like the MUA was ripping people off for doing things inefficiently, it was people that received a bill wanted to know why the bill was so high and it coincided with an increase in the rates which raised the larger users more and everybody know that. The ones that were using more had to pay more of a percentage and they went and wanted to find out why. When that was resolved I didn't hear anybody say oh well, it got resolved. Cncl. DiLucia referred to a letter the mayor read from a resident that had a complaint and we investigated it some two weeks later, that person apologized and said they had a leaky toilet and they didn't realize it, that letter didn't get read! That's on the record that there was a complaint and the point he was making is how many people complained with a legitimate complaint that we should all of a sudden now bring in an audit. Mr. Heydel responded that he was just reading the numbers, I don't have any authority to vote or anything. There was a question posed regarding the meeting with American Water and who attended *at this time so many people were speaking the recording was indiscernible*. **Cncl. Pres., Miller** then clarified that it was an Administration Committee meeting which consisted of himself, Bob Heffner and Frank Caligiuri. Cncl. DiLucia questioned if there was a report made from that committee to council as that is your obligation. Anytime a committee meets and just so people know a committee is comprised of three (3) council members because four (4) members would be a violation of the OPMA.

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When three people are assigned to a committee their responsibility is to come back to this council and report their findings and never, ever was that report made. This thing then comes to us and I resent it, I told you earlier in the day, I feel like a councilman that never gets told anything. Then I wind up coming here and get a bunch of papers and documents put in front of me and I am forced to read them and vote on them. I've said this how many times and you just confirmed it, that you had a meeting of that magnitude and never reported back to this council. **Cncl. Pres., Miller** noted it was not a meeting of magnitude, it was just a general conversation. **Cncl. Bryson** then referred to all the work/figures Mr. Heydel had put in with regard to the MUA has given him a pretty good background, a lot of homework went into it. When the audit comes out tomorrow night you would probably be able to look at that audit and work with their people and come up with a solution. There was discussion on the sewer rates with Mr. Heydel speaking on the increases from 2009 when it was 2.1%, 2010 – 2.6%, ending at 7% in 2015. Again, there was back and forth discussion.

Cncl. Pres., Miller then noted due to time constraints with the Regular Council Meeting scheduled for 8:00PM, he urged members of the public to stay and we can further address your concerns at the Public Portion of the Regular Council Meeting.

Cncl. Bryson made a motion to close the Public Portion. The motion was seconded by **Cncl. Heffner** and unanimously approved by all members of council in attendance.

D.) NEW BUSINESS

• **Police Hirings**

Business Administrator, Kevin Heydel advised that we hired three (3) new police officers who started on March 7th and there were questions regarding going over and increasing our levels. Last year, we went from 62 to 64 police officers. **Cncl. DiLucia** noted, no we went from 60 to 64 as you hired 4 new police officers and this makes 3 more. **Mr. Heydel** continued, in 2013 we had 60, in 2014 we went to 62 and last year we went to 66. **Cncl. DiLucia** noted I can tell you that it was reported that you had 60 and were going to 64, I have a pretty good memory and if you pull those minutes I think it will bear this out. I did the calculations at that meeting which was the cost of those 4 officers for $\frac{3}{4}$ of a year. **Mr. Heydel** noted he wrote it in his report, he had it in the budget because the question came up about the pro-ration and if we were replacing then I would have pro-rated the other police officers that were coming out. **Cncl. DiLucia** then noted, first of all, it was 4 additional police officers, so for the moment let's agree on the 4 additional. **Mr. Heydel** then said now for this year we are adding 3 positions however we have 1 police officer that went out on permanent disability last September so there is one replacement. We transferred OEM into the police department and took the OEM person that was in place and filled the position of a retiree from EMS. That is another body offset because we didn't replace the OEM person. In July we have an officer retiring and we are bringing someone in to go to school in March. Once we get to July we are right back at 66 where we are supposed to be. **Cncl. DiLucia** begged to disagree, he continued when the budget was being prepared last year, unlike the prior mayor that would tell us before he hired anybody (*of this magnitude*) that he wanted

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permission from council to hire anybody, this mayor went and hired 4 people and had them listed to go to the academy before we were ever told about it. Mr. Heydel noted that is your argument with the mayor. Cncl. DiLucia noted unfortunately we are on the record and he is not here, he can dispute it when he comes back. I said, why are we hiring 4 police officers? We are talking about a lot of money. I was told that was because there are 4 people who are going to retire. Now, I looked at the seniority list and to me the criteria is 25 years and they leave at 25 because there is an advantage to benefits. There are 4 officers that are scheduled to reach their 25th anniversary in October of this year, all hired on the same day. We hired 4 officers theoretically in April although they didn't start in April because the academy wasn't open. These are the 4 officers that were supposed to replace those officers, if they retired. That's what we were told and it's on the record. Now, this time I'm sitting here at a council meeting because we are never told anything as councilman, maybe there are meetings without us. Cncl. Pres., Miller noted there are no meetings without you. **Cncl. DiLucia** noted well someone would have had to tell the mayor that he would approve three (3) more police officers. Because I said, you went out and hired 3 more police without coming to council to ask for the appropriations? Now, in that meeting somebody asked the councilmen how many retirees were there in the pipeline and the number was ten (10). Cncl. DiLucia went on and noted I went home and I pulled out the police officers seniority list and low and behold after the 4 this October reach their 25 years, you know when the next two or three reach 25 years, 2020. I was told at that meeting, as a councilman, that these are to replace retirees. Now we are talking about people that are making pretty good salaries and there is a lot of money involved when hiring a police officer. That payroll is \$7.5 million dollars without pension and without health insurance. In a \$38 million dollar budget we have a \$7.5 million dollar payroll and if you add the 25% on for pension contribution, that's \$10 million and health insurance I don't know what that number is. Now, I don't want anyone to sit here and say I'm against public servants, I am certainly for public service/servants. My background lends itself to being pro-worker but I am a councilman and I have a responsibility to balance hiring wages with the ability of the taxpayers to pay for it. I don't think they can, I don't think the taxpayers can afford to bring on this additional pay and benefits based on the lack of attrition and we were told that these hires were based on attrition and it's not, factually it is not based on attrition. I'm saying that it is wrong. **Chief John McKeown** noted that he asked to raise the levels of his police department as I am still not at the level that Chief Berwick was. Cncl. DiLucia noted, in all deference to you Chief, this has nothing to do with whether somebody wanted or asked, this is a procedural matter that council, in this form of government, is a balance with the mayor. This mayor thinks he can do anything he wants, irrespective of council. Now I am only one vote and one vote doesn't dictate anything but I can tell you anybody that looks at the economics and knows how to count would say the need may be there but the finances aren't there. What I am saying is that we put on seven (7) police officers, when the last mayor left 60 officers was the goal, 60 was the number we wanted to stay at. Irrespective of the fact that an ordinance said you could go to 70 as that is just an ordinance the same as a salary ordinance says you can go to a certain figure that doesn't necessarily mean you go there. Cncl. DiLucia noted his point was administratively why hire three (3) police officers before you bring it to a vote of council. What happens if council were to turn around now and say no, we are not going to appropriate that money when that official vote comes. You would have to lay off those people and that is not right. He then stressed, the only thing he was asking for is that it is done the right way and that is, if you anticipate that more people will be hired that you give this council the courtesy to

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come to them and say I would like to hire three more, this is what the costs will be and then but it to a vote because if council says no, we appropriate the budget, not the mayor, not the business administrator but council does as they are responsible for the administration of the budget. My problem is that I do not have a say as a councilman in the make-up of the expenditures. There is money being expended that I don't even have an opportunity to vote on and that is not right, that is not the way this form of government is supposed to work.

Cncl. Bryson then noted the only time we have that opportunity (*in the last two years*) is when the budget is presented giving us only one month to review it and make recommendations, this happened just last year. This man over here (*DiLucia*) had to make a compromise on that budget because I would have sliced the hell out of it. You know I would have taken \$250,000.00 and he said \$100,000.00 just to compromise to bring you down to the cap. Now, this year I understand what Cody said but what Rich is saying is true, we as council have the responsibility for the monies of this town, not the mayor. The first I heard of the three (3) new police officers, and God Bless them I am sure they are all great young guys, was at the last council meeting and they were already hired and going into the academy. Now, that is not right. **Chief of Police, John McKeown** commented that currently there is one (1) officer who has more than 25 years (*in his 26th year*), four (4) who will have 25 years in October, an officer who will be leaving in the fall with less than 25 years, and there are two (2) detectives that will reach their 25th year in the pension system next year. The numbers are correct because it is not based on date of hire it is based on pension time. We have people that have purchased back pension time and that does not show up, even on Kevin's charts as service credit until they completed paying off their time. I did a survey in the fall requesting their projected retirement dates and there are at least two (2) more. **Cncl. DiLucia** noted that information does not come to us, what came to us was we would like to hire four (4) as there are 4 who are going to retire (*eminently*). I then look at the seniority list and 4 did not retire. Now, when we hire a new police officer we are talking about a 10-11% annual increase from the time they are hired until they reach seven (7) years. When combined with between \$25,000-\$30,000 for health insurance along with 25% contribution to the pension, that is a lot of money. When you are looking at a \$7.5 million payroll and adding to it, not subtracting, because in most situations when attrition sets in you save money because the higher paid people leave but in our situation because people continue to get lifelong benefits and they are accelerating through this process so quickly there is not a great savings. You have to look very carefully every time we hire someone in terms of what that impact is going to be. **Cncl. DiLucia** continued, adding that he had said this is unsustainable, the direction we are going in is unsustainable. Most people don't understand but I have negotiated a lot of contracts in my life and I know how to factor numbers. If you get an 8% annual increase over three years that is a 48% cost, not 24%, its 48% cost. So if you are spending \$7 million dollars in three years you're halving that again. The fact that we just gave out a 12% increase is a 24% cost so on every million dollars you are talking about another quarter million dollars which is a 1% cost to our taxpayers and it is unsustainable so at some point in time somebody has to say we are going to address it. Me sitting here as a councilman, and I would like to have 100 cops because if there is a problem I would like to get on the phone and know they will be at my door right away, but there is a question of affordability. I think we all agree that at some point in time we have to find that balance. I just believe that the process is being misused. The process is you have a need, you go the mayor, the mayor agrees with you then the mayor comes to council, we sit down as a group

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and we look at the situation, the cost and we make a decision based on how seven councilmen vote. If four vote yes, then fine and that's the process not that I should have to find out as a councilman when I am sitting looking at the budget that we are going to hire three new police officers. Three officers for the rest of this year (*from April*) is over a \$200,000 cost, that's a lot of money, that's almost 1%. **Cncl. DiLucia** then said I don't want anybody to think that I am opposed to hiring police, I am not. I am an advocate for workers. Unfortunately, I understand numbers and these are unsustainable. I don't want to hear someday that we are going to have to bring in the county to take care of our police department because we can't afford it. Monroe has to make sure that we control our services.

E.) OLD BUSINESS – None

F.) COMMITTEE REPORTS – None

G.) QUESTIONS REGARDING RESOLUTIONS SCHEDULED

Cncl. DiLucia posed a question with regard to Resolution **R:79-2016** *Resolution Of The Township Council Of The Township Of Monroe Authorizing The Extension Of The Shared Services Agreement Between The Township Of Franklin And The Township Of Monroe, County Of Gloucester, State Of New Jersey For Certified Tax Collector And (1) Clerical Support Staff*. He requested some financial numbers from the Business Administrator before moving this forward. Mr. Heydel noted that the figures were included with the agreement attached to the resolution. **Cncl. DiLucia** noted that he would like to forego this resolution until he can look at the numbers to see if it makes financial sense. **Cncl. Pres., Miller** questioned Mr. Heydel based on his calculations, is it saving the township money. Mr. Heydel responded that we are gaining at least \$5,000.00. **Cncl. DiLucia** questioned is that calculating in the event that employees take health insurance. Mr. Heydel explained that our tax collector does not take health benefits but we did factor in the \$2400.00 opt out. There was discussion back and forth on the personnel involved, health benefits and the length of the contract and the merits of entering into this or not. **Cncl. Pres., Miller** then noted this agreement saves them (*Franklin*) money and it generates revenue for the municipality that is what Shared Services are.

Cncl. DiLucia then posed a question with regard to Resolution **R:78-2016** *Resolution Of The Township Council Of The Township Of Monroe Directing That The Monroe Municipal Utilities Authority Board Of Directors Undertake A Review Of The Restructuring Of Existing Bonds*. **Cncl. Pres., Miller** explained that Mr. Heydel did some work on a proposal to refinance their bonds which was sent to the MUA some three months ago, this would save dollars over the life of the bond and it could save somewhere between \$300,000 - \$400,000 and they did not act on it. Mr. Heydel explained one of the reasons for the rate increases last year was because of the recommendations made by the rating agencies about using connection fees as part of their income because they are not stable. That was one of the reasons and substantiations for the rate increase. **Cncl. DiLucia** questioned, the bond rating increase? Mr. Heydel noted no, the water rate increase because their rating was going to go down, it had nothing to do with refinancing bonds. During the process when the Mayor was

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G.) QUESTIONS REGARDING RESOLUTIONS SCHEDULED (cont'd)

looking at the agreements with the MUA and asking for the money that the agreement says we are supposed to have he asked me to find out/take a look as to whether or not they were able to refinance their bonds. In order to refinance the bonds you have to meet Local Finance Board standards a 3% savings. I went out to an agency, I went to our bond agency who went to a municipal advisor who rated and took a look at the MUA bonds and a report was issued on December 4th and forwarded to the Executive Director of the MUA back in December and there has been no action taken on refinancing those bonds. Cncl. DiLucia questioned if the report said that they would give them a bond for 3% less then what they actually have now? Mr. Heydel noted what the report actually said, they laid out two scenarios one that provides a net savings of \$389,000 and the other one is a net savings of about \$253,000 over the life of the bond. They would do exactly what the township did because when these were negotiated right now the MUA is presently paying about 3 and going up to 4 and 4+ in future years with the interest rates the way they are they did a recalculation looked at what the rates are in the market did their calculations and came up with these savings. Cncl. DiLucia questioned if there was a communication sent to the Executive Director of the MUA. Mr. Heydel noted this was sent directly to the Executive Director, Jerry Moore. Cncl. DiLucia clarified, so he (*Moore*) received that and you (*Heydel*) have had no conversation with him since that. Mr. Heydel indicated he has had no conversation with him. Cncl. Pres., Miller then noted the mayor spoke with him, he did not know the outcome only that he spoke with him. There was discussion back and forth on the communications between both entities. **Cncl. DiLucia** requested clarification on the consensus of council with regard to Resolution R:78-2016, do you want to continue to discuss at the regular council meeting or can we reach a consensus as the Chairman of the MMUA, Joe DiLolle is in attendance and there is a scheduled meeting of the MMUA tomorrow night. **Cncl. Pres., Miller** indicated we are moving it forward. Cncl. DiLucia then noted you are going to move it forward to have a resolution when all you really have to do (*inaudible*). Cncl. Pres., Miller then noted it is slated on the agenda. There was discussion on not moving this resolution forward.

Cncl. DiLucia made a motion to not move forward with Resolution R:78-2016 and remove it from the agenda. The motion was seconded by **Cncl. Bryson**. Motion to remove from agenda was not approved by a consensus of council. R:78-2016 will be addressed at the regular council meeting.

H.) QUESTIONS REGARDING ORDINANCES SCHEDULED - None

I.) ADJOURNMENT

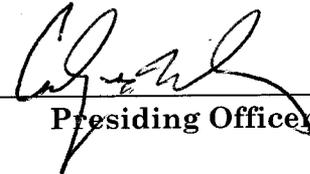
With nothing further for discussion, **Cncl. McIlvaine** made a motion to adjourn the Council Work Session of March 14, 2016. The motion was seconded by **Cncl. Heffner** and was unanimously approved by all members of Council in attendance.

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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 March 14, 2016 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 SmJ
Approved as corrected _____

Date 4/11/16
Date _____