

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE BOARD OF COMMISSIONERS ANNUAL
REORGANIZATION MEETING
FEBRUARY 25, 2015 5:00 PM**

CALL TO ORDER - 5:00 PM

In compliance with the Sunshine Laws, Chairman Balmir ordered and directed that a Public Notice of a Public Meeting of the Jersey City Municipal Utilities Authority be posted in the main lobby of the Jersey City Municipal Utilities Authority Administration Building and that a copy of the notice be sent to The Jersey Journal, The Star Ledger and the City Clerk.

ROLL CALL OF MEMBERS PRESENT:

Chairman, Gerard M. Balmir, Jr.
Commissioner, William A. Macchi
Commissioner, Lewis W. Matthias
Commissioner, Marie Tauro
Commissioner, John H. Thieroff
Second Alternate Commissioner, Thomas M. Gibbons

MEMBERS ABSENT:

First Alternate Commissioner, Nicholas I. Economou

ALSO PRESENT:

Daniel Becht, Esquire, Executive Director
Judy Rybka, Recording Secretary
Frank J. Borin, Esquire, DeCotiis, FitzPatrick & Cole, LLP
Richard Haytas, PE, Senior Engineer/Infrastructure Maintenance Supervisor
Barbara Gordon, Director of Administration
Kevin Carr, Purchasing Agent
John Folk, CPA, Director of Finance
Jerome A. Harris, PE, PP, CME Associates
Michael McClelland, PE, PP, CME, CME Associates
William Katchen, CPA

FLAG SALUTE

PUBLIC COMMENT – No public comment

APPROVAL OF MINUTES – Per Mr. Borin, election of officers must take place before approval of minutes. A motion to go out of order on the agenda was made by Commissioner Tauro, seconded by Commissioner Matthias and unanimously approved by all Commissioners present.

ELECTION OF OFFICERS

Chair – Commissioner Matthias nominated Chairman Balmir. Commissioner Macchi nominated Commissioner Tauro. There were no further nominations.

Roll call vote (nomination of Chairman Balmir):

Commissioner Thieroff	Aye
Commissioner Macchi	Nay
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

The motion carried and Chairman Balmir is elected Chair to the Board of Commissioners of the JCMUA for the 2015/16 term.

Vice Chair – Commissioner Matthias nominated Commissioner Tauro. There were no further nominations.

Roll call vote (nomination of Commissioner Tauro):

Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

The motion carried and Commissioner Tauro is elected Vice Chair to the Board of Commissioners of the JCMUA for the 2015/16 term.

Secretary – Commissioner Matthias nominated Commissioner Thieroff. Commissioner Tauro nominated Commissioner Macchi. There were no further nominations.

Roll call vote (nomination of Commissioner Thieroff):

Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

The motion carried and Commissioner Thieroff is elected Secretary to the Board of Commissioners of the JCMUA for the 2015/16 term.

PROPOSED 2015 COMMITTEE APPOINTMENTS

Operations Committee: Commissioner Thieroff, Chair and Commissioner Macchi.

Procurement and Contracting Committee: Commissioner Gibbons, Chair and Commissioner Tauro.

Financial Oversight and Audit Committee: Commissioner Thieroff, Chair and Commissioner Matthias.

Commissioner Tauro recommended a Personnel Committee be formed.

APPROVAL OF MINUTES

Approval of the minutes of the January 21, 2015 Commissioners meeting

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Abstention
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

Prior to Resolutions, Mr. Katchen provided a presentation on the 2015 water and sewer budgets, explaining the State has made a number of changes and now requires additional information. The summary on Page F1 contains the following: total revenue (water and sewer combined) \$120,205,000; appropriations \$119,506,720; net surplus \$698,280. Approval of the budget requires two Resolutions; one for water and one for sewer. The sewer Resolution approves \$33 million funding through EIT debt; water Resolution \$12.6 million also funded through EIT debt and both with an interest rate of approximately 1 to 1.5 percent. Mr. Katchen recommended the services of an outside consultant (within Mr. Katchen’s contract with the MUA) to analyze bond issues and review for possible refinancing. The consultant would submit a report and make recommendations.

Commissioner Macchi questioned the need for an outside consultant.

Per Mr. Katchen, bond issues should be reviewed concerning interest rates and possible refinancing. He explained such a review is beyond his “scope.” The cost of this service would be approximately \$5,000.

Commissioner Thieroff suggested an underwriting firm will do this “for free,” and Mr. Katchen replied, “That is where I would look to.”

Commissioner Macchi also questioned the practice of “mixing” funds.

Mr. Katchen explained any surplus at the end of the year belongs to the JCMUA so long as there are no bond restrictions involved. Approval of the State is required and the auditor must sign off confirming there are no violations of bond covenants and the ability to pay bond issues will not be impaired.

A Resolution was proposed to authorize William Katchen, CPA, to secure the services of a financial advisor through Mr. Katchen's contract with the MUA. Said services are not to exceed \$5,000.00.

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Nay

CONSENT AGENDA

Resolution 2/15/2 designating official newspapers

Resolution 2/15/3 approving a cash management plan in accordance with N.J.S.A. 40A:5-14 for the year 2015

Resolution 2/15/4 appointing Financial Oversight and Audit Committee for 2015/16

Resolution 2/15/5 appointing Operations Committee for 2015/16

Resolution 2/15/6 appointing Procurement and Contracting Committee for 2015/16

Resolution 2/15/7 authorizing transfer of funds for sewer operations

Resolution 2/15/9 authorizing transfer of funds and payments of audited claims for water operations

Resolution 2/15/10 authorizing cash disbursements

Resolution 2/15/11 authorizing payments from the capital improvement, project and note funds

Resolution 2/15/13 authorizing 2015 water budget from 1/1/2015 to 12/31/2015

Resolution 2/15/15 authorizing application for a loan from the New Jersey Environmental Infrastructure Trust Program, loan number S340928-21, for financing of the Phase V sewer rehabilitation project

Resolution 2/15/16 authorizing the award of a contract for professional engineering services to Maser Consulting for a proposed maintenance and repair facility at West Side plant

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 2/15/17 authorizing change order number one for MMREF expenditure to J. Fletcher Creamer & Son, Inc. for emergency replacement of 6 inch water main in Duncan Avenue between Bergen Avenue and John F. Kennedy Boulevard

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Commissioner Balmir	Abstention

Resolution 2/15/18 authorizing change order number one for MMREF expenditure to Pfister Maintenance, Inc. for replacement of roofs and various buildings at the water treatment plant in Parsippany-Troy Hills

Resolution 2/15/19 authorizing MMREF expenditure to RCC for clean out of backwash separators at the water treatment plant in Boonton

Resolution 2/15/20 authorizing change order numbers 1 to 3 to the contract with Scafar Contracting, Inc. for the improvements to chambers and suspension bridge at Boonton Dam spillway; JCMUA contract number ICSBD-2014-25-W

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

DEFERRED AGENDA

Resolution 2/15/1 adopting annual meeting schedule

Motioned to defer Resolution 2/15/1 by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

Mr. Becht suggested notice be given that next month's Commissioners meeting will be held on the third Wednesday of the month, March 18, "then we'll revisit it."

Motioned to schedule the next Commissioners meeting on Wednesday, March 18, 2015 by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 2/15/8 authorizing payments of audited claims for sewer operations

Mr. Folk advised the total figure appearing on page one of the Resolution is incorrect. The correct figure is \$3,107,821.76. Two items were voided by the State; one in the amount of approximately \$27,000.00, and the other revising a check amount to "Guarini" from approximately \$54,000.00 to approximately \$96,000.00.

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Abstention
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 12/15/12 authorizing the 2015 sewer budget from 1/1/2015 to 12/31/2015

Commissioner Gibbons discussed the sewer budget surplus of approximately \$698,000.00 appearing on page F1 and suggested using the surplus to fund capital project(s). His concern is that showing a surplus "gives the wrong impression."

Mr. Katchen explained that the sewer side borrowed from water and at the end of 2013 there was an inter-fund balance of approximately \$16 million. The surplus could be used to repay the water fund for the prior year's advance but could also be used during the year to cover the cost of other expenditures, "providing flexibility as to how it is spent."

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 12/15/14 authorizing late submission of 2015 water and sewer budgets

Commissioner Thieroff questioned the language in Whereas Paragraph number five, “unresolved revenue and appropriation items”.

Mr. Folk explained the lien sale was held in December and the budget is due December 1. Lien sale revenue could only be estimated prior to the actual sale. “We don’t know what we’ll collect until it’s done and a large portion of revenue comes from the lien sale.” Additionally, Passaic Valley Sewage Commission does not submit its invoice until late in the year. “The budget format has changed since last year and requires extra time.”

Mr. Katchen added that two substantial items, health care benefits and annual pension (both material numbers), cannot be submitted as estimates per State requirements/guidelines.

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Nay
Commissioner Matthias	Aye
Chairman Balmir	Aye

COMMUNICATIONS – No

EXECUTIVE DIRECTOR’S REPORT – Mr. Becht provided an update on the most recent quarterly meeting with the USEPA concerning the consent decree. The MUA is meeting “mileposts,” and complimenting the system on many levels.

Concerning the sewer main break which took place in December 2014 near the light rail, the MUA held 11 million gallons of sewage from discharging. “We will continue to cooperate.”

The Authority has been dealing with water main breaks and assisting the City with cleaning catch basins.

COMMITTEE REPORTS

Green Infrastructure Committee – Commissioner Gibbons discussed the recent meeting with the Environmental Committee. Work is underway jointly on two ordinances dealing with sustainability and storm water. The Environmental Committee will take the lead on the sustainability ordinance, and the JCMUA will review it for submission to the City's Planning Department. The MUA will take the lead on the storm water ordinance and submit a draft to the Environmental Committee then on to the Planning Department.

Chairman Balmir requested both ordinance drafts be submitted to the Operations Committee for review.

Mr. Becht advised the legality of these ordinances must be reviewed. "This has been struck down in legislative session the last eight years."

Commissioner Gibbons noted this model removed the user fee and would make some best practices mandatory. "It codifies things Jersey City is doing already but there is no ordinance in place."

Financial Oversight and Budget Committee - Commissioner Thieroff reported the Committee met early in February for an overview of line items. He expressed his appreciation of the "great presentation."

COUNSEL REPORT – Mr. Borin discussed Commissioner Tauro's request for the formation of a Personnel Committee. MUA by laws provide for three committees but the Chair may appoint a special committee with advice of counsel. The special committee would be temporary or by laws can be amended to establish another committee/Personnel Committee. A Resolution will be presented for approval at the next Commissioners meeting concerning establishing a Personnel Committee/amending by laws.

Commissioner Thieroff asked what the role of a Personnel Committee would be.

Commissioner Tauro explained it would "hear employee grievances."

Per Mr. Borin, the day-to-day oversight of employees is done by the Executive Director. The Personnel Committee would review and make recommendations concerning the Authority's policy/procedure manual and significant personnel issues. It would not get involved in day-to-day issues with employees.

Mr. Becht added that hiring and firing of employees is not a function of the Board of Commissioners, but is handled by the Executive Director per his contract and MUA by laws.

UNFINISHED BUSINESS

Commissioner Tauro recalled last month's discussion concerning the Chair being held over, and stated her opposition to the Chair as a holdover.

Mr. Borin explained that the JCMUA's authorizing legislation provides that each Commissioner shall hold office for the term for which he/she was appointed and until his/her successor has been appointed and has qualified. The statutory language specifically acknowledges the possibility that Commissioners may be serving during holdover periods.

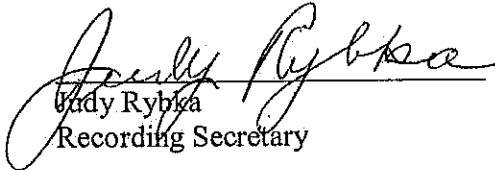
NEW BUSINESS – No

EXECUTIVE SESSION – No

ADJOURNMENT

The meeting adjourned at 5:53 p.m.
Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Matthias
Unanimously approved by all Commissioners present.

Respectfully submitted,


Judy Rybka
Recording Secretary