

**CARLSTADT SEWERAGE AUTHORITY
CARLSTADT, NEW JERSEY
SPECIAL MEETING MINUTES OF OCTOBER 9, 2018**

A scheduled special meeting of the Carlstadt Sewerage Authority was held at the Carlstadt Sewerage Authority offices, 429 Hackensack Street, Carlstadt New Jersey.

12:21 P.M. CALL OF ROLL

Chairman V. De Simone, called the special meeting to order at 12:21 p.m. and read the Open Public Meetings notice:

This meeting has been called pursuant to the Open Public Meeting Law and in accordance with the Public Notice adopted by this Authority on September 26, 2018 and published by The Record on Wednesday October 5, 2018 and posted on the Public Notice Bulletin Board of the Carlstadt Sewerage Authority and the Carlstadt Municipal Building. This is a special scheduled meeting of the Carlstadt Sewerage Authority.

PLEDGE TO THE FLAG

Led by Chairman V. DeSimone.

Thereafter, N. Rivera led the meeting in the absence of Executive Director Brian Curreri and called the roll:

The following were noted present:

V. DeSimone, Chairman
T. Maloney, Vice Chairman
C. Lahullier, Commissioner
S. Judge, Alternate
T. Davis arrived at 1:14 pm
W. Roseman called in by phone at 1:45 pm

Also present were Maria Incremona, Auditor; Maryjane Ambrose, Accountant; Attorney R. Cedzidlo (arrived at 12:30 pm); and C-3 Operator N. Villano.

The Special Meeting was held to determine the Carlstadt Sewerage Authority's sewer rate as it applies to the 2019 operating budget.

Ms. Ambrose recounted that although Yoo-Hoo had still not paid their 2018 bill, it was estimated that with their payment the Authority would incur a loss of approximately \$200,000. She stated that if the rate were raised to \$9.38 the Authority would only need to supply \$20,000 out of surplus.

Scott Judge said that it was financially prudent to go to the \$9.38 rate. Mr. Rivera stated that (then absent) Commissioner T. Davis wished to go to a rate of \$9.00 in order to not burden the rate payers with such a big increase. Mr. Lahullier asked what recent raises were made. Ms. Ambrose said that our rate had gone from \$7.75 to \$8.25. Ms. Incremona added that a \$9.00 rate would incur a \$70,000 loss. Mr. Villano stated that a higher rate is justified and rate payers would have a chance to protest the hike at the public rate hearing. He also stated that one large raise is better than continuing small ones, in his experience. Mr. Maloney stated that consulting Attorney Mr. Napolitano had stated that our rate was rather low and that the average bill for an authority of our size was \$10.

There was a discussion about the Authority's present ability to bond should a major problem arise. Mr. Maloney reiterated a statement by consulting attorney J. Napolitano that we could bond but it would be at a higher interest rate.

Ms. Incremona reminded the Commissioners that \$9.38 was not a break even number. The rate would have to go to \$9.50/\$9.75 to break even. Mr. Judge said that he didn't see the point of raising the rate again if the Authority didn't break even.

Mr. Lahullier asked how Ms. Incremona came up with an assumed 3% raise in the BCUA bill. She replied that she calculated the number based on historical data. He also asked whether we were over budgeted. Ms. Incremona answered that we were fiscally responsible and our biggest problem was the uncertainty of the BCUA bill. Mr. Cedzidlo reminded the commissioners that we could always shift the budget year such that we could know the actual BCUA bill when setting the budget/rate. He also added that we were statutorily obligated to meet our budget.

Mr. Maloney said he would go with whatever rate the professionals recommended. Ms. Incremona and Ms. Ambrose, however, both stated that they would only present the numbers and the final decision was up to the commissioners.

Hearing the discussions from both sides, Mr. Lahullier thought the \$9.00 rate was a good option but met much resistance from other members who opted for \$9.38. Mr. Lahullier then asked the professionals how much surplus we had available. Ms. Incremona and Ms. Ambrose both agreed on a figure of \$1.7 million.

Mr. Davis arrived at this point and Mr. Villano filled him in on the main points of the discussion. Mr. Lahullier called Mr. Roseman to get his input. While waiting for Mr. Roseman to call back, Mr. Villano stated that we needed to raise the rate to an amount that stabilized the surplus. Mr. Davis countered that we had enough money in reserve to keep a sufficient surplus while not shocking the rate payers. Mr. Lahullier added that when allowing for the reserve, we should consider that we would be taking over the Joint Meeting line in the near future and this line would need considerable repair.

At this point, Mr. Cedzidlo stated to the commissioners that they only have two choices:

- 1) Raise the rate to the breakeven point or
- 2) Raise it to some other number depending on how much they were willing to add in the next fiscal year.

Ms. Incremona presented the following options:

1. If the rate is raised to \$9.00, Authority adds \$70,000
2. If the rate is raised to \$9.38/\$9.40, Authority adds \$ 20,000
3. If the rate is raised to \$9.50/\$9.55, Authority breaks even.

Mr. Davis argued that with \$1.4 million in surplus, plus \$300K in capital budgeted for next year, we would not need to break even in 2019. With this, Mr. Davis motioned for a rate of \$9.00 for 2019. There was no second and the motion failed.

There was some discussion among board members about a compromise and Mr. Lahullier made a motion for a rate of \$9.25. This motion was second by Mr. Maloney.

On roll call by Mr. Rivera:

Mr. Lahullier	Yes
Mr. Maloney	Yes
Mr. DeSimone	Yes
Mr. Davis	No
Mr. Roseman	Yes

(4-1)

ADJOURNMENT

Upon motion made by Mr. Lahullier; second by Mr. Maloney and unanimously passed on roll call vote, the meeting was adjourned at 2:10 p.m.

Respectfully Submitted