

**TOWNSHIP OF PARSIPPANY-TROY HILLS
TOWNSHIP COUNCIL SPECIAL MEETING**

April 19, 2010

Public Invited with Public Participation

MEETING CALLED TO ORDER by Council President Grossi at 6:33 p.m.

Roll Call:	Mr. Cesaro	-	Present
	Mr. dePierro	-	Present
	Mr. Fox	-	Present
	Mr. Stanton	-	Present
	Ms. Grossi	-	Present

OTHERS PRESENT: Mayor Barberio; J. Lim, Business Administrator; R. Strechay, Director, Dept. of Municipal Utilities; J. Silver, Township Clerk

FLAG SALUTE

PRESENT DURING PORTIONS OF THE MEETING:

P. DeFalco, Golf Superintendent; K. Ryan, Superintendent, Water Utility; P. Bober, Acting Superintendent, Sewer Utility; F. Lorito, Asst. Superintendent, Sewer Utility

The agenda of this meeting, to the extent known, is as follows:

Review of the Mayor's 2010 Budget Recommendations

FORMAL ACTION MAY OR MAY NOT BE TAKEN.

Adequate notice of this meeting has been provided in accordance with the requirements of the Open Public Meetings Law by filing the notice in the Office of the Township Clerk and by posting the meeting notice on the bulletin board at the Municipal Building on April 14, 2010 where it has remained posted since that date. Copies of this notice were mailed by fax to The Daily Record, The Star Ledger and various other newspapers and local radio stations on April 14, 2010.

The Township Council commenced its review of the Mayor's 2010 budget recommendations.

GOLF UTILITY (800)

Present for this portion of the budget review: R. Strechay, Director, Department of Municipal Utilities; P. DeFalco, Golf Superintendent

The Council reviewed the Dedicated Revenues from the Golf and Recreational Utility. Regarding Salary and Wages, Mr. DeFalco explained that the Secretarial Assistant is retiring June 30, 2010; a replacement will be hired to fill the position. Ms. Lim advised that the Blue Collar contract (across the board) is under negotiation. Blue Collar Supervisors received contractual increases. White Collar employees' salaries have not increased. Council President Grossi noted that the utilities are self-funding; taxes are not affected.

Mr. DeFalco, in response to Mr. dePierro's inquiry, reviewed the status of the patio construction at the Knoll West. Additionally, Mr. dePierro pointed out that cars are being parked where the golf carts are located; these patio blocks were not constructed to support cars. He had suggested some time ago to the Golf Committee that posts be erected to prohibit the parking of cars. Mr. DeFalco noted that this has been an issue; he will pursue a solution.

Several operating expense line items were questioned by the Council. In response, Mr. DeFalco explained that Course Maintenance Equipment (275) covers the purchase of new equipment, as outlined in the Golf Utility Explanatory Statement. Mr. DeFalco confirmed that the Water Usage (512) is a stationary number. Mr. dePierro, once again, expressed his view that the Township should study the feasibility of using New Jersey Reservoir water, which no one likes to drink, to maintain the greens. Ms. Lim advised that this was looked at a few years ago; it was expensive to pursue. (This will be discussed further when the Water Utility's Budget is reviewed.) Relative to Computer System Maintenance, Council President Grossi noted that every year \$10,330 is requested, but last year only approximately \$2,600 was encumbered/expended. She questioned why the amount appropriated is the same every year. Mr. DeFalco explained that this appropriation is determined by the Administration, specifically by the Township's computer expert. It was explained that the balance each year (the amount not spent) goes into the Knoll Utility surplus.

No specific questions were posed by Council Members relative to Capital Improvements.

PUBLIC HEARING – GOLF UTILITY BUDGET

Council President Grossi opened the meeting to the public, noting a three-minute time limit per speaker.

Tom Kinslow, 15 Abingdon Street, indicated that he uses the East Golf Course and asked if the Township is considering improving restrooms, noting that they are inconvenient and not well maintained. He suggested that capital funds be utilized to make improvements. Additionally, he asked if the Knoll would consider accepting credit cards as a convenience for golfers and less of a liability for the Township than “cash.”

Mr. DeFalco explained that credit cards are not accepted at either course because of the expense involved, an average of 2 to 3 percent. Ms. Lim noted that the Township is not allowed to charge more to individuals using credit cards. Revenue would be reduced. In connection with the East bathrooms, Mr. DeFalco advised that the new caterer is responsible for these bathrooms; they will be taken care of in a more responsible manner.

Mr. Messmer, 10 Drumlin Drive, questioned if golf related fees will be increased this year, noting that expenses, such as water, have increased. Mr. dePierro indicated that fees will not increase this year. Mr. Messmer asked how the Knoll can break even if the water bill has increased 38%. Mayor Barberio advised that the water rate increase did not affect the Knoll’s expenses; the Knoll’s expenses did not exceed its revenue. Mr. Messmer felt that, since the cost of chemicals and other materials will increase, golf fees should be increased as well. Ms. Lim advised that the concessionaire’s fees were significantly increased from the prior concessionaire resulting in a significant increase in revenue in 2010. Mr. dePierro pointed out that if the projected revenue equals the projected expense, there is no need for a rate increase.

Seeing no one else come forward to speak, Council President Grossi closed the public hearing relative to the Golf Utility Budget.

WATER UTILITY (600)

Present for this portion of the budget review: R. Strechay, Director, Department of Municipal Utilities; K. Ryan, Water Superintendent

Ms. Lim noted that the Water Budget is only up \$66,000 from last year, which is a .5% increase. She commented that the Administration tried to keep the budget level with last year’s budget.

Council President Grossi commented that the big issue this year has been the 38% increase in the water rate. She noted that this increase was primarily due to too much rain and the water restrictions imposed by the State Department of Environmental Protection (DEP). She indicated that she would like to explore the possibility of suspending the water restrictions because it is not fair to our residents. She explained that residents are being forced not to use water. The Council was told in the past that the water restrictions cannot be suspended. It is her understanding that the purpose of the restrictions was to ensure that Parsippany not exceed its water allotment. She noted that Parsippany was also required to purchase a supplemental source of water, which it did from Jersey City. Council President

Grossi commented that we rarely exceed our allotment, but for some reason the DEP felt it necessary to impose these restrictions. She questioned if there is some way we can offset these restrictions. Mayor Barberio indicated that one way to offset these restrictions is to request the DEP to increase our water allocation. The Mayor noted that, currently, if the allotment is exceeded, the fine is very hefty. Mr. dePierro noted that we have plenty of water in our artesian wells. He explained that the State feels if Parsippany pumps too much water, the water level is lowered and underground water will not flow to other towns, further downstream. Based on this, the State set an arbitrary number 22 years ago. We have tried to correct this, but to no avail. He agreed that we should try again. Council President Grossi suggested we consider legal action if the DEP refuses because the limitations the DEP places on the Township, at this point in time, are arbitrary and capricious. Council President Grossi expressed her view that the restrictions imposed by the DEP eliminate the Governing Body's ability, as elected officials, to determine whether to lift restrictions as a result of increased rainfall. Mayor Barberio felt that the DEP should allocate on a yearly basis, noting that we just had two hundred-year storms, just a week apart. He advised the Council that he will look into this.

Mr. Fox advised that he had paid his water bill, but in error the payment was not appropriately credited to his account. What bothered him was not that a mistake was made, but that no one apologized for the problem. He felt that the employees he dealt with (at the Collector's Office) were rude. Whoever is in charge should be a little more sensitive when dealing with the public; taxpayers should be treated with respect. When employees don't treat taxpayers respectfully, their actions reflect on the Council and the Mayor. Mayor Barberio assured Mr. Fox that his concerns will be addressed.

Mr. dePierro questioned the status of the Radio Frequency Meter installation. Mr. Ryan indicated that the entire Township will be changed over.

Council President Grossi asked if there is a mechanism available to residents to avoid being charged for sewer usage on the water used to fill swimming pools or water lawns. Mr. Ryan explained, relative to filling a swimming pool, that this is a onetime deal; the amount of water is negligible as to the dollar amount. In connection with residential irrigation, there is a credit for the sewer charge. On a commercial application, there is a separate irrigation meter; a separate rate is charged. Additionally, the Water Utility will allow a homeowner to install a separate irrigation meter. He had discussed this with a few homeowners already, but it has not been worth the initial outlay.

Mr. Cesaro implored Mr. Ryan and the Administration to keep the Council advised relative to any impending water rate changes. Mayor Barberio advised that the Council will be receiving monthly reports.

PUBLIC HEARING – WATER UTILITY BUDGET

Council President Grossi opened the meeting to the public, noting a three-minute time limit per speaker.

Seeing no one come forward to speak, Council President Grossi closed the public hearing relative to the Water Utility Budget.

Mr. dePierro questioned whether the Knoll could be irrigated with Jersey City water. Mr. Ryan noted that he had only one complaint last year, as compared to previous years, with the water from Jersey City. Mr. dePierro indicated that he had about 25 complaints regarding the taste of the water. Residents seem to know when they are receiving Jersey City water; he gets the complaints. Mr. Ryan advised that the Water Utility made improvements affecting the water received by residents. As to the idea to use Jersey City water to irrigate the greens, Mr. Ryan noted that a feasibility study was done. The small amount of water used by the Knoll didn't warrant the \$60,000 to \$70,000 initial outlay to get the equipment in place. He will provide copies of the study to the Mayor and Council. Additionally, he had a "water reuse" study done relative to piping water from the Greenbank Rockaway Valley for irrigation only. It was determined that this would not only be costly, but DEP permits would be required. Mr. dePierro stated that he is not interested in the second study. He is more interested in using up the Jersey City water minimum and not making residents drink it.

In connection with Capital Improvements, Mr. Ryan advised that 9,300 Radio Frequency (R.F.) Meters have been installed to date; there are 3,000 inside meters still to be installed; 2,000 pits to go. After the residential is completed, the larger commercial meters will be installed.

SEWER UTILITY (700)

Present for this portion of the budget review: R. Strechay, Director, Department of Municipal Utilities; P. Bober, Sewer Plant Acting Superintendent; F. Lorito, Sewer Plant Asst. Superintendent

Prior to commencing a review of the Sewer Utility Budget, Council President Grossi asked the status of the Water Treatment Plant renovations. Mr. Bober advised that the project is on schedule. Mayor Barberio noted that if the project is completed by December 26, 2011, the Township will be forgiven \$5 million of the total loan approved.

Council President Grossi noted that, as with the other utilities, the Sewer Utility is driven by its fees; it is not funded by property taxes.

In connection with Dedicated Revenues from the Sewer Utility, Ms. Lim explained that more surplus is being used in order to balance the budget. Ms. Lim further explained that the Sewer Utility may end up collecting revenue greater than the amount noted in the budget; any amount not anticipated will go into surplus. She advised that there is an \$863,000 decrease in the budget.

Several other expense accounts were questioned. Mr. Cesaro questioned why there is a big spike in the amount requested this year for Chemicals/Chlorination (239). Mr. Bober

explained that, over and above the ongoing construction, the Township is about to receive its next operating permit, noting that we would receive this permit whether or not we kept our old facility. In that permit, there will be a requirement to remove Trihalomethanes (THMs). Normally, the approved way of doing this would be eliminating all the chemical disinfection in the back of the facility and installing, instead, an ultraviolet disinfection system at an anticipated capital cost of about \$5 million in addition to at least \$300,000 a year in operating costs. He is hoping to employ a method used at the Wayne facility to prohibit THMs from forming. If he is successful, the capital cost will be under \$25,000 with a yearly chemical operating budget of about \$60,000. Ultraviolet will not have to be purchased if this works. Mr. Stanton questioned Permit Fees (285), noting that \$55,800 was requested, but \$80,800 was appropriated. Ms. Lim advised that this increase is due to the recent settlement agreement with the DEP. The amount budgeted for Electric (303) was discussed. It was noted that the plant upgrade will significantly reduce the amount expended for electricity. Additionally, per the Mayor, as a result of the upgrades and a new incinerator, there will be a host of new revenue available to the Township.

Relative to Capital Improvements, Mr. dePierro questioned why the project to Rebuild the Lake Hiawatha Pump Station is not funded. Mr. Bober advised that there are no plans to rebuild the station this year. We plan to “smoke test” the entire area first; about three-quarters of this project has been completed. Every inch of line from the small lines up to the major trunks in that area has been cleaned; we are going to TV every suspected bad line in Lake Hiawatha. Ten percent has been done as of this time. Mr. Bober noted that almost 90% of all the I and I (Infiltration and Inflow) in the Township comes from that area. He advised that the Sewer Utility is going to find all of the leaks it possibly can, solve them first, and then look at taking one of the two areas served by the Lake Hiawatha station to run a piece by gravity. If we are successful with these improvements, we will be able to build a significantly smaller station at a greatly reduced cost.

PUBLIC HEARING – SEWER UTILITY BUDGET

Council President Grossi opened the meeting to the public, noting a three-minute time limit per speaker.

Roy Messmer, 10 Drumlin Drive, questioned Dedicated Revenues From Sewer Utility. Ms. Lim, in response, explained her understanding that we are on a “modified accrual basis.” Ms. Lim explained that the real expenses wouldn’t have exceeded what was budgeted. Mr. Messmer commented that he is trying to understand what the positive cash flow was last year (the difference between the 2009 surplus and the 2008 surplus). Ms. Lim replied that it was at least \$2 million. There was a \$4 million surplus at the end of last year; \$1.2 million of which is being used this year.

Seeing no one else come forward to speak, Council President Grossi closed the public hearing relative to the Sewer Utility Budget.

MOTION TO ADJOURN: Mr. Cesaro

SECONDED BY: Mr. Fox

Roll Call:	Mr. Cesaro	-	Yes
	Mr. dePierro	-	Yes
	Mr. Fox	-	Yes
	Mr. Stanton	-	Yes
	Ms. Grossi	-	Yes

MEETING ADJOURNED: 7:45 p.m.

Minutes Approved May 18, 2010