

THE LANDIS SEWERAGE AUTHORITY
SPECIAL MEETING
December 4, 2013

Pledge of Allegiance.

The special meeting of the Landis Sewerage Authority and City of Vineland Council was called to order by Chairman Errickson at 5:30 p.m. The following members were present at roll call: Villar, Merighi, Silva and Errickson were present. Gana was absent.

The following members from the City of Vineland Council were present at roll call: Calakos, Gonzalez, Procopio, Spinelli and Fanucci were present.

The proper notice was given to all members in accordance with the by-laws.

Chairman Errickson stated that public notice of this meeting, pursuant to the Open Public Meeting Act, has been given in the following manner:

1. Posting written notice in the lobby entrance of the Authority.
2. Emailed notices to the offices of the Daily Journal and The Press.
3. Emailed notice to the office of the City Clerk.

Keith Petrosky stated that Open Notice of this meeting pursuant to the Open Public Meetings Act, has been given by the City Clerk on November 26, 2013 in the following manner:

1. Posting written notice on the official bulletin board in the lobby of City Hall.
2. Providing written notice to the offices of the Daily Journal and The Press.
3. Filing written notice in the office of the City Clerk of the City of Vineland.

Also present: Dennis W. Palmer	Executive Director/Chief Engineer
Jennifer M. Ketcham	Allocation Coordinator
Ruben Bermudez	City of Vineland Mayor

Commissioner Silva stated that he would like to call a motion that you, G. Steven Errickson, as the Chairman to preside over this meeting between the Landis Sewerage Authority and the City Council Members of the City of Vineland to discuss shared services between both entities it was seconded by Councilmen Fanucci. Roll call for the Landis Sewerage Authority: Villar, Merighi, Silva, and Errickson voted "yes". Roll call for the City of Vineland: Calakos, Gonzalez, Procopio, Spinelli and Fanucci voted "yes".

Chairman Errickson stated that there will be public comments but because of the large number we are going to have a fifteen (15) minute time limit per person. At this time is there anyone from the public that would like to speak?

Mayor Ruben Bermudez thanked everyone for having this discussion this evening and stated so that everyone is aware that the people who know me in the City of Vineland as a Councilman for eight (8) years, I have spoken for a lot of things in the City of Vineland one (1) of the major issues back then was when the Electric Utility was going to be sold and I didn't waver. I took my position and that is something that I am glad that I did. There are many benefits that we have received because of that as an Electric Utility. Tonight we are going to be discussing LSA. I would like to say that if there is anything that would come to my attention that would jeopardize the LSA I will be the first one to tell you that we shouldn't do it because I don't waiver – I stick to what I believe in. This is a good thing for all of us – the citizens of Vineland, rate payers of the LSA, it is the right thing to do at such a time.

Mayor Bermudez stated that number 1; I am personally committed to Shared Services and cost savings for the citizens of Vineland. There are four (4) utilities in the city Electric, Water, Sewerage and Solid Waste. I am hoping we can merge and operate. Consolidation is a natural fit into my strategy of Shared Services which is of course the LSA, which is independent from the City. It is the right thing to do. City utilities, Electric, Water and Solid Waste are doing an excellent job as is the LSA – combined they have the potential to be even better and at a reduced cost to the City of Vineland. Our initial auditor's report showed the potential for substantial initial savings which will only grow over time as full assimilation is achieved. It is amazing what they came up with, with just the little information that they were able to receive. They came up with a plan for the LSA. We also believe consolidation is critical to future economic development planning which is very important to me as Mayor. We have to look and plan ahead of time to bring business to our City we must think of the City of Vineland first. We can't think outside the line of our borders of Vineland or go regional. Think first about Vineland this is the only way we will bring business to our City. My personal commitment to each and every LSA employee is that they will have a place in the combined organization, no one will be laid off or see any reduction in benefits - that's awesome. I don't see how we can't understand that it is a win-win for all of us. There is no down side to this at all – I don't see it as a matter of fact I see it even better. I see it improving so to me tonight I've always stood by my grounds and what I believe in, people know that I don't waiver, I believe in what I believe in and I think that this win-win is the right thing to do at such a time. I would like to thank you for the opportunity but I have another meeting at 6:00 p.m. that I have to be at but please understand that this is the right thing to do. At this time I would like to see if Mr. Joseph Isabella would say a few comments if he would please.

Chairman Errickson questioned Mr. Isabella as to whether he was speaking on behalf of Mayor Bermudez or for himself?

Mr. Joseph Isabella, Director of the Municipal Utilities, stated that he would be speaking for himself then thanked everyone for the opportunity to speak tonight. Mr. Isabella stated that incidentally he was not on the distribution list announcing this meeting and that he found out about it because someone forwarded a copy of the email. I find it hard to understand how a mutual discussion of mutual shared services between the LSA and

the Municipal Utilities can take place without me being present – I find that hard to believe. Further, I offered to make a presentation tonight to cover aspects of our, we call it, Project Unity plan and I was turned down by Mr. Palmer. City Council you must remember that you are the sole decision makers in this room. LSA exists because you let them exist and if you decide that they don't exist anymore then they don't exist. I think you are going to hear one side of the story this evening and I think you need to hear two sides of the story before you make a decision. Our team stands ready to make a presentation to City Council in an Open Public meeting showing the other side, the most important side. I look at what you are going to hear this evening as something akin to the NFL pre-season, what we are going to talk about is the real season. We are going to talk about Operation Synergies; we are going to talk about oversight and public scrutiny and the differences between the City's oversight and public scrutiny and the LSA's oversight and scrutiny. We are going to talk about civil service issues that have been raised, studied and we know what they are. We are going to talk about financial issues and our financial capabilities in the City. We are going to talk about the major challenges facing LSA even though I don't think you are going to talk about it. All utilities with buried underground services are facing major degradation of their infrastructure that is going to require very significant capital infusion over the next 20 years. What is the best organization that can achieve that infusion of capital at the lowest possible cost? You might want to think about that. Mostly, and the Mayor touched on it, is strategic congruence between the City and LSA Board. The City, City Council and the Mayor, are responsible for the wellbeing of all the citizens in Vineland. The LSA Board is responsible for a small subset of the City's needs and the bond holders. Those objectives are often not the same and so we are going to talk about how strategic congruence with the City and what the potential impacts are on economic development of that offset of strategic objectives. That is all I have to say tonight – thank you very much.

Chairman Errickon questioned if anyone else that cared to speak?

Mr. Steven Lewis of 1322 Brandywine Drive, Vineland, commented that he listened to what was just said and he feels that Mr. Palmer has done an excellent job with the LSA for the rate payers. He has kept the budget low so the rates for the sewer system have been low so as far as that goes he is doing a wonderful job. Mr. Palmer is very knowledgeable and has very good people working for him and I am sure if things come up he knows how to handle them already without people saying anything. To me I take my hat off to Mr. Palmer for the work he has done. My concern about all of this is that if the City takes over what happens to the surplus that the LSA has for when they have future projects? As we can see right now, Mr. Isabella is doing a wonderful job on the Electric Company but if he never gave money to the City every year he might have been able to pay cash for some of his projects instead of having to borrow money. As a citizen that is how I see it and if the City takes money away from the LSA and they don't have extra money so when things do come up they are going to have to borrow money and that is what my main concern is. If the City takes money from the Landis Sewerage Authority what are they going to do when they do need money? It all sounds good but when you look at the water company they couldn't even afford to fix the water towers until they had to bond money to do that through the last Administration because they

didn't have the money. Where did all their money go? I always look at this as a hidden tax. Not everyone in Vineland has sewerage so the people that do have sewerage and the LSA gives the City money in a sense they are paying more money to the City themselves because we are the ones that pay the bill for LSA. In a sense it is a hidden take as far as I am concerned. Another concern is that if the City really needs money you will just have to raise taxes and nobody wants to raise taxes but they do need money that is what you will just need to do instead of taking money from Electric Utility, the Water Utility and the LSA to try and help their budget out. Over the years if you look and see how much money was actually taken from these different companies, how much money did the City give over the years? If you don't have water and you have a well, you are not paying that extra money to the City the people with city water do and that is for their service. Any extra money they could have had they could have taken care of the problems. That is how I feel and I look at all the information and knowledge that everyone else has. You also have to be careful of shared services. I read an article in the paper the other day that the County's want to take over the selling of shore tags. That means that the City's that were selling shore tags wouldn't get the money anymore because of the County. If the County starts making money on shore tags the State is going to say wait a minute we will sell them and then who gets the money - the City won't get anything. The shared services are all well and good as long as you are not going to break people up because everyone needs a job and LSA isn't in a position where they are going to raise rates unless they have to. Thank you Mr. Chairman.

Chairman Errickson asked if there was anyone else who would like to speak.

Mr. Neil Lewis as a tax payer, who doesn't have a well or sewerage, questioned will there be a plan that everyone gets it? Now if there are shared services everyone should be entitled to it. I am sure people will be concerned that since it is going that way why don't I have it? It is like you are paying for it since you have shared services. Thank you.

Chairman Errickson asked if there was anyone else who would like to speak. There was no response Chairman Errickson questioned again and still no response so he closed the Open Public portion of the meeting.

Chairman Errickson gave an opening statement to the group welcoming everyone and thanked them for being here tonight. I thank all the dedication of all of the Officials, I appreciate everyone being here and taking the extra time and work but your dedication always shows. Tonight is a historic moment for the City of Vineland to have the Mayor, City Council and the Landis Sewerage Authority meet together at the same time. So it is a moment in the history of Vineland. It might be repeated some time but I know it is the first in my lifetime. I believe tonight's meeting will be one filled with cooperation and friendship and together we will develop a shared service program that will be beneficial to everyone in the City of Vineland. I would like to remind everyone that this is a special meeting called tonight for the soul purpose of establishing a shared service program that will benefit the tax payers and the rate payers. With that I would like to turn this over to our Director, Dennis Palmer.

Mr. Palmer thanked everyone for coming out tonight. As Chairman Errickson stated this is a historic moment. Some of you have been here individually; we welcome you for a tour. I am actually wearing my candy cane tie today because I was with a bunch of children. One of my favorite things of being part of the Vineland Rotary is today we had, at the Mennies School, a special needs Christmas or Holiday party for about 150 children and for someone that might be their best Christmas present and Santa comes in, between that and giving out dictionaries to the Third Graders, they are my two favorite things that we do in Rotary. Here we are talking about what we can do here in the community. Shared service is something that has been kicked around and quite frankly we have had a long history working with the City on shared projects. Most of the industrial parks, development around the hospital area pump station, the expansion back in 1993 and 1994 by the Cumberland Mall and K-Mart where we worked together. That whole area didn't have sewer, frankly the Mall itself wouldn't be the mall it is today without construction of sewer lines, the Mall had its own treatment plant at one time. Working with the City has provided a lot of economic stimulus and economic development in the City, working with UEZ and EDA and some local funding on building those projects. I think a really great shared service project just happened and is happening right now and that is the working on the Burns Avenue Sewer line and the City with the water line. There are some issues that arose with that and frankly the Authority stepped up, Bob Schwarz and I spent a whole Friday on pulling information together to help the City's Consultant out to save the bacon on a project that was quite significant in size and at least \$500,000.00 in a grant to help pay for the sewer out there. That will work in our planning to put the line deep enough at slopes and sizes that can handle the whole south end of town. Both Main Road and Lincoln Avenue go uphill from that area and it opens up a whole quadrant of the City for potential growth. There is a lot of commercial zoning along Main Road so that will be helpful to, and of course if something happens with, Magic Sports or something is going to happen at that exit. We did the same thing when the hospital was being built. The County was paving the road and LSA put conduit under it to put future pipes through. When the County paves the road it is closed down for 5 to 7 years. Nearly a year later the hospital came along and by having that infrastructure already constructed we were able to build the lines and the pumping station that serves the hospital, rehab hospital all the doctor complexes up and down Sherman Avenue so we were a head on that one and we hope that this one moves forward. The next cost sharing project is the grant management on that project, a little bit of an expansion of cost, but for a few \$1,000.00 that we can share in a cost sharing with the City to attract \$500,000.00 is very valuable. Business models, unlike what we heard earlier, I absolutely believe that the City is the best business model to provide public safety, police, fire, public works, engineering, planning the things that it does today. On the other side, the Authority absolutely believes that the best business model is the model we are talking about where the Authority continues to run the sanitary sewer system. We provide planning, deal with the DEP. The DEP permit issues are complex to say the least. The Authority has an exemplary record without a zero fine or penalty issued against it in over the 20 years that I have been here, frankly a much longer history then that. We have the staff and the laser focus on the ability to comply with our DEP permits and all the compliance issues with that and also looking at upgrading our facilities and implementing asset management.

The Authority, also in asset management, doesn't like the idea of always punching a public credit card and that going out and putting a little aside through our reserves to pay for these as we go along. The DEP and EPA are actually pushing with asset management that you put about 5% of your budget away each year for renewal and replacement so you can keep your system up and meet the standards and requirements. You have the ability to upgrade your pumps or pipelines or whatever else comes down the line. That is the way that we practice things. We think that both of these are good business models, they both have lasted longer, I would like to say in some respects the Authority is older than the City because Landis Township founded this before the merger, so we have been around for a while, since 1946. I had the opportunity to speak to the CEO group and it was on Veteran's Day and Authorities and Veterans are so closely aligned. You may ask the question why, when the veterans returned from World War II the towns and municipalities couldn't handle the extra cost for the infrastructure for all the homes that were happening when the veterans were returning. The state and legislature passed a bill in 1946, which we were created the same time, so independent authorities could take that burden off municipal budgets but the authorities proceed to do their own bonding and they could build that infrastructure. Authorities were constructed to take the burden off of municipalities and they have been doing it very well for 70 years and I think we have been doing the same job for 70 years as well.

Mr. Palmer stated that shared services promote both these models to the benefit of both the ratepayers and the taxpayers and we have had a long history of millions of dollars that we have done in the past. An issue has arisen with planning concerns, we have had some issues dealing with Franklin Township and we have heard that some people don't quite have the understanding and we would like to share a little bit about that. The Authority has no interest in serving anything outside of town other than old agreements that we have or if a court makes us do something. Franklin Township goes back to when United Poultry built a chicken plant out there, much longer than 1981, and the DEP was having nuisance, odor problems, spraying of waste on the ground and DEP pushed to have them put a pipeline down to us throughout the 1980s and the very beginning resolution was 1981-1 on January 5, 1981 to allow United Poultry to tie into the Authority. There had been successful owners up to that point in time and the very last one had a catastrophic environmental problem, Meredith Farms. They left the freezers full of chickens and then turned the electric off which became an environmental mess for DEP to cleanup. With that aside, the Township foreclosed on the property and they own the property. The way our capacity runs it runs with the ground so if you have a restaurant or shopping center and another person buys it all the capacity goes with that. That is the part of the value of the property. The same thing when the Township foreclosed on the property the capacity went with it. The Township got sued by a developer for COAH and they wanted capacity from them, the developer also eventually sued LSA and the City at that time. The Authority answered the bell and with LSA counsel went to every court case, filed briefs, filed the information, we worked on all the planning documents, which show our planning territory, and we fought that court case all the way through, we didn't want to see that capacity leave the land because that is part of our planning process. Unfortunately, the City walked away from it, not this Administration not this Mayor, previous folks some of the players are still around none the less. I am a big fan of history

and the guys at the Alamo didn't do to good when everyone left them alone, but the other side they also stayed and fought for what they believed in. We believed the sanctity of the planning, which we spent 19 years on to develop the map and books of large size to deal with that, but non the less our position is we have no intention to go anywhere else. This case we are in a court order as well as one other poultry plant. Just to clarify, the Authority is not looking to expand, we want to serve Vineland and help with economic development and I think we have shown that with what we have done in the industrial park and Cumberland Mall and now with Burns Avenue that opens up a huge venue that in an area that can be built and as we built the pipeline that the hospital was eventually built we hope again that this pipeline will end with something being built out there. We do know today that the Water Plant and Power Plant will tie into it and that is why it is a joint venture again with the City. With the amount of water coming out of those facilities you can't put that into a septic system it needs to go into an industrial facility and it will help some of the other properties along there as well. Some issues dealing with sewer alignment, we like to put sewer in the middle of the road but sometimes there are extenuating circumstances. As we worked with the project on Burns Avenue we want to make sure that we are not costing one dollar not going to the mall for Christmas shopping and our construction is right at the intersection of the mall by the Boulevard and Burns Avenue, there is a lot of traffic there so we moved the pipeline to the south side so that we could keep one lane open at least. We also spent a lot more money, normally when you tunnel under the railroad tracks you tunnel a short section, we are tunneling so we don't interrupt the traffic up and down the Boulevard and by doing that it keeps the mall traffic open. Those are things that we did in our planning going into that project knowing when we worked on it in this part of this year by the time we got the plans and specifications done we would be fast approaching black Friday, Thanksgiving and the Christmas time frame and we don't want to see any construction impact the mall's Christmas since that is their time to make money.

Councilman Spinelli asked Mr. Palmer what the impact would be if drainage were to be put in on that road with the sewer line not being in the center. Mr. Palmer stated that the sewer line is shoved over towards the fog line but there still will be room either to the other side of the road to handle it or the north side. Councilman Spinelli asked Mr. Palmer if he went deeper because of the railroad tracks. Mr. Palmer stated that at that point it is shallow so the storm line could go lower then us or adjacent, we are still only a 12 inch pipe so it is not going to take that much room and you could surely put a storm sewer within a foot of it and you would be in the shoulder almost where you want to put your catch basin anyway.

Mr. Palmer stated that the Public Portion was over but he would entertain the question that Mr. Isabella asked of who was paying for the sewer line going into Magic Sports? Mr. Palmer stated that the City was doing it under bonding and we also helped the City save a half million dollars on that project so EDA will be paying for it. This would happen like a developer would. Mr. Palmer stated that the Authority doesn't build lines on speculation so we normally wouldn't be bonding money to build a line of speculation that someone may or may not tie into because it is our ratepayers that would be paying for that capital cost if you put bond money out but in this case you are building a plant

out there, you chose to select that location and you need to get sewer so it seems like it is exactly the way it should be.

Mr. Palmer continued on with his presentation stating that while these are planning concerns, I know when I came to City Council and I came during the Public Portion at that meeting and one of the issues I raised is unintended consequences, there are so many and some people in the audience tonight are the cause of exactly that. Now the issue that 20 positions would be lost through consolidation creates serious concern because 20 of the 22 Authority employees are in the Teamsters Union and our Business Agent and Shop Stewart are here, this caused a lot of phone calls and meeting a lot of things back and forth that we had to deal with and they are very concerned with this and this kind of reckless talk is unintended consequences. It is really for the guys in the Union, it is a tight market out there and they were very concerned that it seemed exactly that their number of employees were the ones that were being targeted. We, Jim Bennett and I over the years and his predecessors, have excellent management labor relationship, the same thing with our Shop Stewart, these are hardworking dedicated people and something to reflect upon is that they are out there in the hurricanes. It is interesting when we go to the hurricane meetings and I listen to the Chief of Police and head of EMS and everyone else is that they harbor their resources until the storm is over, they don't send out or dispatch during the storm because they could be damaged otherwise, in our case we can't let a pumping station go into alarm cause that station could serve thousands of homes and be backing up into people's homes or basements. We had a collapse a couple of weeks ago; our guys responded and were out there from 9:00 p.m. to 9:00 a.m. working. Our guys are out on the roads during the hurricanes and the Super Storm Sandy they are out actually calling the electric utility and saying you have lines down and they question who are you and why are you out there. They are out responding to make sure that the pump stations are running and they are out there all night in the storms doing that be whatever storm from Lee, Irene, the Derecho to this one our guys are out there working and I was really proud that for the time the Derecho storm came through and knocked out power at our stations, through our manpower moving portable pumps and generators, using the fixed generators that we have at our facilities and other things we did not spill one drop the whole time, not have one overflow and that is credited to the dedication and hard work of the folks we have working here and we are a 24/7 business.

Councilwoman Calakos stated that she was a Union person, Teachers Union, these 20 positions that supposedly were going to be eliminated, was that something that we knew about? I thought we never heard that anyone was going to be eliminated. Mr. Palmer stated that he just heard it about 10 minutes ago. That is an issue that Jim Bennett is here for tonight to let you know that the interest is all the way up to the Hall.

Chairman Errickson interjected that he wanted to remain on the focus of the meeting.

Mr. Palmer continued his presentation on looking at the good consequences and how we can together demonstrate great leadership. I would like to look at constructive cooperation, the word compromise is not a dirty word it is one that adults utilize. I think the City, the Authority, we collectively can demonstrate collectively that good things can

happen, we hear about what happens in DC and nothing gets done, I think this is an excellent opportunity to show that something can really work well and move forward on shared services. I have some ideas and am surely open to a lot more. Just a few that I have put together I think shared services that would help both the City taxpayers and the ratepayers save cost. One is more joint economic projects like Burns Avenue. We are really proud that we could jump in at the 11 ½ hour to help the City save a half million dollars or more of grant that could have went away, we provided the technical stuff and your Consultant did a yeoman's job of pulling that together there was a lot of things that had to happen to get that done. Some things that I take, cause I have a natural tendency to think water, we do a lot of lab sampling and analysis here and the Water Department does too, we both use the same lab, this would be one ideal place to do a joint service and go for an economy of scale of price savings. Natural Gas, you buy a lot of gas where we do more sampling, obviously the jet engine pulls more gas then anything, so I think that would be another great spot. We use gas in this building and in some of our standby generators and I think we could work together there. Same thing on personnel and equipment, the Water Utility probably knows more about wells then I know and we have some issues on our agricultural site and we also have some millwright maintenance people here and I think we could share back and forth and try to knock out using outside Contractors. Same thing with chemicals that are used in both businesses that we could maybe do a joint purchasing and again get the economy scale of buying larger quantities and have deliveries made that we could look at. We have an ongoing payment, this year we have the SS9, payment to the City and one of the thoughts that I have had because I am a capital infrastructure person, in that perhaps there is some place the City could use this for capital infrastructure.

Councilman Spinelli stated that they have been bantering about sidewalks. Have a dedicated fund, whether it come out of this, whatever dollar figure would be talked about, if the LSA were to give \$50,000.00 and put in sidewalks with that \$50,000.00 dedicated total into construction. So that would be one thing that would be dedicated to just sidewalk construction, so we start taking care of our infrastructure issues and make sure it is dedicated directly to that so it won't be spent any other place. Helping our kid's safety, school safety, kids on bicycles, etc. all the things that we can fund right now unless we go out to bond. That would give you a constant input and I believe, in researching, sidewalks are about \$16.00 per square foot so ½ mile a year would be paid if you did \$50,000.00 worth on a reoccurring basis. Mr. Palmer stated that was a great idea and Councilman Spinelli stated that it was just one idea and there were a ton of others. Mr. Palmer stated that was like being at Mennies school and they all come by bus but it is the middle of nowhere and who knows if there are sidewalks there. Councilwoman Calakos stated that Petway School on Lincoln Avenue has sidewalks. Mr. Palmer stated that no other family, school or community should have to go through this year with the loss and tragedy and mourning that went with that and one opportunity that the City and the Authority could work together and fund something for children's safety would be a great idea.

Mr. Palmer welcomed Council to a tour.

Commissioner Silva stated that we frequently discuss expenses and as a business owner all my expenses and part of it is health insurance and healthcare cost, your presentation didn't speak about or go over any healthcare or health insurance issues or expenditures. Why is that? Mr. Palmer responded that he wanted to focus on shared services and one of the things is that we looked at the \$470,000.00 and what is interesting is that the Council President and I had almost immediately the same reaction. Did you look at the Authority's census and age, did you look at the Authority's utilization of healthcare, did you look at the Authority's utilization of prescription plan? I think at the Council President's direction, Allen Associates did an evaluation and what they are saying, because what was in the letter that he stated, both in a phone call and in writing, was due to the Authority's maturity, age of its employees and we have very dedicated employees. Just Monday night we gave out two (2) 25 year awards if you go around the corner photos of employees that have 20, 25 and 30 year awards are displayed and they are doing it 24/7.

Councilman Fanucci asked Mr. Palmer if he received information from Allen Associates in regards to the evaluation because he was under the impression that it hadn't been completed. Mr. Palmer stated that the letter he received, due to the maturity of our staff, in his professional opinion he would not recommend. He thought it would be a detriment to the City's ratings, cost and it would hurt your utilization numbers, our prescription numbers are very high and the same thing with our census numbers and both would be detrimental to the City. Councilman Fanucci asked for a copy of it for himself and Council. Councilman Fanucci asked Mr. Lutz if he ever received a copy of the letter and he stated no. He also stated that in defense of Solicitor Tonetta that he made a call to Allen Associates at a certain point and they were trying to reach you and you were not in your capacity at the moment so having said that you may have something forthcoming or there. Solicitor Tonetta asked Mr. Palmer if it was a letter or email and Mr. Palmer stated that it was an email with the letter attached to it. Mr. Palmer stated that he was not sure if the letter was mailed to Solicitor Tonetta by real mail and he received a scanned copy. Councilman Fanucci thanked Mr. Palmer for the letter stating that was a specific concern when they went over the auditor's report. Mr. Palmer stated that it is a big piece of the nut because it is a long term cost.

Mr. Palmer stated that was the end of his presentation and there is saving to be met and Councilman Spinelli's idea was fabulous and rings with me being with all 150 children today, safe walking, safe traffic for children to schools and we can help do that as one of the shared services dedicated that the first piece goes to there and whatever it is in the future when we meet in March or April, but I think that is a homerun.

Chairman Errickson added a comment that he has been here a while on the board and recalls different storms and snow storms and Mr. Palmer would call and let me know what was going on and I remember times when we shared fuel with the City and manpower, just different issues that came along that naturally happened. What I am looking for tonight is to expand that, I am familiar with shared service, it has been around for a long time it is nothing new. We belong to the AEA, Association of Environmental Authorities, talk about a group that does shared services great and they help out with

answers and problems and if you are in a jam you can get something that you need. Everyone in the State of NJ works together and it is not even a formal document it is just something that happens naturally. So we are used to that, I am familiar with restaurants that do shared services where they buy in bulk and share with each other. I mainly come from the private sector and even in the private sector sometimes will join together in buying goods it is not uncommon when people have a problem where they are running a major piece of equipment and would be down for six months because you can't get something someone will lend you a part to get back in business. Business ethics, that is something that we all should practice, not always but a lot of people do. I think the same thing can happen here. It is an easy lift to say that we can find things to work together with that we can find cost savings for our ratepayers and taxpayers and everyone benefits. I would like to open it up for any of the Council Members or the Board to comment.

Councilman Fanucci stated that this was going to be an open dialog so feel free to ask questions back and forth.

Councilman Procopio stated that he had to head out but he thanked the LSA for having Council but he wanted to leave everyone with one thing. I respect everyone in this room and I would hope that everyone would have respect for each other in this room and work together as you said. I hope and have faith that no one is in here for themselves and for what is best for the City. In saying that we are all gentlemen and ladies I just want to see the right thing happen, I see a lot of things going on and hear a lot of things and I don't feel that the public is properly informed and everyone should have everything on the table and surfaced and we should get down to the heart of the matter. We have two great entities and you come together could make one great entity pulling things together. Does anyone know how Walmart came together? Sam Walton merged with a competitor, one of his smaller stores next to him and they ended up going to a supply company and found PVC piping to make hula-hoops because the big companies were eating their lunch and they were able to get this stuff at a wholesale price and make it themselves and beat out the big manufactures and they did and that is how they became so big. That is one thing we have to do is swallow our pride or do what we have to do, although none of us like change, but go forward to make a better future for everyone. I would just like to leave everyone with that and thank everyone for having me and the Council Members and bringing this meeting together.

Chairman Errickson stated that it has been a long time to try and get together and I don't know why, a failure on all our parts, but we are here tonight and I would like someone in a form of a motion to allow me to direct our attorney and your solicitor to work on a shared service agreement to see what we can come up with. It was motioned by Fanucci and seconded by Spinelli. Roll Call for LSA: Villar, Merighi, Silva and Errickson voted "yes". Roll call for City of Vineland: Calakos, Gonzalez, Procopio, Spinelli and Fanucci voted "yes".

Councilman Spinelli stated that it is a no brainer that a lot of things can be shared and I think that motion to sit down and have a conversation with purchasing, shared equipment. We just talked about the other night buying a generator for the water department that they

got charged \$10,000.00 a day for because they didn't have it and they had to rent it. That kind of stuff would help both entities if that were to happen so to have this dialog go back and forth and come up with some kind of a resolution that all parties can agree on various issues of sharing is just a win-win for everyone.

Commissioner Merighi commented on motivation from Councilman Procopio's remarks. Speaking as a Commissioner and taxpayer in Vineland Chairman Errickson mentioned how we attended the AEA conference, which I mentioned here at our meeting on Monday, one of the things that I took away from this conference that I didn't realize as a Commissioner was a speaker was talking about how we are financial stewards and environmental stewards as Commissioners and members. I didn't realize that part of our role as Commissioners was to be a steward of the environment through what we do with public health that affects so many things as well as the finances as a financial steward as well. I take that very seriously and I think that kind of motivated me as a Commissioner to step up my game even more because I feel a big obligation with those two points. As a business person and taxpayer I don't want to spend any more for things so I am very interested and this AEA conference gave us a few ideas, some were mentioned tonight but other that hit the shared services idea and there is a lot of room out there for savings and I think LSA has done it and shown over the years even losing some big customers we have been able to keep the LSA solvent and moving forward. I really feel that we can mutually benefit from what we have decided here tonight.

Councilwoman Gonzalez stated that the original idea of getting together came from Mayor Bermudez, a direction from our wonderful Governor, to look into shared services and that is a great idea and I think everyone is very happy with that. Obviously, the public took it and people panicked immediately with words like merger, consolidation, hostile take-over, this is the City and you are the Authority, we can't look at it that way just look at it as utilities working together. Right now we don't know what the best idea is, obviously, shared services is the best idea up until now, we need to look at the Landis Sewerage Authority has specialized people in environmentals and we need to pay attention to that because we are a growing city and we need to make sure that our City is marketable enough for businesses to come in and know that we are a safe City in every aspect. Thank you for inviting us here today, this was absolutely wonderful, I hope we get to do this again and talk, this is a perfect way to get together and I think DC needs to look at us and use us as an example.

Councilwoman Calakos thanked the LSA Board for having them and that it was brought to her attention as to why they haven't been here before and in all honesty she does not know. I did bring my students here a couple of times for tours which were wonderful and I look forward to more open dialog and open communication with all of you gentlemen and ladies.

Councilman Fanucci stated that it is between the attorneys to discuss the legalities and it would be good for us to have a subcommittee of the two entities and get together to discuss what it is exactly that we are going to look for in the event that this is the route we all choose to take. It is incumbent upon Council because, fortunately or unfortunately

for us, this is a decision that we are tasked with and ultimately our responsibility and I want to make sure that it is a carefully calculated decision where we have all the information. Thank you again for providing the information tonight and I would like to thank our staff for preparing a lot of information for us to that we have to digest. I think we should really sit together. LSA has five total members so two would be a non-quorum for you and it would be the same for us. You and I should pick an appropriate member from each side to sit in along with your Executive Director or Mayor and Council to discuss options on what is best. If we are going to put something down and memorialize it and there is input then we can bring it back to our respective bodies and review that if you all are ok with that. Commissioner Silva questioned if we should do that as a motion? Councilman Fanucci was not sure so he questioned the Attorneys'. Solicitor Tonetta questioned Councilman Fanucci if they will be forming a joint committee? Councilman Fanucci answered "yes" and Solicitor Tonetta's response suggested that it be done through a motion. Councilman Fanucci suggested deciding the membership after fact. City Council did not want to pick members at this time since Councilman Procopio was not in attendance.

Special Council Davis for the Landis Sewerage Authority stated that he thought it was a good idea to create the committee and then just charge each entity with naming certain number so long as the whole committee, I think you need to look at itself as a governing body now, so if you have 10 members no more than four.

Councilman Fanucci suggested that at the next meeting select two members and to have some discussions in regards to that.

It was moved by Silva and seconded by Gonzalez to form a joint committee, two members from City Council, two members from Landis Sewerage Authority Board of Commissioners to come as one so they can discuss issues regarding shared services. Roll call for LSA: Villar, Merighi, Silva and Errickson voted "yes". Roll call for the City of Vineland: Calakos, Gonzalez, Procopio, Spinelli and Fanucci voted "yes".

Commissioner Villar stated that he is usually not at a loss for words but I am just happy that you are here and that we got together and maybe we can put all this to rest eventually.

Councilman Fanucci stated that he looked forward to the dialog and working together on these issues and really seeing where we are and I know our staff has some additional information for us to review, if you have anything that you wish us to review please get it to Clerk Keith Petrosky so he can get it to us. I look forward to working together.

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At 6:26 p.m. there being no further business to come before the Board, it was moved by Silva and seconded by Spinelli that the meeting be adjourned. Roll call for LSA: Villar, Merighi, Silva and Errickson voted "yes". Roll call for City of Vineland: Calakos, Gonzales, Procopio, Spinelli and Fanucci voted "yes".

THE LANDIS SEWERAGE AUTHORITY

CARLOS E. VILLAR, Secretary