

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
June 19, 2017

Pledge of Allegiance.

The regular meeting of the Landis Sewerage Authority was called to order by Chairman Villar at 6:00 p.m. The following members were present at roll call: Barse, Merighi, Errickson, Reuben and Villar were present.

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

Chairman Villar 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. Hand delivering notices to the offices of the Daily Journal and The Press.
3. Filing written notices in the offices of the Authority and City Clerk.

Also present: Dennis W. Palmer	Executive Director/Chief Engineer
Robert A. Schwarz	Field Engineer
A. Steven Fabietti	Solicitor
Carol A. Ricci	Executive Assistant

Prior to the approval of the minutes of the June 5, 2017 regular and closed meeting, Vice-Chairman Joseph J. Reuben noted that Chairman Villar was mentioned in the opening statements of both sets of minutes and that fact that he was absent for both sessions. Carol Ricci stated that they would be corrected.

It was moved by Errickson and seconded by Barse that the reading of the minutes of the regular meeting held on June 5, 2017 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Merighi, Errickson and Reuben voted "yes". Villar abstained.

It was moved by Errickson and seconded by Barse that the read of the minutes of the closed meeting held on June 5, 2017 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Merighi, Errickson and Reuben voted "yes". Villar abstained.

The Chairman asked if there were any general public comments or comments on the proposed Resolutions. There were none.

Resolutions:

It was moved by Errickson -and seconded by Barse that Resolution No. 2017-55, “Be it resolved by the Landis Sewerage Authority, that the following bills of items or demands are hereby approved and authorized for payment out of the Revenue Fund Revolving Payroll Account.....\$68,262.15”, be adopted. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2017-56, “Be it resolved by the Landis Sewerage Authority, that the following bills of items or demands are hereby approved and authorized for payment out of the Revenue Fund Bills....\$352,746.12”, be adopted. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2017-57, “A Resolution of the Landis Sewerage Authority listing payments from the 2017 Bond Issue Construction fund adopted July 5, 2016...” be adopted. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2017-58, “A Resolution of the Landis Sewerage Authority authorizing an alternate method contract with Health Insurance Solutions/Express Scripts and Wellness Plan of America to provide a self-funded prescription medication plan...” be adopted. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2017-59, “A Resolution of the Landis Sewerage Authority authorizing the return of premium of surplus funds for Prescription Medication plan...” be adopted. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that we would talk about the Wellness Plan of America under insurance and what it has done for us.

We had the top of the digester steel analyzed for thickness since it has been used for over twenty years and it came out fine. At Chamber Legislative Committee we came out with a letter for the paid family leave which doubled the number of weeks from six to twelve and also the number of days to eight four days you can take leave and what impact it would have on small businesses.

All three center point irrigation systems are in and complete. Training is done and we have a payment for that tonight. Well work is continuing and I’ll talk about it under engineering. Staff did some steel fabrication and also some re-piping in the digester. Some pipes became clogged over time and some of the material from the receiving

station goes to the sludge heaters and keeps it hot when it goes into the digester. Some of the grease started to congeal and build up in the pipelines. We also had some discussion with GHD on design as well.

Field Engineer

Bob Schwarz reported that he attended a pre-construction meeting at City Hall regarding traffic signal upgrades. Work will start around July 10th with a 120 day completion date. All work will be behind curbs.

Paving specifications and contract documents are on the street. Bids are due July 6, 2017. Also, Sears is closing and we are working on the easements. This construction project will not impact this business since construction will start after they close.

Perry Barse asked if there would be 20 new lights on the avenue and Bob stated that there would be 20 new holes. The holes have to be reinforced. Perry asked if it would be similar to what we have now and Bob stated it would be updated and more modern with cameras, LED's. Perry asked if Sears had reached out to us. Dennis stated that there has been ongoing discussion between our engineer and Chicago's property management people. A huge concern we had that when we went out to bid this Fall we would be digging during back to school shopping or Black Friday and Christmas shopping. Now that doesn't matter. There seems to be some success in Chicago for the easement. Perry stated that the property is dated and are they going to tear it down? What functionality does it have in 2017? Dennis stated that it is an old building with an unrecognizable entrance. They have never talked to us about anything like that.

Solicitor:

Steve Fabietti stated that the matters he has been working on are not for the public meeting.

Chairman: No Report

Dennis stated that he sent a memo out on two personnel matters; we have two new people starting today and there will be some overlap for training purposes and with that the organization chart will be exceeded by one for a short period of time and we want to do an adjustment for one of the guys at the farm. We need a motion to authorize the actions that were addressed in my memo of June 16, 2017.

Issues and Correspondence: It was moved by Barse and seconded by Errickson that the Executive Director be authorized to exceed the organization chart for training and salary adjustments in accordance with the June 6, 2017 memo. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted "yes".

Committee Reports:

Engineering/Plant:

Dennis Palmer reported that there was discussion with GHD Engineers for the plant. We found that on the north storage tank we can mix it with a new blower and we tried it out and it worked well. We can do it without any piping work. That will delete that whole mixing system because its half or less thick as the one in the south tanks. We'll put a new mixing system in there. That will save some construction money. Also, on a lot of items, to get a really good price you want to name two manufacturers because the general contractor is going to go to the two names and may look at some other people, but it makes those companies sharpen their pencils if we name two. We've spent the last month asking where we can get two vendors on the main screws, on the blower compressors, on the bubble diffuser system. That's been the discussion and we can get much better pricing doing it that way. We've done it on trucks and other items too. The dialog has been with the same with Mott MacDonald. There have been several emails and discussions on the easement. Bob and I did this many years ago when we had a 49 or 50 year lease on that site. We had to deal with Chicago to get the lease for the next 50 years. They don't want to do it in perpetuity. They want to do it in 50 year bites. We're trying to work through their systems and it continues to progress. First it was to find the person and then have that person carry the ball for us in Chicago.

Inhouse we are doing steel fabrication and our guys are doing a real nice job welding the wide flange beam together to make a platform where the new storage tanks will sit. We did the re-piping work in the digester building. We have some really talented mechanical guys.

Budget/Finance:

Treasurer Merighi reported that income is approximately \$226,444 or 5.4% over budget and expenses are approximately \$5,031 or .12% under budget. Accounts receivables increased approximately \$718,270 due to the June billing. The Authority continues to be affected by the economy and is keeping a close watch on its budget. We also have finance committee meeting on Thursday, June 29th to go over the Audit.

Human Resources

Dennis reiterated that we have two new employees starting today and we will have a retirement at the end of the month. One of our long term employees, Steve Rumpf, a great guy and worker. We used him to train the new employees coming in. Whatever location or station he worked, it was spotless and he did a great job and we will miss him.

Public Relations: None

Insurance Committee:

Carol Ricci thanked the Commissioners for taking action on Resolution No. 2017-58. This was really great news that we have a \$70,000 surplus and we can give back to the employees. Usually we're always pulling money out of their paychecks for insurance. The bulk of it is due to great claim management, a three year rate cap but the big thing was signing up with Wellness Plan of America which acts as the liaison between the member patient and the drug company for any drugs that are over \$2500 a month. It really took the edge off of our expenses. There's a process to go through for those people who utilize this. They work with the clients and so we ended up with this surplus. Tomorrow morning we're having a meeting with everyone and they don't know what's going on and Dennis is going to pass out the checks. It truly is a wonderful thing. We never thought this would happen. We have a very creative team with Health Insurance Solutions. These people are so resourceful and I know that Dennis will agree with me that between Jim Whittaker from Cynergy and Nanette Poserina from Health Insurance Solutions who is the principal. They find ways to do things. Dennis said that are a kick butt bulldog. When you look at what we had previously and we had a lot of discussion last year and it was for a \$75,000 savings. There was some trepidation because it was new and how you deal with these hepatitis drugs and their expense and how can you avoid that. Not only did we save \$75,000 but here we have \$69,000 and change coming back as a surplus. I sat down with Carol and said that obviously the bulk of it belongs to the Authority but there is a proportionate share that is associated with the employees' contribution toward their prescription plan as well. Tom did the ratios and everyone gets a slightly different check depending on if you are single, husband and wife or family or parent/child. That weighs into the proportionate calculation. Tomorrow we are giving back to the employees their own money and part of it is also if you use the plan with the mail in causing lower overhead and a savings to the Authority and the carrier. If the employees are prudent in their use of the system has helped this happen.

Carol Ricci stated that he had an interesting visit with Scott Haefetz and Associates. You need to speak with them to see what's out there. The rep that came in was an accountant and a producer. I sat with him for about an hour and he had no idea who Wellness Plan of America was. They called to make his appointment from a California call station. Haefetz is that big and they didn't know about WPA. This is a really good plan.

Carlos Villar stated that on behalf of the Commissioners we commend you on managing this plan so well to not only get money back for us but for the employees.

Tom Merighi asked if this was from last year when we had the plan from Allen Associates that was a defined number and this is the company we were not sure where the number would be and because it was based on usage of high drugs. Dennis stated we had some on those drugs but because of HIPPA we have no knowledge at this time. Last year I called it the circuit breaker. They came in and they were the advocate, they worked with the employee and the drug companies. You see the ads on TV and they really did that

kind of advocacy if those things should arise. Therefore we had a \$75,000 savings and on top of that we now have this additional surplus that is \$69,000 and change so it's a

\$130,000 plus savings to the Authority and its employees. That circuit breaker will be there now and in the future with the plan use adopted tonight.

Tom Merighi asked if we should put that rebate into a lock box this year in case it's the opposite. Dennis stated it doesn't work that way since this cash is income for this year and it goes to the bank. Its money counted in this year. Our premium is a fixed rate for three years. Carol Ricci stated that we're actually \$800 less than last year. We didn't drop down the surplus number so we'll see how next year falls. There could be a surplus or we could be right where we are paying that premium.

Tom Merighi stated we pay the stop loss as the budget item. Dennis stated that you will pay the premium and if you hit one of those \$50,000 or \$75,000 drugs, we pay \$2500. Carol Ricci stated that we do have a co-pay depending on the drug and the cost. We only have a few people using the plan right now and that's part of the surplus. We really should never have been in a co-op and not talking against anyone there were 1100 people in an entity in that co-op. We're only 49 people. Some of those utilities had four and five people with Hep C so we're thrown into that mix with all of those people and we pay for everyone's hurt. It was too big. We're absorbing that pain even though we don't have anyone being treated for these diseases. It was just not sustainable and in particular with a 15% increase in premium paid which is right out of the employees' checks and here we're giving it back to them. I'm amazed and happy for our staff and the Authority.

Allocations/Administration:

Dennis stated that Progresso is closing faster than we thought. We thought they would run to the end of June. We're going out to do some samplings tomorrow but it seems the flows are already starting to drop off and clean-up is starting to happen. We caught a little piece in the June bill but that's already happening. Carlos Villar stated that we've already taken steps for that and Dennis replied that we had the rate increase.

Old Business: None

New Business:

Dennis mentioned that everyone received a flier from the AEA dinner for Commissioners. I told them that Mount Laurel is not South Jersey that it is an hour plus ride.

Adjournment:

At 6:25 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Reuben that the meeting be adjourned. Roll call: Barse, Merighi, Errickson, Reuben and Villar voted "yes".

THE LANDIS SEWERAGE AUTHORITY

PERRY D. BARSE, Assistant Secretary