

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
March 16, 2015**

Call to Order: The Regular Meeting of March 16, 2015 was called to order at 12:00 p.m. with the Pledge of Allegiance by Arthur Haney, Chairman.

Announcement: Chairman Haney announced that this meeting is being held in conformance with the Open Public Meetings Act. Notice has been given to the newspapers and notice of the meeting has been posted in public places.

Roll Call: Present:  
Arthur Haney, Chairman  
Edward Testino, Secretary  
Anita Greenberg, Treasurer  
Brian Cahill, 1<sup>st</sup> Alternate  
Paul Carlock, 2<sup>nd</sup> Alternate

Absent:  
Richard Greene, Vice Chairman  
Frank Weber, Assistant Treasurer

Also Present: Guy Donatelli, Executive Director  
Michelle Smith, Comptroller  
Michael Roy, P.E.  
Mitchell Jacobs, Esq.

Executive Director's  
Report: Guy Donatelli, Executive Director

**Monthly Distribution and Drinking Water Analysis**

Executive Director Donatelli discussed the Drinking Water Analysis-Monthly Coliform Summary Report from Precision Analytical Labs and the Monthly Water Distribution for February 2015.

**Drinking Water Testing Laboratory**

Executive Director Donatelli stated that there is a need to advertise for public bids for the service contract to perform water-testing analysis on the Authority's drinking water. This annual contract is necessary to perform the required water analysis and reporting to the NJDEP and is financed from the Authority's general funds. The bid opening date is scheduled for May 5, 2015 for presentation

to the Commissioners to award this service contact at the meeting of May 20, 2015.

### **Central Park Sanitary Sewer Lining**

Executive Director Donatelli stated that there is a need to advertise for public bids for a construction contract to perform cured-in-place lining within the sanitary sewers in portions of Central Park. The most critical sewers will be lined based on the condition of deterioration discovered during CCTV inspection of the sanitary sewers in the Central Park development. This work was budgeted for and will be financed from the Authority's General Fund. The bid opening date is scheduled for May 6, 2015 for presentation to the Commissioners to award this service contact at the May 20, 2015 meeting.

### **Billing System Upgrade**

Executive Director Donatelli stated that he has distributed to the Commissioners proposals to upgrade the billing system and create a MyGovHub web portal for the Authority's customers. The upgrade will allow for multiple reading systems to be uploaded and billed as well as a web portal which will allow customers to view their account, pay bills and go paperless if they choose. He is recommending that Harris Computer Systems be authorized to implement the new system at a cost of \$25,787 for the billing system and \$6,828 for the web portal for a total of \$32,615.00. This amount has been budgeted.

Dr. Greenberg inquired if this amount includes staff training.

Executive Director Donatelli stated that the training will be extensive and is included in the cost.

Dr. Greenberg inquired if the residents could pay via credit card.

Executive Director Donatelli stated that credit card payments will incur a service fee of \$3.00. There will still be paper bills until the customer chooses not to receive paper bills, a decision which will be made by the customer on line.

Dr. Greenberg asked if the bills would be received monthly.

Executive Director Donatelli stated that this has not yet been discussed.

Dr. Greenberg asked if there would be a monthly fee for this new software.

Executive Director Donatelli stated that currently there is a maintenance fee and he does not anticipate that any significant change.

Mr. Cahill (referring to Central Park Sanitary Sewer Lining) inquired if this work is being performed on a rotation basis.

Executive Director Donatelli stated that this work is being performed on the basis of age, complaints, etc.

Mr. Cahill (referring to the billing system upgrade) stated that some companies allow slight incentives to go paperless. This could be a cost benefit to the MUA.

Dr. Greenberg stated that many seniors would prefer to not pay their bills on line.

Mr. Testino stated that he heard several news reports relating to salt infiltration into water systems. He inquired if samples were being taken to test for salt.

Executive Director Donatelli stated that anything that Middlesex Water does is going to increase costs. The product leaving the plant will meet standards. Salt testing is not typically performed, and there have been no complaints.

**Resolution**

A motion to authorize the advertisement of bids for the service contract, Drinking Water Laboratory Testing, and advertise for bids for the construction contract, Central Park Sanitary Sewer Rehabilitation as recommended was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

**Resolution**

A motion to authorize awarding a contract to Harris Computer Systems to implement a new billing system in the amount of \$25,787.00 and \$6,828 for the Web Portal for a total amount of \$32,615.00 was made by Mr. Haney and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

Chairman's Report: Arthur M. Haney, Chairman

Mr. Haney stated that Water Notification Week attempts to encourage customers to stop leaks in their water systems by checking for leaks in faucets and toilets.

He added that he is extremely pleased with the staff and the Commissioners in creating a no-increase budget.

Previous Minutes: Public Rate Hearing – December 17, 2014  
A motion to approve the previous minutes was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Testino, Carlock, Haney

NAYS: None

ABSTAIN: Cahill

ABSENT: Greene, Weber

4 Ayes            0 Nays            1 Abstain        2 Absent

Superintendent's  
Report:

Al Lunkenheimer, Superintendent Sewer Division

A motion to approve the Superintendent's Report as included in the Commissioners' packets was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call vote was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes          0 Nays          2 Absent

Engineering Reports: Michael Roy, P.E.  
Reports on Developers for Approval

**Walgreens – Rt. 516/Sound Old Bridge, LLC**  
**1. W14-641, Preliminary & Tentative Water – 4 EDCU's**  
**Plus 1 Irrigation Plus 1 Fire = 6 EDCU's**

PRELIMINARY AND TENTATIVE WATER APPLICATION  
RECOMMEND APPROVAL

APPLICATION NUMBER: W14-641

DATE: March 13, 2015

APPLICANT: Sound Old Bridge, LLC

DEVELOPMENT NAME: Walgreens – Route 516

TYPE: COMMERCIAL

USE: DOMESTIC, FIRE PROTECTION AND IRRIGATION

BLOCK/LOT: 15502/3.11 (10 Acres)

NO. OF UNITS: 4 + 1 Irrigation + 1 Fire = 6 EDCU'S

LOCATION: At the intersection of Gaub Road and Route 516 in the Browntown Shopping Center at the location of the existing gas station.

**DESCRIPTION:** Construction of approximately 150 LF of six and eight inch (6" & 8") DIP to connect into an existing water main in Gaub Road to service a proposed 13,650 SF Walgreens on a one (1) acre leased portion of the Browntown Shopping Center.

**COMMENTS:**

1. Preliminary and Tentative Review fees have been paid.
2. Township Preliminary and Final Zoning Board Approval was granted on December 18, 2014.
3. This property contains a one (1) EDCU existing water customer, and therefore this application will only add an additional five (5) units to our water system.
4. Provide peak water demand in gallons per minute (gpm) for both the domestic use and irrigation for the purpose of sizing each water meter.
5. Applicant has acknowledged that all proposed water mains and fire hydrants will remain privately owned and maintained by the Applicant.
6. All fire sprinkler lines shall be sized in accordance with the hydraulic calculation demand by a professional engineer who specializes in fire suppression, and approved by the Fire Sub-Code Official at the time of Building Permit Application.
7. Submit proof of Township Zoning Approval (signed Resolution) when available.
8. Submit proof of the Fire Official's Approval of hydrant locations.
9. Provide a list of outside agency permits required for this project including County and Township Road Opening Permits. It appears that the work under this Application will not require a NJDEP Safe Drinking Water Permit.
10. Applicant to indicate if any conditions exist requiring a NJDEP Physical Connection Permit.

11. Revise drawings as follows:
  - A. Indicate existing water main size as twelve-inch (12") diameter.
  - B. Indicate the size of the proposed fire line entering the structure.
  - C. Provide an additional line valve east of the proposed hydrant tee.
  - D. Indicate hydrant valve approximately five feet (5') from the proposed hydrant in accordance with the Authority's Standard Details.
  - E. Indicate all water mains in profile to check for conflicts, indicate all crossings. The profiles shall also include all hydrant and tee locations.
  - F. Indicate existing water service line to be permanently disconnected at the twelve inch (12") water main as directed by the Authority.
  - G. Add note which states that, "The wet cut drilling operation will be performed by the Authority in accordance with the Authority's Rate Schedule at the time payment is made".
  - H. Add note which states that, "The Contractor must comply with all State and Federal Confined Space Rules".
  - I. Add note which states that, "Fire lines will be subject to more stringent pressure testing than the other water mains as prescribed by the Township Building Codes".
12. Submission deadlines for a Final Water Application package are as follows:
  - A. March 25, 2015
  - B. April 29, 2015
  - C. May 27, 2015
13. A copy of this report has been supplied to the Contact Person of the Applicant as listed on the application form.

14. Recommend Preliminary and Tentative Water Approval subject to the following conditions:

**CONDITIONS:**

1. Applicant shall pay all applicable fees.
2. All comments from this Engineer's Report dated March 13, 2015, shall be addressed with the Final Water Application.
3. Applicant to fully comply with the Rules and Regulations of the Authority and any Agency having jurisdiction.
4. This Preliminary and Tentative Water Approval shall expire one (1) year from the date of the resolution.

A motion to approve Walgreens – Rt. 516/Sound Old Bridge, LLC W14-641, Preliminary & Tentative Water as recommended was made by Dr. Greenberg and seconded by Mr. Testino.

The roll call vote was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes          0 Nays          2 Absent

**Walgreens – Rt. 516/Sound Old Bridge, LLC**  
**2. S14-506, Preliminary & Tentative Sewer – 4 EDCU's**

**PRELIMINARY AND TENTATIVE SEWER APPLICATION  
RECOMMEND APPROVAL**

APPLICATION NUMBER: S14-506

DATE: March 13, 2015

APPLICANT: Sound Old Bridge, LLC

DEVELOPMENT NAME: Walgreens – Route 516



TYPE: COMMERCIAL

DRAINAGE BASIN: Deep Run

BLOCK/LOT: 15502/3.11 (10 Acres)

NO. OF UNITS: 4 EDCU'S

LOCATION: At the intersection of Gaub Road and Route 516 in the Browntown Shopping Center at the location of the existing gas station.

DESCRIPTION: Construction of approximately 75 LF of four inch (4") DIP lateral to connect into an existing on-site clean-out to service a proposed 13,650 Walgreens on a one (1) acre leased portion of the Browntown Shopping Center.

**COMMENTS:**

1. Preliminary and Tentative Review fees have been paid.
2. Township Preliminary and Final Zoning Board Approval was granted on December 18, 2014.
3. This property contains a one (1) EDCU existing sewer customer, and therefore this application will only add an additional three (3) units to our sewer system.
4. Applicant has acknowledged that all proposed sewer lines will remain privately owned and maintained by the Applicant.
5. The size, minimum cover, material, slope and installation of the on-site sewer lateral are subject to approval by the Township Plumbing Sub-Code Official.
6. Submit proof of Township Zoning Approval (signed Resolution) when available.
7. Provide a list of outside agency permits required for this project including County and Township Road Opening Permits. It appears that the work under this application will not require a NJDEP Treatment Works Approval.

8. Revise drawings as follows:
  - A. Indicate location and elevation of benchmark (NAVD).
  - B. Indicate existing private sanitary sewer into which this proposed lateral would connect as a four-inch (4") lateral connecting to an eight inch (8") main.
  - C. Revise the title of Sheet 15 of 16 to say "Sanitary Sewer Details", as this sheet contains site-specific details to be approved by Township Code Enforcement.
  - D. Indicate the proposed cover of the proposed four-inch (4") DIP lateral.
  - E. Add note that states that, "The Contractor must comply with all State and Federal Confined Space Rules".
  - F. Add note which states that, "There shall be no prohibited wastes discharged into the sanitary sewer system including discharge from any HVAC system".
9. Submission deadlines for a Final Sewer Application package are as follows:
  - A. March 25, 2015
  - B. April 29, 2015
  - C. May 27, 2015
10. A copy of this report has been supplied to the Contact Person of the Applicant as listed on the application form.
11. Recommend Preliminary and Tentative Sewer Approval subject to the following conditions:

**CONDITIONS:**

1. Applicant shall pay all applicable fees.
2. All comments from this Engineer's Report dated March 13, 2015, shall be addressed with the Final Sewer Application.
3. Applicant to fully comply with the Rules and Regulations of the Authority and any Agency having jurisdiction.

4. This Preliminary and Tentative Sewer Approval shall expire one (1) year from the date of the resolution.

A motion to approve Walgreens – Rt. 516/Sound Old Bridge, LLC S14-506, Preliminary & Tentative Sewer as recommended was made by Mr. Haney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

Engineering Reports: Michael Roy, P.E.

### **1. Legends Center – W208-593, S208-467, Performance Bond Reduction**

Mr. Roy stated that the current status of the water and sewer improvements for this project is as follows:

1. Installation and testing of the water and sewer main construction for the Phase I (Walmart) is complete. Punch-list items for both water and sewer main construction remains outstanding. Installation and testing of the water and sewer main construction for the Phase II buildings and for the Crossroads connection remains outstanding.
2. Initial "As-built" Drawing submission has been made. Field verification and acceptance of drawings remain outstanding.
3. Water meter installations for the four (4) remaining buildings remains outstanding.
4. Replenishing the sewer escrow account as requested with the attached letter dated October 7, 2014, remains outstanding.
5. Deed of Easement for the sewer main remains outstanding.
6. Formal acceptance of sewer mains by resolution remains outstanding.
7. Posting of Maintenance Bonds remains outstanding.

With the satisfactory completion of approximately ninety percent (90%) of the water construction, Mr. Roy recommended that the Water Improvements Performance Bond (#09103216) be reduced by an amount of sixty-five percent (65%) from \$256,063.50 to a new total amount of \$89,622.23, along with the cash portion of the performance guarantee being reduced sixty-five percent (65%) from \$28,451.50 to a new amount of \$9,958.25.

Additionally, with the satisfactory completion of approximately fifty percent (50%) of the sanitary sewer construction, Mr. Roy recommended that the Sewer Improvements Performance Bond (#09103215) be reduced by an amount of thirty-five percent (35%) from \$257,616.78, to a new total amount of \$167,450.90, along with the cash portion of the performance guarantee being reduced thirty-five percent (35%) from \$28,657.42 to a new amount of \$18,627.32.

Mr. Roy stated that these amounts should safely protect the Authority with regard to the performance of the remainder of the water and sewer improvement portion of the project. The water and sewer performance guarantees are recommended to be reduced conditioned upon the Applicant replenishing the water and sewer escrow accounts.

A motion to approve Legends Center – W208-593 Water Performance Bond Reduction as recommended was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

A motion to approve Legends Center – S208-467, Sewer Performance Bond Reduction as recommended was made by Mr. Haney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

## **2. Raritan Bay Medical Center Office W12-636 Performance Bond Release**

Mr. Roy stated that the status of the water and sewer improvements for this project is as follows:

1. Installation and testing of water and sewer construction is complete and satisfactory.
2. As-built drawings are approved, mylars and electronic copies have been received.
3. The water meters have been installed.
4. All water and sewer utilities will remain privately owned and maintained by the Applicant

Based on the current status of this applicant, Mr. Roy recommended the release of the Water Performance Guarantee without condition. He further stated that the installed water utilities will remain privately owned and maintained by the commercial property.

A motion to approve Raritan Bay Medical Center Office, W12-636 Water Performance Bond Release as recommended was made by Dr. Greenberg and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

A motion to approve Raritan Bay Medical Center Office, S12-501 Sewer Performance Bond Release as recommended was made by Dr. Greenberg and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

### 3. Water Division SCADA Upgrades – Award Contract

Mr. Roy stated that on February 18, 2015 two bids were received for the Water Division SCADA Upgrades project. The apparent low bid was submitted by Quality Electrical Construction Company of West Keansburg, NJ with a bid of \$972,100.00 for Items 1 through 19 inclusive which is \$71,322 under the price bid by the second lowest bidder. No irregularities were noted in the bid submitted by quality Electrical Construction Company. The low bid of \$972,100.00 is within approximately 5% of the pre-bid opinion of probable construction cost for the project.

The second lowest bid was submitted by Optimum controls Corporation of Reading, PA with a bid of 41,043,422.00 for Items 1 through 19 inclusive. Irregularities were noted in the bid submitted by Optimum Controls Corporation.

Both bidders have performed satisfactory SCADA System related work for the Authority. Quality Electrical is currently under contract with the Authority to perform maintenance work for the Authority including components of the existing SCADA System and is familiar with the Authority's facilities. CME and its personnel have provided construction oversight services on previous projects for which Quality Electrical was the general contractor. Based on experience and Quality Electrical ongoing work with the Authority, it is his opinion that Quality Electrical is capable of performing the work required by this contract.

A motion to award the contract for the SCADA System Upgrades to Quality Electrical Construction Company in the amount of \$972,100.00 as recommended was made by Mr. Testino and seconded by Mr. Haney.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

Financial Report: Michelle Smith, Comptroller

#### **Water/Sewer Division Budget**

A motion to approve the Water and Sewer Division Budget Resolutions for the fiscal year ending May 31, 2016 was made by Mr. Haney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent

Mrs. Smith announced that the general liability, automotive, property casualty, workers' compensation, umbrella and vision policies are due for renewal in April.

Mr. Volk stated that the renewal increase for the vision policy with VSP is 4.5%. Although there were no coverage options to better the price, VSP agreed to lock in that rate for four years.

The commercial package policy includes general liability, property, auto and umbrella coverage. This policy is written through Selective Insurance Company which is a premier carrier in New Jersey and the best option. There is a 4% property value increase. Currently, there is \$79 million in property value insured through this policy. The expiring policy premium is \$479,873; the renewal premium is \$499,350, which equates to a 4% increase in the cost.

The workers' compensation policy is written through Selective Insurance Company. The experience modification has decreased from 1.039 to 0.917 reflecting a three-year trend in claims history. The water works rate has increased by \$0.98; the sewage rate decreased by \$0.1. There is an overall policy decrease of \$29,000 over last year. There is a \$9,644 decrease in the cost of insurance.

Mr. Haney asked how the 4% property increase in property value was determined.

Mr. Volk stated that the increase was determined from CPI and conversations with Mrs. Smith.

Mr. Testino asked if the policy included property and machinery replacement costs.

Mr. Volk responded that it did. Selective has performed inspections at various locations to determine value, but there are specific technical requirements for pumps, etc. which is beyond Selective's scope for replacement costs.

With respect to flood insurance, the policy with Selective includes flood insurance with the exception of seven locations – the five buildings at 71 Boulevard West; the Brookside and Riverdale

pump station; and the River Street and Appleby Avenue pump station. Because of the flood zone in which these properties are located, they are not eligible for the Selective policy. CME provided elevation certificates and a review of the locations has revealed that the main pump station at 71 Boulevard West and the pump station at River Street are not eligible for the national flood insurance program because the requirements for coverage is that 50% of the cash value of the location cannot be underground. He is working with an underwriter to find a specialty market underwriter to determine a price for insuring these locations on a separate flood policy.

Mr. Haney asked if the measurement is based upon the height at which water could enter or the actual ground level.

Mr. Volk stated that the determination has nothing to do with entry points. The calculation is based on ground level vs. the base flood elevation.

Mr. Testino inquired how many quotes were sought on the commercial insurance.

Mr. Volk stated that there were no other quotes. Selective is the best market – the best in insuring municipalities. The coverage is far superior. The deductible is \$5,000 on the property insurance. There is a \$1,000 deductible for collision and comprehensive per vehicle on the auto policy. As for the general liability, there is no deductible.

Mr. Lunkenheimer asked if Selective investigated the Brookside and River Street pump stations. The wet and dry wells as well as the generators were raised twelve feet.

Mr. Volk stated that River Street is not going to be eligible for the national flood insurance program because there is no building at the location.

A motion to authorize renewal of the vision plan with VSP was made by Mr. Haney and seconded by Dr. Greenberg.

The roll call vote was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes            0 Nays            2 Absent



A motion to authorize the renewal of the Workers' Compensation Policy with Selective Insurance Company was made by Dr. Greenberg and seconded by Mr. Haney.

The roll call vote was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes      0 Nays      2 Absent

A motion to authorize the renewal of the Commercial Insurance Package with Selective Insurance was made by Mr. Haney and seconded by Dr. Greenberg.

The roll call vote was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes      0 Nays      2 Absent

Mrs. Smith stated that the QualCare policy is also due for renewal.

Mr. Kurtz (GRMA) stated that the Authority's health, prescription, major medical and hospital policy is written on a self-insured, reinsured basis utilizing QualCare for the administration of the plan and a purchase of reinsurance or stop-loss insurance to protect against catastrophic losses. The policy is written with Munich Re, a group which insures the first \$70,000. There is a purchase of unlimited protection on a specific basis for each individual.

His proposal is to retain the program with QualCare which has done an excellent job of handling the claims and keeping the cost down through its network by providing managed care and network access. The prescription benefit is administered through Express Scripts.

Munich Re, which provides the excess layer, provided a favorable renewal. There is one participant in the plan who has provided the high dollar claims, and those claims are expected to continue. Alternative quotes have been provided by other carriers, i.e. Symetra and HM Life Insurance who proposed a higher premium

dollar as well as a higher deductible level. The HM proposal kept the plan at \$70,000 per person loss. They are lasering one individual at \$150,000. Two other carriers offered quotes at \$200,000.

With this renewal package, his recommendation is to stay with Munich Re whose rates for the group are relatively flat. For the group there will be a minor increase but when broken down between the two different plans (indemnity and HMO plus the retiree package which also puts people into four different group categories), the fixed costs will go from \$396,000 to \$401,000, and the claim costs are being held from \$1,500,000 and remaining flat, and only a minor increase in the cost for the group of \$1,897,069.08 to \$1,902,061.80. This is the way the rating structure comes to him from the excess carrier. That rate is broken out into the different carriers for both the traditional HMO, the traditional retirees and the HMO retirees.

When this rate is broken out into the multi-tier structure, the renewal increase for those individual plans is roughly 2.5% to 4.5% depending on claims history. Last year the main concern was remaining competitive with the state health plan. The Authority's surplus was used to keep the rate flat last year. In doing so, the group proved successful. With what was put into the claim trust account, it increased to over \$133,000 over the prior year.

Mr. Kurtz' recommendation is to renew with Munich Re. The state's rates increased by 6.5% last year. This year's renewal rates will not be available until July. Comparing the numbers to what the state is offering, these plans are still competitive.

Mr. Cahill asked for the definition of "competitive".

Mr. Kurtz stated that when a budget analysis with the State is performed, it must be within the State guidelines and what the state is paying under State rates. The Authority's rate is right in line with what would be paid under the State plan.

Mr. Cahill stated that the Township has done some really good things relative to health care. His suggestion is to mimic what the Township has done.

Mr. Haney stated that the Authority' plan is a self insurance plan, and this has been found to be the most stable way to keep rates competitive. The Authority is required to show that the rates are competitive with the State. He would be willing to learn more about what the Township has, and perhaps even give the Township information if the administration would consider a self insured program.

Mr. Kurtz stated that the Township had been with the Blue Cross self-insured plan, but that has changed.

Mr. Cahill's suggestion is to leverage the work that the administration has done.

Mr. Haney suggested that Mr. Donatelli and Mrs. Smith confer with the Township administration. The advantage that the Authority has over the Township is that everything is done through one plan. Whereas, the Township and the unions have multiple plans which create many headaches.

Mr. Eisenberg stated thanked the Authority for being a valued client of QualCare for many years, and he hopes to continue that relationship. QualCare continues to keep the costs down. Recently, QualCare became a part of Cigna, but QualCare will remain the same. The advantage is that there will be a national network available. There will be more products to offer clients and prospective clients. The self-funded plan has worked well for the OBMUA. Surpluses have been generated, and that is not seen on a fully-insured plan. He would be happy to review the plans offered by the Township, but he is confident that with the relationship with CIGNA, things can only get much better.

Mr. Haney stated that QualCare has done an excellent job for the Authority over the years. He is very pleased with the lack of employee complaints and a no increase cost to the Authority.

Mr. Cahill asked for a confirmation that the health insurance renewal was about to be voted upon without first conferring with the Township.

Mr. Haney responded that the QualCare contract expires in April.

Mr. Kurtz confirmed that the contract does expire in April but termination clauses may be negotiated after that.

Mr. Haney stated that he would like Messrs. Kurtz and Eisenberg to be available for discussions with the Township. Last year there was no decision from the State until July, and the Commissioners made the right decision to renew in April because the State's rates increased.

Although Mr. Cahill understood, he would have preferred that there be more of a "runway" to perform due diligence.

Mr. Haney stated that due diligence was performed, and he believes it would be a good idea to confer with the Township.

A motion to approve the renewal of the health insurance with Munich Re was made by Dr. Greenberg and seconded by Mr. Haney.

The roll call vote was as follows:

AYES: Greenberg, Testino, Carlock, Haney

NAYS: None

NO VOTE: Cahill

ABSENT: Greene, Weber

4 Ayes      0 Nays      1 No Vote      2 Absent

A motion to approve the renewal of health insurance with QualCare was made by Dr. Greenberg and seconded by Mr. Haney.

The roll call vote was as follows:

AYES: Greenberg, Testino, Carlock, Haney

NAYS: None

NO VOTE: Cahill

ABSENT: Greene, Weber

4 Ayes      0 Nays      1 No Vote      2 Absent

Mrs. Smith reminded the Commissioners that she would need their information in order to complete the revenue schedule for the State budget.

**Bills & Claims:**

A motion to approve Bills & Claims in the amount of \$1,236,267.48 was made by Mr. Haney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes      0 Nays      2 Absent

Legal Report: To be discussed in Executive Session.

Old Business: To be discussed in Executive Session.

Open to Public: Seeing no hands Chairman Haney closed the public portion.

Executive Session: A motion to go into Executive Session at 12:52 p.m. was made by Mr. Haney and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes      0 Nays      2 Absent

**The Regular Meeting reconvened at 1:13 p.m.  
During Executive Session the following items were discussed:**

- 1. Brunetti Litigation**
- 2. Contract to Houdlick & Morrison in re Brunetti Litigation**

A motion to approve an increase of \$5,000 in the amount of the contract awarded to Houdlick & Morrison in connection with work performed relating to an audit with respect to Brunetti litigation was made by Mr. Haney and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes      0 Nays      2 Absent

Adjournment: A motion to adjourn at 1:14 p.m. was made by Dr. Greenberg and seconded by Mr. Haney.

The roll call was as follows:

AYES: Greenberg, Testino, Cahill, Carlock, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes      0 Nays      2 Absent

Respectfully submitted:



Edward Testino, Secretary

Ass.

