

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY**  
**BUDGET WORKSHOP**  
**April 7, 2010**

Call to Order: The Budget Workshop of was called to or April 7, 201 was called to order at 6:37 p.m. with the Pledge of Allegiance by Chairman Smolney.

Announcement by Chairman: Chairman Smolney 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:  
Nicholas Smolney, Chairman  
Edward Testino, Vice-Chairman  
Kiran Desai, Treasurer  
Rocco Donatelli, Commissioner  
Reginald Butler, 1<sup>st</sup> Alternate – Assistant Secretary  
Richard Greene, 2<sup>nd</sup> Alternate – Assistant Treasurer

Absent:  
Thomas Galante, Secretary

Also present:  
Guy Donatelli, Acting Executive Director  
Michael Roy, P.E.  
Stephen A. Florek II, Comptroller  
Louis E. Granata, Esq.

***Announcement by Chairman***

Mr. Smolney announced that the Commissioners are under obligation to adopt a budget sixty days prior to the start of the new budget year. However, since it is within a week of that April 1<sup>st</sup> deadline, this should pose no problem. He recommended accepting Mr. Morrison's report tonight which is included in the Commissioners' packet.

Mr. Florek elaborated on Mr. Morrison's report specifically noting the amount of retained earnings, the requirement for the other post employment benefits, the breakdown of the unrestricted retained earnings beginning with the May 2009 audit up to the present, and the current year's budget appropriations.

Mr. Smolney stated that the unrestricted retained earnings are to be used as surplus, and to be transferred to the municipality pursuant to statute and a direct request from the Mayor. Some of the unrestricted retained earnings are not actual cash and cannot be used.

Mr. Florek stated that unlike the township, the MUA only recognizes income through billing. So some of the unrestricted retained earnings are account receivables.

Mr. Smolney stated that the proposal is to set aside money currently in the unrestricted retained earnings and having that fund the Other Post Employment Benefits (OPEB) and continue to pay down the liability over time with a consideration to adjust the current thirty-year basis to pay down all of the liability.

Mr. Florek added that with respect to the current employees, the OPEB will be recast with different alternatives.

### ***Comments by Commissioners***

Mr. Desai inquired about the amount of increase in cost due to Middlesex Water Company and asked how many rate payers there were.

Mr. Florek responded that there are 22,000 plus customers, and the amount of billing units is 27,469. There would be an increase of about \$20.00 per unit.

Mr. Smolney stated that the rate increase and decrease was built into the budget. He also referred to a previous meeting wherein the auditor was to make recommendations as to how to apply the water rate rather than on a strict percentage basis which adversely affects the low-end user. The auditor has been asked to adjust the 10,000 gallon minimum, but we have not as yet received the numbers for that. With the reserves in water, there is the ability to adjust the minimum charge.

In closing, Mr. Smolney stated that the budget has not varied in philosophy or numbers but does use a fair amount of water and sewer fund balance. The auditor's findings indicate that there is a 150% balance for usage.

Adjournment: A motion was made at 6:50 p.m. to adjourn the meeting by Mr. Smolney and seconded by Mr. Donatelli.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

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Thomas Galante, Secretary