

**MINUTES
SPECIAL MEETING
MUNICIPAL COUNCIL – BOROUGH OF RED BANK
August 17, 2015
6:30 P.M.**

PLEDGE OF ALLEGIANCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Mayor Menna and Council Members Burnham, Horgan, Schwabenbauer and DuPont
ALSO PRESENT: Administrator Sickels, Borough Clerk Borghi, CFP Poulos, Attorney O’Hern and Engineer Ballard.
ABSENT: Councilman Zipprich

Mayor Menna said the sole purpose of the meeting was to consider a resolution that had been carried from the previous meeting subject to review by the Council’s Public Works Committee. He said the Council had received a report that had been issued by the Chair of the Public Works Committee dated August 14, 2015.

SUNSHINE STATEMENT

Mayor Menna requested the minutes reflect that, in compliance with Public Law 1975, Chapter 231 (Open Public Meetings Act), notice of this meeting has been provided by notifying the Asbury Park Press, the Two River Times and the Star Ledger and by placing a notice on the bulletin board and filing same with the Borough Clerk on August 12, 2015.

RESOLUTIONS

15-206 A Resolution Accepting Bid from and Awarding Contract to Delisa Demolition, Inc. for Solid Waste and Recycling Collection Contract.

Mayor Menna confirmed that everyone had received the report from the Department of Public Works Committee. He reviewed the bidding process and the terms of the proposed contract. He said it was something they had reviewed and considered for long time.

Mayor Menna asked if anyone wanted to be heard on the Resolution.

Sean DiSomma—35 West Street—said the issue had first been brought up approximately two years ago. He said it had been up for a vote about a year ago but asked if it was correct that the bid had been “messed up.”

Mayor Menna said that was not correct. He said they had not included a provision that would have required the contractor to hire any individual who would lose their employment. He said that provision was in the new bid.

Administrator Sickels noted that there had also been a question about how much savings the Borough would have realized and said there was also concern regarding whether or not the specs were specific enough to get the best price. He said the specs were revised to include more details.

Mr. DiSomma said he wanted to clarify why action hadn’t been taken a year ago and asked if it was because the specs weren’t detailed enough.

Mr. Sickels again said the specs came in high and there was a question about what the Borough’s savings would be. He said the Council authorized a study by an outside firm to give the Council a better picture of the operation and costs associated. He said the report was distributed the first week of May and the Council authorized them to go back out to bid.

Mr. DiSomma said he believed a cost benefit analysis had been done the previous year and asked if it had been released or if it had been compared to this year. He asked if the whole Council had seen it.

Mr. Sickels said the 2014 cost benefit analysis had been done in house. He also noted that the numbers had all changed because there was a new contract. He said a new cost benefit analysis was done by Jersey Professional Management was distributed to the Council back in May and redistributed to the Council approximately two week prior.

Mr. DiSomma asked what the difference in savings was between the two cost benefit analyses.

Mr. Sickels said the current report had a lot more detail including regarding the hidden costs of Workman’s Comp. He also said the savings were real because, when they had gone out to bid, they had saved money when the bids came in lower.

Mr. DiSomma asked if it would be fair to say that, if they had done their due diligence a year ago, the Borough would have saved over \$400,000.

Mayor Menna said they would not have saved because the bids would have been higher.

Mr. DiSomma said Mr. Sickels had stated that the bids were high because they didn’t have enough information.

Mayor Menna said that was not true. He said the market was such this year that, even in other municipalities, they were seeing more competition and a trend toward more efficiency of scale. He said the real savings was not

just the contract and the workman's comp but also the extraordinary expense of replacing equipment that would always break down and had significantly gone up in price.

Mr. DiSomma asked about the employees that would be reassigned.

Mayor Menna noted that there had been a number of employees that had left through retirement, other employment, health issues, workman's comp issues and terminations. He noted the Councilman Zipprich had expressed concern about the staffing of DPW. He said there would be no need to reassign due to the vacancies and added that the Department would be reorganized.

Mr. DiSomma confirmed that the staff that had been handling sanitation would be moved into other areas.

Mr. Sickels said that was an oversimplification of the process.

Mayor Menna clarified that staff from other divisions had been filling in on the garbage trucks due to manpower issues.

Mr. Sickels also noted that the work was very strenuous so they often had to fill from other divisions because people were out sick or on workman's comp. He said another thing he thought the Council made have had reservations about the first time was the fact that there were not a lot of people that had left employment so they would have had to consider laying people off in order to see a savings. He said, since that time, people had retired, left for other jobs or terminated for cause. He said they were now down a sufficient number of employees that they could realize savings without laying anyone off. He said they could return employees to their proper divisions.

Councilman DiSomma asked how many people would have to be hired.

Mr. Sickels said none.

Mr. DiSomma said there had been an ongoing process to hire and noted that the job was still posted on the Borough's website.

Mr. Sickels said the Borough had budgeted for temporary staff while a decision was made. He said the process took longer than he thought it would and said they had not hired anyone and did not need to hire anyone.

Mr. DiSomma asked if the Chair of the Committee had not been pushing for seven new hires.

Mr. Sickels said there had been a recommendation to hire seven people but that was not the plan if the Solid Waste bids were successful.

Mr. DiSomma confirmed that, at this juncture, there was no reason to hire anyone.

Mr. Sickels confirmed that that was the case.

Mr. DiSomma asked if seven people were hired at level one, what the cost savings would be.

Mr. Sickels said he did not understand the question and said there was no need to hire.

Mr. DiSomma said if there was no need to hire, the position should be removed from the Borough's website.

Fred Boynton—365 Shrewsbury Avenue—said Eatontown had contracted their garbage out but had given it up and purchase trucks to resume service. He said Middletown had also looked into it but felt that the price would go up after a year or two due to costs.

Mayor Menna said the tipping fees were separate from the contract and would be paid by the Municipality. He also noted that the contract was locked in for three years.

Mr. Boynton asked if it would automatically go up after the three years.

Mr. Sickels said it would not and noted a flat rate price was locked in for three years and included recycling. He said the Borough had an option for two additional years which had already been bid.

Mr. Boynton said Mr. Watson had previously stated that the Borough was making a lot of money off of recycling.

Mr. Sickels said Mr. Watson had been referring to the money that came in from the recyclable cardboard that was dropped off at the recycling center which the Borough would continue to redeem.

Mr. Boynton noted that he had worked for the Borough for 29 years and criticized the lack of training of sanitation workers in recent years and the lack of maintenance on the trucks.

Mr. Sickels said that was why they were hoping privatization would work so they would not have those problems.

Mr. Boyton said they could expect the same problems in the Street Division.

Stephen Hecht—135 Branch Avenue—asked what would happen to the Department's existing equipment.

Mr. Sickels said the vendor was responsible to provide his own equipment and people. Mr. Sickels said the two older trucks of the Department's four trucks would be sold at auction and the two newer ones would be used for leaf collection and snow removal.

Michael Whelan—69 Maple Avenue—questioned statements that there had been a cost saving in workman's comp over the last year noting that rates were governed by the State and would not have changed significantly unless the Borough was self-insured.

Mr. Sickels noted that the savings were anticipated going forward and also confirmed that the Borough was self-insured. He said the Borough paid the Joint Insurance Fund based on experience and their experience had been high.

Mr. Whelan asked for specific numbers which Mr. Sickels said he could not provide off the top of his head.

Mr. Whelan asked how the payment of claims worked.

Mr. Sickels said the claims were paid by the Borough's provider and reviewed the process.

Mr. Whelan again questioned the projected savings.

Mayor Menna reviewed various costs association with workman's comp claims including the need to replace the staff with additional hires or overtime costs for existing staff.

John McMahon—288 Spring Street—asked about bulk pick up.

Mr. Sickels said the specs called for the contractor to mirror the existing service.

Mayor Menna said there would have to be a massive educational campaign to notify residents of any slight changes. He said there would also be a need to change some ordinances and standard operating procedures.

Mr. McMahon asked for more information.

Mr. Sickels said there would currently be no change in service. He said the contractor had suggested some things that seemed attractive. He said if they did want to go forward with the changes, they would ask for resident input.

Mr. McMahon asked if he was saying the service might change.

Mayor Menna said the level of service would not change.

Mr. Sickels said one suggestion was that, rather than have people wait and pile up bulk, they may collect more frequently. Mr. Sickels said that was not in the specs but they did allow for the vendor to propose suggestions for improvement. He said the vendor could not implement changes without Borough approval.

Mr. McMahon asked if the Borough would continue to collect leaves.

Mr. Sickels said the vendor would only be doing solid waste and recycling curbside.

Tom Wieczerzak—26 Oakland Street—said he wanted to applaud the Mayor and Council for their forward thinking. He asked if there were any costs that would be passed on to the residents and asked if they could use existing garbage cans.

Mayor Menna said everything would be the same.

Mr. Wieczerzak asked the Council to consider privatizing other services.

Sean DiSomma—35 West Street—asked the Council to post reports to the Borough website. He said many of the questions asked could have been answered if there was more information on the website. He suggest the consultant report reference should have been posted.

Mr. Sickels said he believed it was posted back in May.

Mr. DiSomma agreed that it was but said it was difficult to find.

Councilwoman Horgan said the Education and Technology Committee was working on upgrading the website.

Jimmy Dark—48 West Sunset Avenue—asked if there would be handouts offering the information discussed at this meeting.

Mr. Sickels said they would prepare a summary but wanted to stress there was no change in service.

Councilman DuPont suggested it be mailed.

Mayor Menna said the cost to mail was very high. He said they would make information at Borough Hall.

Councilwoman Horgan said it would also be available at the Library and would be on the Borough website.

No one else appearing, Councilman DuPont made a motion to close the Public Comment.

Councilwoman Schwabenbauer seconded.

ROLL CALL:

AYES: Burnham, Horgan, Schwabenbauer, DuPont

NAYS: None

There being four ayes and no nays, the motion was declared approved.

15-206 Mayor Menna read "A Resolution Accepting Bid from and Awarding Contract to Delisa Demolition, Inc. for Solid Waste and Recycling Collection Contract."

Councilman DuPont offered a motion to approve the resolution, seconded by Councilwoman Schwabenbauer.

ROLL CALL:

AYES: Burnham, Horgan, Schwabenbauer, DuPont

NAYS: None

There being four ayes and no nays, the motion was declared approved.

ADJOURNMENT

Councilman DuPont offered a motion to adjourn the meeting, seconded by Councilwoman Schwabenbauer.

ROLL CALL:

AYES: DuPont, Horgan, Burnham, Schwabenbauer

NAYS: None

There being four ayes and no nays, the motion was declared approved.

Respectfully submitted,

Pamela Borghi