

The last 2 weeks an issue has been coming to me from 5 or 6 directions and I just decided to bring it up with you all tonight as I would rather hear you speak to it rather than try to figure it. The issues that has been brought to my attention is that an elected official, specifically Frank Desiderio, you as an elected official are being paid by the township for special contracts in addition to salary work.

Frank: What do you mean?

Amy: Am I correct?

Frank: No, what do you mean?

Amy: I'm asking, is the town paying elected officials contracts?

Alan: Not contracts

Debra: Salary ordinance?

Amy: No

Frank: Specifically you must have something.

Amy: Someone said you are being paid to do all the field work potentially for the project the ball field contract.

Dale: It is not a contract.

Frank: Salary ordinance – it's no different than the ACO.

Dale: He's not being paid a contract as Desiderio Construction or anything. I think that's where you are going.

Amy: OK so what is the language of it?

Ed: He's being paid as a salary as a salaried individual for the township.

(At this point it was not understandable due to rustling of papers)

Ed: Technically that is correct – It's the same thing with the ACO and the other position that has a variable depending on the number of hours they work.

Amy: Right. I think the issue with me is it's not a legal issue. I don't think anyone is doing anything illegal but I do question the ethics and I would really like you all to speak to me and alleviate my fears about an elected official being paid this way.

Ed: You care fearful about the Mayor being paid to serve as the Mayor?

Amy: No that's any kind elected official.

(Not understandable)

Amy: No – two different jobs, right you are doing 2 jobs?

Ed: He could serve in 3 or 4 capacities. There's nothing illegal, unethical, immoral or fattening about it & the statute gives him the absolute right to do that.

Amy: So, no one has a problem with this?

Alan: Frank actually has 3 or 4 jobs, he's going to save us, as taxpayers, you me thousands, no hundreds of thousands by going and getting a machine to level that field off. If we have an outside contractor, we have the prints – it was a million 3 or something.

Dale: Right

Alan: And Frank is going to do it for 10% of that possibly.

David: Which would you rather have us to do – would you rather have do the outside contractor for 1.3 and have our taxes go thru the roof?

Dale: I think you maybe need to understand what we are doing here.

Amy: I'm not blaming anyone here. Could someone clarify (2 people talking at the same time at this point)

Dale: I think what Frank is doing is Frank got a D8 donated for nothing. We are putting fuel in it obviously to run it out here. I don't know if you know what a D8 is but it is the next to the largest machine you can get. It's probably a half million machine and Frank is going to operate the piece of machine under temp road equipment operator, no.

Frank: No capital project it's that little project. It's extra – such as I got \$800 last year. I got an \$800 check for running an excavator that was rented by the town, none of my equipment is used ever. If it is its free. Anything I use of mine it's free to the town. I've never charged them for anything. By them paying me \$800 and over seeing and doing actual work on State Park Road there was a savings of \$100,000 dollars of taxpayers' money.

David: \$130,000

Frank: No between \$100,000 and \$110,000, I had 10,000 worth of material that the township we had to pay for. On that project we had a BAN for \$140,000 of which we never had to exercise. I put \$27,000 in the road budget for the pipes, drains, material by just directing the DPW in the right direction we ended up saving in the excession of

\$100,000 and I received, I physically and actually had to work because they've never done it before – install pipes, head walls, blah blah and by doing that we saved \$100,000.

Dale: Amy, this question came up do you think something unethical is going on?

Amy: As a general rule I think myself as a volunteer and servant and I think of myself as a contracted employee and it's always a struggle to keep those things clear because in my line of work people are always asking me to donate my time so I understand it's not a straight forward thing. No I don't have enough information to make a particular judgment but it was enough information to make me wonder and just make sure. My question is not whether we are not doing anything illegal but whether or not questions of ethical behavior is being applied. Money saving is one thing are you making sure you've gotten the best person for the job or are you sure you're overseeing elements that you need. All these things are not to question whether you are good at your job or whether you're qualified to do it but whether the same process is being applied to your own projects and your own work as (noise at table and cannot understand the rest of the sentence).

Ed: Have you reviewed something called the open public contracts law?

Amy: Nope

Ed: Okay, there is a statute in NJ, entitled the Local Public contracts law it dictates it mandates it tells us how we have to act when we seek outside contractors to do work on any project within the town. There is a lower level, approximately \$3,000. We can just simply hire someone to do the work, there is no issue with regard to it, you don't have to get 3 quotes, you don't have to do anything. There is a division between approximately \$3,000 and \$19,200. When we are required to seek competitive quotes – it's not bids but quotes for the same work we have to go out and get people to tell us how much they would charge us to do that work. Once we exceed \$19,200 on a project we have to go to formal bid – we have to actually create a bid, put it in the newspaper, accept the bids, open the bids, get the bids bonded and so on and so forth. All that was done many years ago for the purpose of trying to prevent cronism and contracts being let out that were not publically bid. The law also provides that a municipality can split a project so that it uses the services of its local employees to do a piece of the work and then it can either bid out or it can let out a contract without public bidding but (coughing at table). It can be split if you use local forces. Okay. There's the encouragement for the town to use people like Mr. Desiderio, who is a local official to do local things without having to be bound by all the requirements of public bidding. The irony is that the public bidding law was intended to try to keep it honest and make the price best, so that the towns would get the best shot that they could instead it has actually raised the cost of

doing business with a Municipality because you have to provide in essence start with a performance bond that says if you are given the contract you are going to perform it, then a maintenance bond, then you have to get certain insurance requirements. Any bid that we go out has a minimum of 35 pages of requirements before you even tell them what you want to do. So the irony is that the open public law has the reverse effect on the taxpayers' dollars. It actually makes it cost more. In many Municipalities what we will do is a developer will come by and say now I need a sewer plant rather than the town building the sewer plant, it will let the developer just build the sewer plant and then we will reimburse them for building the sewer plant out of tax dollars or whatever because it is cheaper. In essence it's cheaper to do that. So what I am trying to explain to you is that particular law and go online – I can give you the actual citation in quote – it will tell you everything you need to know about the bidding process and the use of local forces to do the work and I can absolutely assure you that when this discussion came up I spent a number of hours with Mr. Desiderio with the Mayor and members of the council to make sure that whatever we were doing was absolutely appropriate, absolutely within the contexts of that particular law.

Amy: That just – that's nice to hear because I just reinforces me as a citizen it might appear, since there is no public reporting about it in any way as a potential conflict of interest but because you had to look so carefully to see whether or whether not it was a conflict of interest. You are a lawyer, I'm a citizen from my lens I made you go hmm enough to look.

Ed: No it didn't make me go hmm it made me say this is the way you are going to do it, that is what I said.

Amy: Again, again whether or not it's a question of legality it's not what I'm doing up here. I'm talking about the lens as a citizen saying okay its legal but it feels a little weird okay.

Dale: Does it still feel weird because it doesn't feel a little weird to me because if we don't do it this way are probably not going to get a recreation facility we definitely won't get a rec facility like what was on that picture that was here because a whole lot of thought was put into that. That was a knee jerk reaction to the DEP. I mean do you feel uncomfortable?

Frank: What's the difference between myself and Alan. Do you feel uncomfortable having Alan sit on that table and get a salary to be the dog catcher, to be the animal control officer – I'm sorry please explain to me that difference.

Alan: That's a fixed salary – there is a difference

Amy: That is comparative to your road work job in my opinion it's not what I am questioning because I've always known that you were an employee of the town, when you were running as an elected official.

Frank: No I was never an employee of the town. Ever . (several people talking at the same time).

Jean Smolha: That's private – you do a lot for the township.

(Several people talking at the same time)

Frank: I'm glad to clear up the fact that you thought I was an employee of the town I was never an employee until I got voted in.

Clerk: There's a lot of rumors that go on in this town and I have to give Amy credit for

Frank: No, I'm thrilled that you camp up

Clerk: and get the record straight

Amy: there is no -----

Frank: No that kind of stuff gets a life of its own and the next thing you know is Gene and I are skimming off the tax revenues.

Dale: Is that true? No just kidding. Amy is there anything else we can help you with?

Amy: I think everyone should be sensitive to the issues.

Dale: I think we are and that is why Ed researched it, we've researched it – we want to do the right thing – we want to be able to do something here because obviously, not much, no offense to anyone, not much has gotten done and I find it very difficult and very frustrating to be here as a township official. In my own business I do a lot of things and they get done pretty quick. I built my house in 2 months. You know what, it's frustrating as heck to sit up here and try to do something and it takes forever and ever and ever. We are trying to get something done here and I'm glad that you asked because I do contracting for public entities – I'm an electrical contractor. There's things call prevailing rate which you know we have to pay once we get over \$11,736 in a contract which drives the cost up, that was all driven by the unions in 1963. We are actually trying to get something done here in little Frelinghuysen with very little money because we just don't have it. Do you have any questions because I think it's great.

Amy: I just wanted to make sure that we dotted our I's and crossed our t's.

David: Amy if I could just say I guess 2 things #1 is great that those 5 or 6 people who were calling you with these little innuendoes and rumors would come on down

Frank: I'm very pleased that Amy had the wherewithal to actually come and sit through this whole boring meeting and come and actually bring it up. I really have a lot of admiration for that.

David: Amy, the other thing I would like to say that it is unfortunate that there are lots of people who are part of the problem but they don't want to help resolve the problem. To cite an example is Halloween when I saw you back here in the facility we worked very hard to complete which Mr. Desiderio did 90% of that work with his own machine free of charge okay and you came through with your children and I saw you. I would like you and everyone else that had called you to realize that we are all out there volunteering. You are out there just passing through. We are volunteering. We volunteer for Founders Day, we volunteer for the hayride, we volunteer for Casino Night. We do so much stuff just because we raise our hands and say hey we'll help.

Frank: That and the other thing is, and no offense, in my defense I'm not looking for everyone to say – Frank did this and Frank did that. That's not why I do it. I do it one I like kids, I coach basketball and I don't play basketball. If you think the public would feel more comfortable if the township put out what I do do in the minutes.

Dale: No tell them to come on down we have an open door policy

David: For \$30.00 you can attend casino night for the chance to win what he is contributing as a gift for that evening which is one full day with his backhoe on your site.

Amy: But I would never be able to get DEP approval.

Laughter

Dale: That's a whole new problem.