

# Scrappy Scrap Dealers

By RICHARD NEWMAN, Staff Writer

*Hackensack, NJ* — There's money in the metal that winds up in scrap heaps. Joe Cinelli of Wood-Ridge figured that out a long time ago, when as a teenager in the mid-1970s he started hauling scrap to recyclers from Jersey City machine shops and factories.

Cinelli Iron and Metal Co. now has eight trucks, 300 roll-off containers, and about \$10 million in annual sales. The company has grown more or less with the size of his family.

"I have four kids," Cinelli 47, says with a shrug, as if that explains everything.

"It was not an overnight success," he adds.

"The one philosophy is, we stayed focused. We didn't buy apartment buildings we bought equipment. Before I bought a house down at the shore, I bought another truck."

A tenfold increase in sales since 1997 was achieved despite an economic slump that has many of the manufacturers that Cinelli serves cutting back their production.

"We lost our share of manufacturing most of our customers are running at about 60 percent," Joe says.

So how did he do it?

The big growth spurt has come since his younger brother, 33-year-old Craig, bought into the company as a partner in 1996 and shifted from driving a truck to leading a sales initiative to expand the turf.

Instead of just servicing North Jersey, they now serve customers as far away as Long Island, Atlantic City, Pennsylvania, and Connecticut.

"Over the last five years, we really spread out," says the elder Cinelli, whose office furnishings include Wood-Ridge High School football memorabilia and a natural-wood-finish drum set with twin tom-toms - hearkening to his days in a rock band that covered Jimi Hendrix, Cream, and The Doors.

In 1998, the brothers made a move from Saddle Brook to Hackensack, and around the same time they expanded into the processing side of the business, to cut out the middle man and improve profit margins. They invested in a baling machine that squeezes scrap aluminum and copper into neat, compact cubes to sell directly to steel mills.

Customers that fill Cinelli's roll-off containers include manufacturers of metal doors and windows, and aluminum siding, and even companies with such odds and ends as the metal clips that hold the salamis that hang in delicatessen windows.

When a maker of magnetic resonance imaging machines replaced a MRI for a customer recently, it hired the Cinellis to scrap the old one.

The Cinellis also take salvage from municipal transfer stations and private haulers, such as Waste Management.

The company sells about 125 tons of aluminum every 10 days. Aluminum has been selling at between 55 and 60 cents a pound lately, said Dave Bartech, who joined the Cinellis in 1997 as secretary and treasurer. The company sells roughly 5,000 tons of steel, at recent prices of \$95 to \$100 a ton, every month.

A growing part of the business since moving to Hackensack has been "drive-ups" -- carpenters, plumbers, and electricians selling their metal construction debris and people who arrive with their trunks and back seats full of aluminum cans.

The manufacturing slump has created intermittent cash-flow problems, Craig says.

With less volume coming in from some fabricators, scrap sits longer in the warehouse before there is enough to bundle and sell. Regardless, the company vows to hold to its promise to pay customers that provide the scrap within 10 days of pickup.

To smooth the cash flow and help the company expand into a second facility in Middlesex County that will ultimately add 10 jobs, the company recently took a \$1 million low-interest loan from Community State Bank. The New Jersey Economic Development Authority is fronting \$250,000 at a 3 percent interest rate, while giving the bank a partial repayment guarantee.

The statewide loan pool has provided over the past decade about \$120 million to supplement bank loans for small and mid-sized businesses in a job retention and creation program, says Caren S. Franzini, executive director of the agency.

The Cinellis employ 30 people, and many are from Wood-Ridge. The joke there? "If you don't go to college, you go work for the Cinellis," the younger brother says.

The workplace camaraderie was particularly evident recently when the shop shut down for the day for the funeral of an employee, William "Pops" Carrington of Hackensack, who died unexpectedly of pneumonia at the age of 53.

Across the street from the recycling plant, surrounded by a 6-foot-high stockade fence, is the ferrous-iron scrap yard, which on any given day includes high piles of auto and machine parts, household appliances, bed frames — all of the usual post-industrial remains of human activity that can be picked up with a magnet.

The more valuable non-ferrous metals, aluminum, copper and stainless steel, are processed and stored inside the 40,000-square-foot-garage and processing plant.

That's where the baling machine is housed, along with machines that cut metal and that strip insulation from wire and cable.

The company is in a mixed-use zone with homes and small industry in close proximity.

Even though Cinelli Iron and Metal is not the only industry in the neighborhood, few residents like having a scrap yard and heavy trucks and equipment around.

Residents who tried unsuccessfully to have the city shut the business down may be glad to learn the plan is to move the steel yard - with its cranes and scrap heaps - later this year to a nine-acre site with a rail link in Plainfield.

This drive-up "retail" part of the business, as well as the copper and aluminum processing, will stay in Hackensack, the elder Cinelli says.

**Cinelli Iron and Metal Co.**  
Headquarters: Hackensack  
Started: 1975

Description: Collects & processes scrap metal, iron, & steel  
Owners: Joe and Craig Cinelli  
Founder: Joe Cinelli  
Annual sales: \$10 million  
Employees: 30

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