

1 STATE OF NEW JERSEY
2 DEPARTMENT OF COMMUNITY AFFAIRS
3 LOCAL FINANCE BOARD

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B E F O R E: TOM NEFF, Chairman
DAN PALOMBI, Deputy Attorney General
11 PATRICIA McNAMARA, Executive Secretary
EMMA SALAY, Deputy Executive Secretary
12 JAMIE FOX, Member
FRANCIS BLEE, Member
13 IDADA RODRIGUEZ, Member
ALAN AVERY, Member
14 TED LIGHT, Member

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STATE SHORTHAND REPORTING SERVICE, INC.

1 MR. NEFF: The first item on the agenda
2 is an environmental infrastructure trust item. It's
3 for Beachwood Borough, \$1,140,000 loan program, a
4 non-conforming maturity schedule consistent with the
5 guarantee program. I'll make a motion Beachwood
6 Borough.

7 MR. BLEE: Second.

8 MR. NEFF: Roll call.

9 MS McNAMARA: Mr. Neff?

10 MR. NEFF: Yes.

11 MS McNAMARA: Mrs. Rodriguez?

12 MS RODRIGUEZ: Yes.

13 MS McNAMARA: Mr. Blee?

14 MR. BLEE: Yes.

15 MS McNAMARA: Mr. Light?

16 MR. LIGHT: Yes.

17 MR. NEFF: And then we also have three
18 additional consent items for varying reasons. One is a
19 refunding of City of Egg Harbor refunding with three
20 percent savings. And the second is West New York Town
21 Parking Authority.

22 Actually, why don't we move to Kearney.
23 Is anybody here from Kearney? And I think I can make
24 this one go really quick to help you.

25

1 SHAUIB FIROZVI, having been sworn testifies as follows:

2

3

MR. MCMANIMON: Ed McManimon from
4 McManimon, Scotland and Baumann. Our firm is the bond
5 counsel for the town of Kearney. I have Shuaib
6 Firozvi, S-H-A-U-I-B F-I-R-O-Z-V-I. Shuaib is the
7 chief financial officer. We're asking for approval
8 under the Qualified Bond Act to a multiple purpose bond
9 ordinance in the amount of \$2,375,000. It authorizes
10 various projects. The Qualified Bond Act revenues are
11 \$18,465,489. The Qualified Bond Debt Service that
12 existed prior to this ordinance is \$7,281,540.50. So
13 there is significant coverage in the context of adding
14 this ordinance to their ultimate debt service when they
15 go to borrow. We're not asking for approval of the
16 borrow. Just asking for the ordinance. The staff
17 raised a number of questions about the projects
18 themselves and Shuaib did provide backup with a lot of
19 significant engineering and narrative data. He's
20 certainly prepared to answer any questions you have on
21 any of the specific projects.

22

23

24

25

MR. NEFF: So just by way of background,
also, if this were a municipality that wasn't in
transitional aid we probably would have put this on
consent. It's for no other reason than Qualified Bond

1 Act purposes. There's adequate coverage but we always
2 put this not on consent in case there's somebody from
3 the town who wants to come and raise an issue. We'll
4 have a little bit of discussion about what some of the
5 projects are if that's necessary. There's only one
6 project on the list that looked to me to be somewhat
7 excessive for a town that's in transitional aid that's
8 still borrowing for a project for which grants are
9 being sought for park improvements. I think Gunnell
10 Park.

11 MR. FIROZVI: Gunnell, yes.

12 MR. NEFF: And I know some of that is
13 for remediation of the park, but there's also a
14 suggestion in the application that some of the costs
15 were that park were to me looked very high for a town
16 that receives transitional aid. So the simple
17 recommendation I think to the Board was that we approve
18 the application but contingent on the monitor for
19 Kearney approving any contracts related to that park
20 project. So if you're going out for grants just run
21 them by Mr. Palombi.

22 THE WITNESS: That's acceptable.

23 MR. NEFF: All right. Anybody have any
24 other questions on this one?

25 MR. BLEE: Motion to approve.

1 MR. NEFF: I'll second.

2 MS McNAMARA: Mr. Neff?

3 MR. NEFF: Yes.

4 MS McNAMARA: Mrs. Rodriguez?

5 MS RODRIGUEZ: Yes.

6 MS McNAMARA: Mr. Blee?

7 MR. BLEE: Yes.

8 MS McNAMARA: Mr. Light?

9 MR. LIGHT: Yes.

10 MR. NEFF: Why don't we do West Amwell.

11

12 The witness (es) having been sworn by the court

13 reporter, testified as follows:

14

15 MR. McMANIMON: Ed McManimon from
16 McManimon, Scotland and Baumann. Our firm is the bond
17 counsel to the Township of West Amwell to my far left
18 is Mayor George Fisher. We also have Tom Caro who is
19 chief financial officer. We have Anthony Ardito who is
20 auditor. And I had Mary Lyons down here but Sherry
21 Fisher (sic) is subbing for her. As the Board knows,
22 West Amwell has a situation where the school districts
23 in the Township of West Amwell and Lambertville and
24 Stockton merged to form the South Hunterdon Regional
25 School District. They blended into that. In the

1 course of doing that over the years they've had a
2 deferred school tax. And the deferred school tax is
3 essentially collected in a calendar year but it's to
4 cover a fiscal year for the school district. And when
5 the merger came in the school district changed to a
6 calendar year. So the amount that was collected and in
7 the year by West Amwell did not provide for a
8 subsequent year to make up what was the surplus that's
9 generally held but then used by the town. And it has a
10 deferred obligation to the school district. So they're
11 left with a \$990,000 obligation to the school district
12 and all a product of the merger. So what they're
13 asking for is instead of having to pay that all at once
14 because it's an accumulation of years of deferred
15 school tax, it always gets paid in the subsequent tax
16 levy which they now don't have the ability to do, to
17 pay that by issuing refunding bonds to fund the
18 essentially an emergency appropriation to pay the
19 amount that's owed to the school district for their
20 school tax and to fund that over a 10 year period so
21 that it merges in the effect of the consolidation of
22 the school district which has obvious beneficial use to
23 the three areas. Obviously, the people who are
24 involved in that are here to answer any questions.
25 This is a significant matter. It was a significant

1 result. And any questions you have we have the people
2 who'd answer them.

3 MR. NEFF: And just by way of
4 background, I know it was I think our assistant
5 director for financial regulation we discussed the
6 matter. And this was a reasonable solution to try and
7 ameliorate what would otherwise be a spike in taxes in
8 the township which obviously would serve not only as an
9 impediment to moving forward with important
10 regionalization, it saves a lot of money and still
11 provides quality services, but would also served
12 disincentive to any other school districts following
13 these foot steps if they didn't have a mechanism like
14 this to deal with the problem. So the law that allows
15 for consolidation is very, very broad and gives a lot
16 of flexibility where flexibility might otherwise not
17 exist. And we thought this was a workable solution to
18 try to help the municipality ameliorate the spike. And
19 everybody at the table should be commended for what
20 they did with respect to the school merger and trying
21 to make it work in a way that makes sense. Anybody
22 have any questions on this?

23 MR. BLEE: Motion to approve.

24 MR. NEFF: Anybody else want to make any
25 comments for the record beforehand.

1 MR. CARO: I never want to see deferred
2 school tax again.

3 MS TRACEY: The Township is also
4 simultaneously going to be doing a refinancing of an
5 existing series of bonds together with this issue. So
6 hopefully they'll also be receiving -- to be doing some
7 savings from the refunding which will help to slightly
8 offset what will be a tax increase for the taxable
9 bonds.

10 MR. NEFF: At the end of the day it's
11 not really a tax increase in the sense that this is
12 money people are going to have to pay anyway. They're
13 just paying over a --

14 MS TRACEY: Over -- exactly.

15 MR. CARO: We're replenishing our
16 surplus in effect.

17 MR. BLEE: Motion.

18 MR. NEFF: I'll second it. Roll call.

19 MS McNAMARA: Mr. Neff?

20 MR. NEFF: Yes.

21 MS McNAMARA: Mrs. Rodriguez?

22 MS RODRIGUEZ: Yes.

23 MS McNAMARA: Mr. Blee?

24 MR. BLEE: Yes.

25 MS McNAMARA: Mr. Fox?

1 MR. FOX: Yes.

2 MS McNAMARA: Mr. Light?

3 MR. LIGHT: Yes.

4 MR. McMANIMON: Thank you.

5 MR. NEFF: Just going back to the
6 consent portion of the agenda. The three consent
7 items, City of Egg Harbor, \$5.5 million for proposed
8 refunding bond ordinance, West New York Township
9 Parking Authority. It's an \$8.5 million municipal
10 guarantee on a project that was approved by the Board
11 last month and we believed at the time if we approved
12 it there was a municipal guarantee, but the municipal
13 guarantee hadn't been submitted to the Board yet. But
14 now it's been submitted. That's why that's on consent.
15 And third item is Buena Borough Municipal Utilities
16 Authority. It's also a revenue refunding bonds for
17 savings, level savings \$1.89 million. Make a motion on
18 those three. And Frank can't participate. He's
19 recusing himself.

20 MR. FOX: I'm recusing on West New York
21 Town Parking Authority.

22 MR. NEFF: I'll make the motion.

23 MR. LIGHT: I'll second.

24 MS McNAMARA: Mr. Neff?

25 MR. NEFF: Yes, on all three.

1 MS McNAMARA: Ms. Rodriguez?

2 Mrs. Rodriguez: Yes.

3 MS McNAMARA: Mr. Blee?

4 MR. BLEE: Yes but recuse on Egg Harbor
5 City.

6 MS McNAMARA: Mr. Fox?

7 MR. FOX: Yet, but recuse on West New
8 York Town Parking Authority.

9 MS McNAMARA: Mr. Light?

10 MR. LIGHT: Yes on all three.

11 MR. NEFF: Next up we have Allentown
12 Borough, refunding bond ordinance refund to settlement.

13 MR. DRIGGERS: Mr. Chairman, members of
14 the Board, my name is Don Driggers. I'm with Turp,
15 Coates, Essl & Driggers in Hightstown. And I am
16 general counsel to Borough of Allentown. I have with
17 me this afternoon June Madden who's our chief financial
18 officer and Mike Cesaro who's our auditor for the
19 Borough of Allentown. They have prepared to answer any
20 questions you may have. Borough of Allentown last
21 night passed a refunding bond ordinance for \$185,000 on
22 second reading. And this is to pay off a judgment to
23 the our sister municipality next door, Upper Freehold
24 Township, that sued us and we wound up settling the
25 matter for \$175,000. I was a little amazed that we got

1 sued. But in any event, it happened. It settled. And
2 we need to make a payment by the 14th of December. And
3 we're asking that we get permission to pay this over a
4 five-year period of time under the refunding bond that
5 has been passed last night.

6 MR. NEFF: Could you just give a short
7 explanation for the Board as to what the suit was
8 about?

9 MR. DRIGGERS: It was fire services. We
10 have two municipalities next door to each other in
11 Upper Freehold Township. Hope Fire Company is a
12 volunteer fire company but they have now five paid fire
13 people that are employees of Upper Freehold Township.
14 Upper Freehold Township sued us under I want to say an
15 alleged contract, but at least a verbal contract and
16 said we weren't making enough payments to offset the
17 expense versus what we were paying them. And they were
18 requesting that we pay 50 percent. We're a
19 municipality that's eight tenths of mile. Upper
20 Freehold's 46 miles. And school tax wise are 85
21 percent versus 15 percent. So they sued us for 500,000
22 plus legal fees and we settled it for 175. And have to
23 pay them that amount of money. And proceed forward in
24 the future under binding arbitration as to what we
25 would pay versus what they would pay with Upper

1 Freehold being the lead agency. We may wind up in a
2 fire district in the future. I smell that one coming.

3 MR. NEFF: Are there any other
4 outstanding litigation or other matters that Allentown
5 is facing that may ultimately --

6 MR. DRIGGERS: None that we know of. I
7 was a little surprised, Mr. Chairman, which this came
8 out but none that we know of.

9 MR. NEFF: Okay. All right. Anybody
10 have questions on this?

11 MR. FOX: Motion to approve.

12 Mrs. Rodriguez: Second.

13 MR. NEFF: The five years brings it down
14 to a \$61 impact which is close to the \$50 impact that
15 the Board has always used as a standard. It's a
16 five-year maturity. Some did somebody make a motion?

17 MR. FOX: I did.

18 MRS. RODRIGUEZ: I seconded.

19 MR. NEFF: We'll do a roll call.

20 MS McNAMARA: Mr. Neff?

21 MR. NEFF: Yes.

22 MS McNAMARA: Mrs. Rodriguez?

23 MS RODRIGUEZ: Yes.

24 MS McNAMARA: Mr. Blee?

25 MR. BLEE: Yes.

1 MS McNAMARA: Mr. Fox?

2 MR. FOX: Yes.

3 MS McNAMARA: Mr. Light?

4 MR. LIGHT: Yes.

5 MR. NEFF: Thank you. Next up is --
6 we're deferring Asbury Park. No one's here from Asbury
7 Park. We have Mount Laurel Township Fire District
8 Number 1, \$2.95 million.

9 MR. WINITSKY: Good morning. We're here
10 on behalf of Mount Laurel Fire District Number 1.
11 We're seeking positive finding from the Board to issue
12 general obligation bonds in an amount not to exceed
13 \$2,950,000. Specifically, the fire district is looking
14 to issue the bonds to fund the cost of numerous very
15 necessary capital improvements to their three
16 facilities in the fire district which serves all of
17 Mount Laurel Township. The fire district undertook a
18 referendum in July of this year that was overwhelmingly
19 approved. 3 to 1 almost in approval. We're looking to
20 do a bond with a 15-year maturity and a conforming
21 maturity schedule for those bonds. Fire district has
22 very little debt. They don't go out much, but when
23 they do it's necessary. And this is absolutely
24 necessary. So they're looking forward to moving
25 forward with the projects. If you have any questions

1 or comments we're happy to answer any questions that
2 you may have.

3 MR. NEFF: I'm sorry. The maturity on
4 the bond is how long?

5 MR. WINITSKY: 15 years.

6 MR. NEFF: Okay. And just as a reminder
7 while the fire guys are here, there is a requirement
8 when you issue debt to every year file certain
9 information to publicly acknowledge what your financial
10 situation is. Just want to make sure you're aware of
11 that. That annually you comply with that. But I see
12 you have bond counsel and your financial advisor so it
13 will be taken care of. Any questions from the Board?

14 MR. FOX: No, I'm just very impressed
15 that over 400 people came out to vote.

16 MR. NEFF: All right. Thanks. Just for
17 the record, too, I know Don Huber from our office had
18 gone and checked it out and he thought it was all fine.
19 And he had actually recommended this for consent. The
20 only reason we don't put these things on consent
21 because it's substantive enough that if somebody from
22 the public had wanted to come testify we would have
23 heard from them as well.

24 MR. FOX: I make a motion to approve.

25 MR. LIGHT: Second.

1 MR. NEFF: Roll call.

2 MS McNAMARA: Mr. Neff?

3 MR. NEFF: Yes.

4 MS McNAMARA: Mrs. Rodriguez?

5 MS RODRIGUEZ: Yes.

6 MS McNAMARA: Mr. Blee?

7 MR. BLEE: Yes.

8 MS McNAMARA: Mr. Fox?

9 MR. FOX: Yes.

10 MS McNAMARA: Mr. Light?

11 MR. LIGHT: Yes.

12 MR. NEFF: East Orange has withdrawn
13 their application. That brings us to Hackensack. Is
14 there anybody from Hackensack here from the public who
15 wants to testify? Okay. I think we have a pretty full
16 record for Hackensack who was here last month. Since
17 the last meeting there was some correspondence back and
18 forth between the bond counsel and our office where
19 essentially we left let the town know that consistent
20 with the discussion at last month's meeting we wanted
21 them before they come back to us for more refundings we
22 want them to be very careful with their continuing
23 negotiations for salary contracts and to keep those
24 contracts reasonable. We did receive some additional
25 information from constituents there who wanted the

1 Board to be apprised of lack of stability at local
2 counsel meetings. We at the staff level we reviewed
3 transcripts, videotapes of those proceedings. And
4 seems like there's room for improvement that those
5 meeting could be better, but amongst the public as well
6 as some of the members who comment at the meetings.
7 But I think that we were otherwise recommending that
8 the application be approved as submitted which was I
9 think for a seven years maturity. Is it seven?

10 MR. McMANIMON: Yes.

11 MR. NEFF: Seven year maturity which
12 brings down the annual impact of their proposal to \$70
13 a year for residents which is a reasonable maturity
14 schedule and impact for the level off appeals that they
15 are refunding. I make the motion for Hackensack.

16 MR. BLEE: Second.

17 MR. NEFF: Take a roll call.

18 MS McNAMARA: Mr. Neff?

19 MR. NEFF: Yes.

20 MS McNAMARA: Mrs. Rodriguez?

21 MS RODRIGUEZ: Yes.

22 MS McNAMARA: Mr. Blee?

23 MR. BLEE: Yes.

24 MS McNAMARA: Mr. Fox?

25 MR. FOX: Yes.

1 MS McNAMARA: Mr. Light?

2 MR. LIGHT: Yes.

3 MR. NEFF: And Paterson?

4 MR. McMANIMON: Thank. Ed McManimon
5 from McManimon, Scotland and Baumann, the bond counsel
6 for the City of Paterson. I have Jim Ten Hoeve who is
7 the acting chief financial officer. I believe that's
8 what your title is. For the city Fred Tomkins who is
9 the auditor. For the city Neil Grossman who serves as
10 the city's financial advisor. And their engineer, Fred
11 Margon. This was a deferred matter from last month
12 because there was some issues raised. This is a
13 substantial road improvement project, \$36,750,000. I
14 think there was concerns about the timing of the road
15 improvements, the extent of them and the way in which
16 the numbers were calculated. And so it was deferred so
17 that the engineer and the Mayor and the city council
18 could digest it in a way that was consistent with the
19 financial plan that Neil Grossman put together. And I
20 know you use the term a lot in finance kicking the can
21 down road. You have to pay the piper eventually. So
22 you can't keep borrowing short-term. The City of
23 Paterson has for many years essentially kicked the can
24 down the road improvements and doing them on a spot
25 basis. And this Mayor chose to take on the

1 responsibility to have a complete analysis of the major
2 roads and to create a program that was intended to fix
3 the roads because it's hard to provide the services to
4 the constituents when the roads are in the shape
5 they're in which is reflected in the application. So
6 rather than spend more time I know to the extent that
7 the Board has questions I think we have the people here
8 who can answer them. The ordinance was introduced by a
9 7 to 2 vote. It's not unanimous but there's obviously
10 a lot of issues involved in this. And so we're open to
11 what questions you have to allow us. This is an
12 application under the provisions of the Qualified Bond
13 Act because they are a Qualified Bond Act community.
14 It is also an application that asks for technically a
15 down payment waiver. They are providing the five
16 percent down payment in cash and borrowing the
17 remaining -- authorizing the borrowing of the remaining
18 95 percent, but a portion of the down payment is coming
19 from the capital surplus fund as opposed to the
20 capital improvement fund. And under the budget manual
21 the capital surplus fund is not generally an item from
22 which you take money for down payment purposes, but
23 they are allocating a portion of that fund to pay the
24 amount that makes up for the five percent down payment
25 here. So if that's acceptable it needs to be voted on

1 as a down payment waiver. In our view anyway. So.

2 MR. LIGHT: How much is that?

3 MR. MCMANIMON: Well, the down payment
4 on this ordinance is \$1,750,000. The capital surplus I
5 think is about three quarter of that amount. So I
6 mean, the down payment is 1,75,000 I think 900 some
7 plus is capital -- a million 2 capital surplus. The
8 rest capital improvement fund.

9 MR. NEFF: So just by way of background
10 at the staff level because Paterson's under
11 transitional aid. Again, this is one of those
12 ordinances that comes before the Board that probably
13 would have been put on consent. And it is a large
14 amount of money that we're talking about. The division
15 had asked for the city to provide additional
16 information about what the project costs were, how they
17 were determined to be \$36.75 million. And we recognize
18 the infrastructure repairs that are needed in Paterson,
19 but I don't think we have a real level of specificity
20 in terms of exactly what this money's being spent on.
21 So the recommendation would be that the Board approve
22 this application as it's been submitted but that the
23 actual contracts that are let with respect to the
24 program first receive the approval from the monitor for
25 Paterson, Erin Nedler, before they're executed. So

1 that would be the recommendation. And what she's been
2 instructed to look for if the Board is amenable to that
3 is just to look to make sure that the contracts that
4 are being let are being let appropriately with
5 competition and that there's some -- that are projects
6 that are being undertaken are reasonable and necessary.
7 And that we don't Taj Mahal's being built and stuff
8 like that. It's a verification from our staff to make
9 sure that what's being done is reasonable and necessary
10 and not otherwise excessive for a municipality that's
11 receiving transitional aid.

12 MRS. RODRIGUEZ: So Tom, she would be
13 overseeing -- can you explain that again?

14 MR. NEFF: Once a municipality -- she
15 would be involved presumably cooperatively with the
16 city looking at what they're issuing our RFP's for.
17 And before they actually execute a contract she would
18 review that contract to say, okay, the decisions makes
19 sense. Would just be looking to make sure that the
20 contracts before they're signed with either engineers
21 or project managers or whatever other consultant
22 involved just to make sure that what's being done is --

23 MRS. RODRIGUEZ: Procedurally. Yeah.

24 MR. NEFF: Procedurally okay. It will
25 serve as an added protection for the city. It's not

1 only to verify that the projects are reasonable, it's
2 to be just an extra set of eyes to make sure that
3 they're doing things appropriately and they don't
4 ultimately find themselves in some sort of litigation
5 with a competing bidder or something of that sort.

6 MR. FOX: And the city's okay with that?

7 MR. McMANIMON: Excuse me?

8 MR. FOX: The city's okay with that?

9 MR. McMANIMON: Yes. Jim Ten Hoeve just
10 commented. He should say it on the record.

11 MR. TEN HOEVE: Yes, absolutely.

12 MR. FOX: I make a motion to approve.

13 MR. NEFF: I'll second it. Roll call.

14 MS McNAMARA: With the condition.

15 MR. NEFF: With the condition.

16 MS McNAMARA: Mr. Neff?

17 MR. NEFF: Yes.

18 MS McNAMARA: Mrs. Rodriguez?

19 MRS. RODRIGUEZ: Yes.

20 MS McNAMARA: Mr. Blee?

21 MR. BLEE: Yes.

22 MS McNAMARA: Mr. Fox?

23 MR. FOX: Yes.

24 MS McNAMARA: Mr. Light?

25 MR. LIGHT: Yes.

1 MR. McMANIMON: Thank you very much.

2 MR. NEFF: Thank you. That ends our
3 discussions on applications. I know there's two,
4 actually three more issues. One is what I think is
5 pretty much a foregone conclusion, but matter
6 pertaining Atlantic City. I know Frank Blee has to
7 recuse himself on this. Atlantic City was first placed
8 under state supervision in September of 2010. And
9 annually this Board must pass -- essentially vote for
10 continuation of supervision otherwise it automatically
11 expires. And obviously in light of extraordinary
12 circumstances in Atlantic City we're recommending that
13 the city remain under supervision and asking that the
14 Board vote today to extend it. And just by way of
15 very, very brief update, for the current fiscal year we
16 anticipate there could be as much as \$50 million out of
17 \$200 million tax levy that won't be collected by the
18 municipality due to casinos that aren't paying their
19 tax bills. So they have an extremely severe problem
20 this year, worse than prior years and heading into next
21 year that will impact their rateable base from which
22 they collect taxes. And their stress is going to
23 continue. So supervision allows us to have a form wall
24 in making sure that whatever's possible is being done
25 there to try and fix that situation.

1 MR. FOX: Just on the record, I think I
2 want to say that what I've seen and observed about this
3 new Mayor down there is very positive. Very good to
4 make some difficult choices.

5 MR. NEFF: I agree.

6 MRS. RODRIGUEZ: I agree. He's the
7 right guy for the job now.

8 MR. NEFF: Our monitor was here last
9 month talking about -- the month before talking about
10 their proposal for refunding tax appeals. And I think
11 he stated for the record as did I that the Mayor has
12 very cooperatively involved our office and his monitor
13 and used us in a way that is very appropriate to help
14 him. He's been selecting people based on merit after a
15 competitive process trying to find real professionals
16 to run the city. He's been attriting. I think he's
17 attrited over ten percent of his workforce which is the
18 appropriate way to downsize there to the extent he can.
19 He's offloaded a few services either to casino
20 redevelopment authority or to the county. So they've
21 given up a few services they used to control
22 themselves. And I notice looking at other options he's
23 changing his healthcare to go to more cheap healthcare
24 plan. And has been engaged with his employees to try
25 and structure -- better structure the workforce. So I

1 think the relationship is working as well as it can
2 under difficult circumstances. So I make a motion that
3 we continue supervision.

4 MRS. RODRIGUEZ: I second.

5 MR. NEFF: Roll call.

6 MS McNAMARA: Mr. Neff?

7 MR. NEFF: Yes.

8 MS McNAMARA: Mrs. Rodriguez?

9 MRS. RODRIGUEZ: Yes.

10 MS McNAMARA: Mr. Blee?

11 MR. BLEE: Recuse.

12 MS McNAMARA: Mr. Fox?

13 MR. FOX: Yes.

14 MS McNAMARA: Mr. Light?

15 MR. LIGHT: Yes.

16 MR. NEFF: Another issue we have on the
17 agenda is we received a petition for rule making from a
18 Mr. John Path who raised concerns about the adequacy of
19 certifications of chief financial officers as to the
20 availability of funds when contracts are executed. And
21 he raised some very good points. The crux of his
22 argument is that when such certifications are made
23 certifications ought to be out to be required by the
24 Board through rule to include the amount of funds that
25 are available and the source of the funds, where

1 they're coming from. It's probably reasonable
2 proposal, but the recommendation is that the Board
3 refer it back to the Division to work with Mr. Path and
4 develop something that's reasonable and report back to
5 the Board within 90 days. So I would take -- I make
6 the motion that we refer this back to the Division to
7 review and report back to the Board in 90 days.

8 MR. BLEE: Second.

9 MR. NEFF: Take a roll call, unless
10 somebody has any other questions. Roll call.

11 MR. FOX: The pack rules.

12 MS McNAMARA: Mr. Neff?

13 MR. NEFF: Yes.

14 MS McNAMARA: Mrs. Rodriguez?

15 MRS. RODRIGUEZ: Yes.

16 MS McNAMARA: Mr. Blee?

17 MR. BLEE: Yes.

18 MS McNAMARA: Mr. Fox?

19 MR. FOX: Yes.

20 MS McNAMARA: Mr. Light?

21 MR. LIGHT: Yes.

22 MR. NEFF: And then we have a final
23 issue. On December 17th of 2012 this Board had
24 proposed rules to implement the user friendly budget
25 for municipal budgets. And we never adopted those

1 rules. We spent the last two years soliciting comments
2 on the proposal, working with various CFO's and
3 municipalities who participated in a pilot project to
4 see how could most reasonably establish the user
5 friendly budget. And after a very long and drawn out
6 process we think we've got rules that are reasonable.
7 Essentially, the rules that are before you -- shared
8 with all of you that you'll be voting on are the pros
9 that explain what it is that would be required to be
10 included in the user friendly budget. And it's little
11 bit more disclosure than we've had in the past or
12 perhaps better stated the disclosure in a more
13 condensed manner in a way that will be more useable --
14 more useable for policy makers and the public to
15 understand a municipal budget that is otherwise
16 extraordinarily technical and difficult for a layman to
17 read. So this is I think a good rule proposal that
18 moves us in the right direction. I know John Monzo's
19 here, a former director and one of the participants in
20 the pilot project. I don't know if you wanted to say
21 anything.

22 MR. MONZO: Thank you. I just came down
23 because I have nothing else to do today. It was a nice
24 day to be in Trenton. As the Chairman said, the town I
25 work for was one of the pilot towns who participated in

1 the program for calendar year 2014. And myself and
2 another CFO from Warden along with Tina Zapicchi
3 speaking on the process that we went through at the
4 GFOA of New Jersey conference next week. As an
5 organization I guess I'm here representing the GFOA of
6 New Jersey. We support the user friendly budget. Was
7 seven years in the making since the law was passed. So
8 we support the idea that the document is condensed to
9 the point where it's not that arduous for the CFO's to
10 prepare it. The bulk of the information that's
11 required in this document now comes from sources that
12 we already use every day whether it be the standard
13 budget document now or from information that's easily
14 obtainable from either the tax collector or the tax
15 assessor or a source within the municipality. So it's
16 not something that's going to put that -- an arduous
17 burden on the staff to do this document. The only
18 thing we look forward to is that at some point in the
19 near or distant future that there be some sort of
20 marriage between this document and the full budget
21 document that's used for the review by DLGS staff of
22 municipal, you know, budget submittals. But we think
23 the electronic process of it that the Division has been
24 moving forward with many of its documents is a positive
25 step. And as an organization and me personally I'm

1 happy to support the adoption of it. And look forward
2 to having all the towns, you know, use it next year.
3 We'll get some more comments obviously from the
4 audience next week at the GFOA conference. And
5 obviously, Tina will be there and I'm sure she'll share
6 those back with you. But we're happy it's finally come
7 to pass. Some of the initial, you know, attempts at it
8 were, you know, difficult to look at in terms of
9 preparation, but now it's been boiled down to the point
10 where I think everybody's happy with it. It does what
11 its intent was, but from the legislative standpoint and
12 from the Division standpoint and from the standpoint of
13 us out in the field having to prepare it.

14 MR. NEFF: Thanks for those comments.
15 Anybody have questions? The goal here just for the
16 record is we would propose these rules today. And as
17 Joe said, this thing's been baking for seven years not
18 just the last two. And we think we have it in a form
19 that it can move forward. So I think procedurally we
20 won't be able to formally adopt these rules until
21 January, the January meeting of the Board, but it will
22 be in time to put in place for 2015. Based on the
23 comments that we get the Division will start the
24 educational process for this so that municipalities
25 will be ready to file these user friendly budgets in

1 the next cycle in 2014. That's the goal.

2 MR. MONZO: Thank you.

3 MR. MCMANIMON: Could I ask a question?

4 MR. NEFF: Sure.

5 MR. MCMANIMON: I know you had mentioned
6 recently at some sessions that you were considering,
7 and I don't know if it's the appropriate document, the
8 continuing disclosure documents and operating data,
9 whether that would be incorporated into the user
10 friendly budget. I don't know if that was considered
11 or if it's not really the right document for the
12 operating data to show up. Make it easier for
13 disclosure purposes. I don't know. I just wondered.

14 MR. NEFF: Significant amounts of the
15 operating data are included within the user friendly
16 budget. It may not be in the exact same format that
17 the cc disclosures would like to see in a neat and tidy
18 way, but I think most of it should be included in
19 there. And the way these rules are written it gives
20 some general pros as to what should be included within
21 the user friendly budget, but the form itself of the
22 user friendly budget is left to the Division to revise
23 as may be necessary because we didn't want to rule a
24 proposal that was so rigid that then later we find out,
25 oh, this particular part of the form didn't make sense.

1 Then we have to change it by rule. So it gives some
2 flexibility hopefully to if there are issues where you
3 take a look at it, you know, give us your comment on
4 it. And if we can make it a little bit better we
5 probably can and tell you we're changing the rule.

6 MR. McMANIMON: Thank you.

7 MR. NEFF: Any other questions,
8 comments, concerns? No? Make a motion that we adopt
9 the user friendly rules.

10 MR. FOX: So ruled.

11 MRS. RODRIGUEZ: Second.

12 MR. NEFF: Roll call.

13 MS McNAMARA: Mr. Neff?

14 MR. NEFF: Yes.

15 MS McNAMARA: Mrs. Rodriguez?

16 MRS. RODRIGUEZ: Yes.

17 MS McNAMARA: Mr. Blee?

18 MR. BLEE: Yes.

19 MS McNAMARA: Mr. Fox?

20 MR. FOX: Yes.

21 MS McNAMARA: Mr. Light?

22 MR. LIGHT: Yes.

23 MR. NEFF: Motion make a motion.

24 MR. BLEE: Motion to adjourn.

25 MR. NEFF: I'll second.

1 MS McNAMARA: All ayes. Any nays?

2 Thank you.

3 (Whereupon the matter is adjourned at

4 11:23 a.m.)

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I, CARMEN WOLFE, a Certified Court

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the foregoing to be a true and accurate transcript of

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