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STATE OF NEW JERSEY  
DEPARTMENT OF COMMUNITY AFFAIRS  
LOCAL FINANCE BOARD

MONTHLY MEETING AGENDA \*  
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Conference Room No. 129  
101 South Broad Street  
Trenton, New Jersey  
Wednesday, January 13, 2016

B E F O R E: TIMOTHY J. CUNNINGHAM-CHAIRMAN  
TED LIGHT-MEMBER  
IDIDA RODRIGUEZ-MEMBER  
FRANCIS BLEE-MEMBER

ALSO PRESENT:  
PATRICIA MC NAMARA-EXECUTIVE  
SECRETARY  
EMMA SALAY-DEPUTY EXECUTIVE SECRETARY

A P P E A R A N C E S:  
  
JOHN J. HOFFMAN, ACTING ATTORNEY  
GENERAL  
BY: PATRICIA E. STERN, ESQ.  
Deputy Attorney General  
For the Board

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STATE SHORTHAND REPORTING SERVICE, INC.

1           (Transcript of proceedings, Wednesday,  
2           January 13, 2016, commencing at 10:40 a.m.)

3                       MR. CUNNINGHAM: Good morning  
4           everyone. We'll reconvene this meeting,  
5           previously opened to the public in a prior  
6           session. So there is no need for any of the Open  
7           Public Meeting formalities.

8                       So moving directly into the agenda,  
9           the first matter before the Board is an  
10          application being considered on a consent agenda.  
11          It is Middle Township Fire District Number One.  
12          This is an advanced refunding for savings.

13                      There is well over three percent in  
14          net present value savings. They are not extending  
15          the final maturities. So this was a matter moved  
16          to consent. So unless any of the Board members  
17          have questions, we will look for a motion and a  
18          second?

19                      MR. BLEE: Motion.

20                      MR. CUNNINGHAM: Motion Mr. Blee.

21                      MR. LIGHT: Second.

22                      MR. CUNNINGHAM: Second by Mr.  
23          Light. Roll call, please.

24                      MS. MC NAMARA: Mr. Cunningham?

25                      MR. CUNNINGHAM: Yes.

1 MS. MC NAMARA: Ms. Rodriguez?

2 MS. RODRIGUEZ: Sustained.

3 MS. MC NAMARA: Mr. Blee?

4 MR. BLEE: Yes.

5 MS. MC NAMARA: Mr. Light?

6 MR. LIGHT: Yes.

7 MR. CUNNINGHAM: The Board will  
8 hear from the Township of Chesterfield-- I'm  
9 sorry, Fire District Number Two, I should be  
10 specific.

11 Good morning, gentlemen. Would you  
12 identify yourselves for the reporter, and those  
13 that aren't counsel will be sworn in.

14 MR. MALEY: John Maley.

15 MR. HLUBIK: Ray Hlubik,  
16 H-l-u-b-i-k, Secretary to the Board of  
17 Commissioners.

18 (John Maley and Ray Hlubik, being  
19 first duly sworn according to law by the Notary)

20 MR. CUNNINGHAM: Good morning,  
21 gentlemen.

22 MR. MALEY: Good morning. I am John  
23 Maley, Auditor for Chesterfield Fire District  
24 Number Two. With me is Ray Hlubik, who is the  
25 Secretary of the District.

1                   We are here requesting positive  
2 findings for the lease-purchase of an emergency  
3 vehicle.

4                   I have new news for you, just as of  
5 yesterday. As result of having a conversation  
6 with your staff, we learned that the interest rate  
7 we were getting was a little higher than we kind  
8 of thought it should be, and a little higher than  
9 other districts have got.

10                  So we contacted the lender, had a  
11 conversation with the lender. And we were told,  
12 for various reasons, that the amount of the loan  
13 along with nuances for each borrower, caused a  
14 difference in the rate. However, they would  
15 review the file.

16                  After reviewing the file, they  
17 reduced our rate to 3.65 percent, down from 3.96  
18 percent. That affects the amortization schedule to  
19 the tune of about \$2,000 in the first year and  
20 \$778 for the remaining nine years.

21                  MR. CUNNINGHAM: Okay. Just to set  
22 the table a while bit for the benefit of the other  
23 Board members, this is purchase of a fire rescue  
24 truck replacing old equipment.

25                  In order to procure it, the Fire

1 District went out to the Houston-Galveston  
2 National Co-op and negotiated a lease-purchase  
3 agreement with the co-op's preferred financing  
4 entity, which is PNC Equipment Financing.

5 MR. MALEY: Correct.

6 MR. CUNNINGHAM: We actually have  
7 three similar arrangements on the agenda today.  
8 You had the misfortune of just-- I don't know  
9 whether alphabetical or otherwise, being on the  
10 agenda first. But the same questions are likely to  
11 apply to the other districts.

12 I guess what the Board wanted to  
13 just understand a little bit better, was how the  
14 terms of this prepay concept worked.

15 MR. MALEY: Yes.

16 MR. CUNNINGHAM: We also noticed as  
17 it related to Chesterfield, that there were no  
18 costs of issuance, let alone there is, I guess,  
19 opinion letters required as I saw in the  
20 lease-purchase contract, as well as performance  
21 bonds and whatnot.

22 I was just kind of hoping that  
23 you could help us understand a little bit about  
24 how this lease-purchase works and how that prepay  
25 option operates?

1                   MR. MALEY:    The vendor, Pierce,  
2   will provide approximately a six percent discount  
3   off the price of the HGAC price if you provide  
4   them the funds up front, of prepayment. It doesn't  
5   have to be through PNC. Just any lender would do  
6   as long as they get their money up front.

7                   I suppose they can effectuate  
8   some cost savings by having this money up front.  
9   That's about \$30,000, \$32,000.

10                  Not only that, if they can order  
11   this vehicle by the end of January, they will save  
12   another \$13,000 or \$14,000 in an expected price  
13   increase. But the application isn't taking that  
14   into consideration, we're requesting the \$472,000  
15   at this point.

16                  As far as the cost issuances, when  
17   I prepared the application I wasn't thinking of  
18   the cost of issuance relating to a lease-purchase,  
19   like I would with a bond deal, so I didn't list  
20   anything there. But the one cost of issuance that  
21   comes to mind would be my fee, a couple of  
22   thousand dollars for the application, to prepare  
23   the application.

24                  There was also in there a  
25   performance bond requirement. It is on the

1 lender's listing. I spoke with the lender. I  
2 spoke with the Pierce rep. He said you will not  
3 be writing any checks for a performances bond.  
4 Pierce will be obtaining that performance bond at  
5 their expense.

6 MR. CUNNINGHAM: I'm glad to hear  
7 that, because that's not the way I read the  
8 lease-purchase contract at all.

9 MR. MALEY: Yes, I agree.

10 MR. CUNNINGHAM: The difficulty we  
11 have is that we have three applicants who have a  
12 very similar arrangement. We may have testimony  
13 from others today that expand upon this.

14 So what I may do is, after we talk,  
15 rather than vote on it, I may call others up and  
16 will take them. That way we'll build a full  
17 picture of how this co-op works. Then we'll bring  
18 each applicant back up for individual votes.

19 MR. MALEY: That's fine.

20 MR. CUNNINGHAM: As it relates to  
21 Chesterfield, the way I read the application  
22 besides the co-op fees, is that, you know, the  
23 goal is to roll equipment purchases. So if you  
24 have a piece of equipment, as something drops off,  
25 you--

1 MR. HLUBIK: Try to replace it.

2 MR. CUNNINGHAM: -- try to replace  
3 it. The goal is to keep--

4 MR. HLUBIK: The level--

5 MR. CUNNINGHAM: The tax rate  
6 stable.

7 MR. HLUBIK: Level tax rate, yes.

8 Right now we're talking about a  
9 1991 vehicle, which we are starting to get some  
10 problems with, that will be a fair investment if  
11 we try to repair the vehicle in its current state.

12 MR. CUNNINGHAM: I assume that-- in  
13 Chesterfield's case, maybe I'm not going to make  
14 that assumption, because I think this is the one  
15 that I had a question on. Did the District go out  
16 and seek other potential financing options from  
17 local banks, improvement authorities, whatever the  
18 case may be?

19 MR. HLUBIK: First of all, I  
20 applied to the Burlington County Bridge  
21 Commission, which we used the last time that we  
22 purchased a vehicle. They came back to us in  
23 July or August and said that with our financing  
24 and with our position, that we were-- we would be  
25 eligible for financing when and if they did



1 something.

2 I checked with them in October,  
3 November, because I hadn't heard anything from  
4 them. They said they didn't have sufficient  
5 demand for going out for bonding. So at this  
6 point in time they weren't going to--

7 MR. CUNNINGHAM: So the timing  
8 didn't work with the Bridge Commission?

9 MR. HLUBIK: The time didn't work at  
10 that point. I applied to Bank of America. They  
11 pretty much came back with a letter saying that  
12 they weren't interested in financing at this point  
13 in time.

14 We also priced out a vehicle from  
15 Rescue One. They offered us a financing rate of  
16 seven years, not ten, which was a little better  
17 than Pierce's or the PNC rate. But, again, it was  
18 a seven year term, not a ten year term.

19 Again, I could pursue them and see  
20 if they would be interested in financing the  
21 Pierce vehicle. I haven't done that, but it  
22 doesn't look like at this point in time that would  
23 work-out real well or very easily.

24 MR. CUNNINGHAM: Then if you  
25 gentlemen wouldn't mind standing down, I'll call

1 the next applicant. We'll kind of talk it through  
2 with them and we'll call you back up when we're  
3 actually ready to vote on it.

4 So that would bring us to  
5 Gloucester Township fire District Number Five.

6 MR. CARLAMERE: Good morning Mr.  
7 Chairman and members of the Board. My name is  
8 David Carlamere. I'm the attorney representing  
9 Gloucester Township Fire District Number Five.

10 I have the Chairman of the Board  
11 Barry Engelbert and Vice Chairman Joseph De Rosa,  
12 with me this morning.

13 (Barry Engelbert and Joseph De  
14 Rosa, being first duly sworn according to law by  
15 the Notary)

16 MR. CARLAMERE: This is the same as  
17 the similar one just before you. Gloucester  
18 Township Fire District Number Five has proceeded  
19 with the purchase of a firefighting apparatus,  
20 also through the Houston-Galveston National Co-Op.  
21 The financing is also through the  
22 Houston-Galveston National Co-Op.

23 As you can see from their  
24 application and I'm sure the Board members are all  
25 aware of this, they proceeded it through proper

1 election last year for the approval for a maximum  
2 purchase of \$850,000.

3 MR. CUNNINGHAM: Talk about that  
4 election for a second. How many voters in  
5 Gloucester Fire District Number Five?

6 MR. CARLAMERE: Eight voters came  
7 out.

8 MR. CUNNINGHAM: Eight voters came  
9 out, with a population of--

10 MR. CARLAMERE: Fire District Number  
11 five is a small--Gloucester Township maybe has  
12 25,000, 30,000 voters. Gloucester Township Fire  
13 District Five is a very small, rural section of  
14 the Township. I honestly cannot tell you how many  
15 voters are there. But usually that comes out in  
16 their regular Fire District elections-- how many  
17 voters do you usually get?

18 MR. ENGELBERT: Two to three  
19 hundred.

20 MR. DE ROSA: Two to three hundred.

21 MR. CUNNINGHAM: Okay. Proceed,  
22 please.

23 MR. CARLAMERE: So the application  
24 to the Board is for the approval of the project  
25 financing. They're financing \$505,085. Their

1 interest rate is 3.5. I'm sure the Board Chairman  
2 is prepared to answer your questions on the method  
3 of financing.

4 But he'll tell you that they  
5 attempted to secure financing through Beneficial.  
6 Beneficial's response and Mr. Chairman of the  
7 Board can correct me, declined to do the  
8 financing. That they told them if their interest  
9 rate was 3.5 through the National Co-op, which is  
10 PNC, that that is the best interest rate they are  
11 going to secure. So they decided to stay with the  
12 National Co-op, PNC, for their financing.

13 They have a performance bond that  
14 is also being paid by Pierce through Liberty  
15 Mutual, the bid bond also through Liberty Mutual.

16 MR. CUNNINGHAM: I'll come back to  
17 the performance bond in a second. Would the  
18 District just be able to talk a little bit,  
19 because what we didn't have in the application is,  
20 we didn't really have evidence of multiple  
21 proposals being solicited for the financing. So  
22 could you just speak to the other options that the  
23 District considered?

24 MR. ENGELBERT: We reached out to  
25 Beneficial Bank. Their rate was 4.33. I do have

1 that in writing in here. I think she sent it over  
2 yesterday. I have it right here if you want it?

3 MR. CUNNINGHAM: No, your  
4 testimony is fine. But you said 4.33?

5 MR. ENGELBERT: It was 4.33 for ten  
6 years.

7 MR. CUNNINGHAM: That was my next  
8 question.

9 MR. ENGELBERT: And 4.17 for seven  
10 years

11 MR. CUNNINGHAM: All right. The  
12 other question before we get actually into the  
13 co-op specific issues is, what was--what's just  
14 not clear in your application was, it talks about  
15 replacing outdated fire apparatus. But there is  
16 really nothing explaining what the outdated fire  
17 apparatus was. I was hoping you could talk a  
18 little bit about that.

19 MR. ENGELBERT: Well, we are  
20 replacing a ladder truck--we're purchasing a  
21 ladder truck and replacing our old ladder truck,  
22 which is a 1998 vehicle.

23 MR. RUSSO: A Spartan.

24 MR. ENGELBERT: The Spartan, yeah.

25 MR. CUNNINGHAM: So the 1998 truck

1 is determined not --

2 MR. ENGELBERT: To be replaced.

3 MR. CUNNINGHAM: You should talk to  
4 Chesterfield. Their's is a '91. They actually  
5 managed to keep that in service longer.

6 MR. ENGELBERT: We have a 1990  
7 pumper also.

8 MR. CUNNINGHAM: Maybe you can use  
9 the mechanicals on that one.

10 MR. DE ROSA: Thank God for our  
11 mechanics.

12 MR. ENGELBERT: We have a good  
13 mechanic.

14 MR. CUNNINGHAM: So I guess what  
15 I'm not understanding, counselor, is, I just-- I'm  
16 sorry if I'm missing-- I don't understand what the  
17 performance bond in this context is alleged to do?

18 MR. CARLAMERE: Well, we asked for  
19 as part of our requirements for the bid bond and  
20 also the performance bond--the performance bond,  
21 as I indicated, is being paid for by Pierce and  
22 provided by Pierce. That guarantees that the truck  
23 is going to be completed in accordance with the  
24 specs and delivered in accordance with the terms,  
25 as any performance bond. If they breach that,

1 then we go to the performance bond for completion  
2 of the vehicle.

3 MR. CUNNINGHAM: Okay. Then unless  
4 anybody has questions for Gloucester, I'd ask you  
5 to stand down and we would hear from  
6 Parsippany-Troy Hills.

7 MR. CARLAMERE: Thank you.

8 MR. CUNNINGHAM: Good morning,  
9 gentlemen. Could you just identify yourselves and  
10 those that aren't counsel be sworn.

11 MR. PALMIERI: Commissioner Matt  
12 Palmieri, P-a-l-m-i-e-r-i.

13 MR. LAMBERT: Commissioner Ken  
14 Lambert, L-a-m-b-e-r-t.

15 MR. ROGUT: Steve Rogut, bond  
16 counsel, R-o-g-u-t.

17 (Matthew Palmieri and Ken Lambert,  
18 being first duly sworn according to law by the  
19 Notary)

20 MR. CUNNINGHAM: So similar to the  
21 prior applicants, the same purchase of equipment  
22 from the Houseon-Galveston Co-Op, utilizing a  
23 lease-purchase arrangement and the financing  
24 through the preferred lender, which is PNC  
25 Equipment Financing?

1 MR. ROGUT: Correct.

2 MR. CUNNINGHAM: In your context I  
3 believe it is a seven years amortization as  
4 opposed to a ten?

5 MR. ROGUT: Correct.

6 MR. CUNNINGHAM: Because of that  
7 you received a rate of, I think it was, like, two  
8 and three quarters?

9 MR. ROGUT: Yeah, 2.746.

10 MR. CUNNINGHAM: I know you heard  
11 the testimony of the prior applicants, but is  
12 there anything that you want to add as it relates  
13 to the lease-purchase contract or the required  
14 bonds?

15 MR. ROGUT: Sure. We solicited  
16 other financing quotes. We received a rate of two  
17 and a half percent, plus a half a point at  
18 closing, from TD Bank. Then we also got a rate,  
19 right after I filed the application, from the  
20 Morris County Improvement Authority. They use TD  
21 Bank as their financier for their financings  
22 through their pool program. That would be the two  
23 and a half percent rate.

24 But when we applied the \$41,000  
25 --I'll get the exact amount -- yeah. When we



1 applied our prepayment discount of \$41,409, we  
2 achieved savings of \$39,000 in total interest  
3 expense, comparing the two and a half percent  
4 rate.

5                   With respect to the surety bond, we  
6 discussed it with PNC and also Commissioner  
7 Lambert discussed it with the salesperson. We  
8 don't pay for that surety bond to guarantee their  
9 performance in building the truck. It is factored  
10 into their price. Even though the agreement, I  
11 agree with you, says it is the responsibility, you  
12 know, of the -- -

13                   MR. CUNNINGHAM: Yeah, that was  
14 just as I was reading it.

15                   MR. ROGUT: I read the same thing.  
16 I called when I got the terms sheet and discussed  
17 it with Ken. Then I called PNC. They said no,  
18 there is no out-of-pocket expenses, it is built  
19 into the cost.

20                   MR. CUNNINGHAM: All right. Any  
21 questions?

22                   MR. BLEE: I thought of one. Today  
23 we're focused on financing, bidding on financing.  
24 How about the apparatus, maybe if I can ask all  
25 three, maybe, you went out to bid on the

1 apparatus. How many proposals did you receive?

2 MR. LAMBERT: We really didn't go  
3 out to bid because it's part of the HGAC.

4 MR. ROGUT: We go through this  
5 cooperative which is state approved, like, the  
6 state contract for purchasing.

7 MR. BLEE: All right.

8 MR. CUNNINGHAM: Mr. Blee, that's a  
9 good segway into a comment that I wanted to make.  
10 Not an issue for today, so relax. But an issue  
11 going forward is, I think that we as the Division,  
12 in consultation with the Attorney General's  
13 office, have to look a bit into the use of the  
14 National Co-op and the use of their preferred  
15 financing arm.

16 The reason I say that is because  
17 there is some controversy over the use of a  
18 national co-op. I don't share the opinion of a  
19 director a couple of years ago, that issued a  
20 Local Finance Notice on point. I'm okay with the  
21 use of the co-op.

22 But when we require, in order to  
23 get the better price, an additional service--  
24 maybe not an additional service, but an additional  
25 arrangement to get the preferred pricing, it

1 throws the co-op pricing a little bit out of  
2 whack.

3                   So we're going to have an internal  
4 conversation about that. There may be guidance  
5 just-- if you happen to talk to other Fire  
6 Districts, there may be another guidance  
7 forthcoming from the Division that talks about the  
8 arrangement and the propriety of it. I don't have  
9 an opinion on it yet. It depends on how the  
10 analysis shakes out. But that is something that we  
11 kind of looked at as related to the co-op and the  
12 use of PNC in particular, only that that's the  
13 entity that's their preferred financing arm.

14                   MR. LAMBERT: I think the vendor  
15 gives you a prepayment-- you get a prepayment  
16 credit no matter what financing you use. If you  
17 are going to--typically you prepay the engine and  
18 the chassis. So you receive a credit for that. It  
19 really doesn't have a lot to do with the  
20 financing.

21                   MR. CUNNINGHAM: So you don't have  
22 to use PNC in order to get that?

23                   MR. LAMBERT: No. You get a  
24 prepayment credit based on the fact that  
25 you're--I'm going to give you a pre--I'm buying

1 that chassis and cab from you right now. That's  
2 where the prepayment credit comes from. So I think  
3 people are getting the two items confused. The  
4 funding is a separate issue.

5 MR. CUNNINGHAM: It would seem odd  
6 that PNC is so much more competitive in the rate  
7 than other very well established banks. PNC is  
8 clearly a giant, but TD is no slouch in the  
9 marketplace either. I'm just curious about why the  
10 numbers are so different?

11 MR. ROGUT: The price itself, we  
12 were quoted one price. So we weren't quoted  
13 different prices whether we use PNC Equipment  
14 Finance or not. So the price was fixed. But for  
15 some reason, you know, in order to get the money  
16 up front, Pierce is willing to knock, in our case  
17 \$41,000, off of the amount financed.

18 That's a relationship, you know,  
19 between Pierce and PN. In dealing with other--

20 MR. CUNNINGHAM: But I'm not sure--  
21 it wouldn't necessarily be a relationship between  
22 Pierce and PNC. Because if you were-- let's just  
23 say TD or another local bank, came in with a rate  
24 that was attractive to the District, you would  
25 finance it and you would get the check and you

1 would --no?

2 MR. ROGUT: What normally happens  
3 is that they won't --in a lease-purchase  
4 transaction, the equipment has to be delivered.  
5 We have to file a certificate that we're  
6 accepting the equipment. Then payment is made to  
7 the equipment-- you know, to the bank.

8 MR. CUNNINGHAM: That explains it.

9 MR. ROGUT: So I don't know why  
10 it's worth \$41,000 in our case, to Pierce, to get  
11 the money up front, but it was. But no nobody  
12 else would--

13 MS. RODRIGUEZ: That has to be an  
14 arrangement-- I'm sorry to interrupt-- that the  
15 vendor has with the financial institution. I  
16 think my concern is also the surety bonding, how  
17 it is not-- you are paying for it, you know.  
18 Regardless, it is in the costs -- it's in the cost  
19 of the apparatus.

20 MR. CUNNINGHAM: It's built-in,  
21 sure.

22 MS. RODRIGUEZ: It is built-in.  
23 So it's almost confusing when the application  
24 comes here, because these are things that we  
25 require. It is not showing it on the terms sheet.

1 I think that's my problem.

2 I think my problem is that there is  
3 a catch to it. You buy from us and finance with  
4 folks that we-- you know, we think-- they are  
5 giving you a good rate, by the way, and, you know,  
6 we'll give you this.

7 MR. ROGUT: From our prospective,  
8 it seems like a very good deal. We've done  
9 what--because I've been through the history of  
10 this. So we have done exactly what we've been  
11 asked to do. And they always win.

12 And we're dealing with, you know, a  
13 cooperative financing program where the prices  
14 have already been approved.

15 MS. RODRIGUEZ: The Director-- we're  
16 not telling you that you didn't get a good deal,  
17 but we're just spelling it out. I guess the  
18 Director's concern is one with the other. I don't  
19 think that was the intent --

20 MR. CUNNINGHAM: The reason you are  
21 getting a good deal is because there is one  
22 financing.

23 MS. RODRIGUEZ: Exactly.

24 MR. CUNNINGHAM: There is one  
25 financing option that has an advantage over

1 others, that they have an in-house relationship  
2 with the manufacturer.

3                   That's where my Local Public  
4 Contract Law antenna goes up and says, I wonder if  
5 this exceeds the boundaries of what a national  
6 co-op should be allowed to do?

7                   I think, as I said, it is a  
8 concern. It is not necessarily something that we  
9 have found to be a violation. If that was the case  
10 we wouldn't vote upon this today. I think it is a  
11 conversation that we're going to have internally  
12 along with the guidance of the AG's office.

13                   Before I make my next statement,  
14 are there any further questions, before I  
15 continue?

16                   (No response).

17                   What I would think--and I don't  
18 want to speak on behalf of the Board, but what I  
19 would think is that because our concern with this  
20 arrangement remains a potential concern and not an  
21 actual concern, I don't want to do anything to  
22 prevent the districts from obtaining very  
23 competitive rates and very competitive timing.  
24 Because I do know when you place the order  
25 matters.

1                   So what I don't want to do is  
2     table this matter. Because then you know the  
3     eight people in Gloucester Fire District Five that  
4     wanted this piece of equipment, they wouldn't get  
5     their piece of equipment.

6                   So I think where I am today, if my  
7     colleagues on the Board would agree with me, I  
8     would vote on these applications today. And I  
9     know this may not matter to you, but should you  
10    come back on a different piece of equipment or  
11    different application, or should those of you that  
12    represent districts have other clients considering  
13    it, you should understand that this is an issue  
14    that we're going to be looking at and we may come  
15    out with guidance. Or we may not, depending where  
16    things shake out.

17                  So I just feel the need to  
18     articulate that.

19                  MR. ROGUT: That's fine. But we  
20     did follow the Board's instruction and procure  
21     equipment separately from the financing. But  
22     interestingly, they wind up co-mingled.

23                  MR. CUNNINGHAM: No allegation that  
24     you did not. If we had a problem with the actions  
25     of this District or any other District, both in



1 terms of the procurement process or the financing  
2 arrangement, we wouldn't be voting on it today.  
3 So I just share that potential coming concern.  
4 But I kind of want to get these three districts  
5 through the process today, then we'll take a look  
6 at things.

7 So with that said, we have  
8 Parsippany-Troy Hills in front of us. I would  
9 look for a motion and a second.

10 MS. RODRIGUEZ: I make a motion.

11 MR. CUNNINGHAM: Ms. Rodriguez makes  
12 the motion.

13 MR. BLEE: Second.

14 MR. CUNNINGHAM: Mr. Blee seconds.  
15 Take a roll call call please, Pat.

16 MS. MC NAMARA: Mr. Cunningham?

17 MR. CUNNINGHAM: Yes.

18 MS. MC NAMARA: Ms. Rodriguez?

19 MS. RODRIGUEZ: Yes.

20 MS. MC NAMARA: Mr. Blee?

21 MR. BLEE: Yes.

22 MS. MC NAMARA: Mr. Light?

23 MR. LIGHT: Yes.

24 MR. ROGUT: Thank you very much.

25 MR. CUNNINGHAM: Thank you,

1 gentlemen. Good luck and be safe.

2 Now, I'm not sure that we need to  
3 call the other applicants back. If we're not  
4 taking additional testimony, then I think we can  
5 just vote on them as well.

6 So I'll go back to-- I'll make a  
7 motion to approve the Township of Chesterfield  
8 Fire District Number Two's application before the  
9 Board.

10 MS. RODRIGUEZ: Second.

11 MR. CUNNINGHAM: Second by Ms.  
12 Rodriguez. Roll call please, Pat.

13 MS. MC NAMARA: Mr. Cunningham?

14 MR. CUNNINGHAM. Yes.

15 MS. MC NAMARA: Ms. Rodriguez?

16 MS. RODRIGUEZ: Yes.

17 MS. MC NAMARA: Mr. Blee?

18 MR. BLEE: Yes.

19 MS. MC NAMARA: Mr. Light?

20 MR. LIGHT: Yes.

21 MR. CUNNINGHAM: Thank you guys. And  
22 the Board will also consider-- I will make a  
23 motion to approve--I'll make a motion to approve  
24 the application of the Township of Gloucester Fire  
25 District Number Five.

1 MR. BLEE: Secon.  
2 MR. CUNNINGHAM: Second by Mr.  
3 Blee.  
4 MS. MC NAMARA: Mr. Cunningham?  
5 MR. CUNNINGHAM. Yes.  
6 MS. MC NAMARA: Ms. Rodriguez?  
7 MS. RODRIGUEZ: Yes.  
8 MS. MC NAMARA: Mr. Blee?  
9 MR. BLEE: Yes.  
10 MS. MC NAMARA: Mr. Light?  
11 MR. LIGHT: Yes.  
12 MR. CALAMERE: Thank you.  
13 MR. CUNNINGHAM: Thank you all.  
14 Please be safe.  
15 Borough of Lake Como.  
16 Hello, Mr. Panella, how are you?  
17 MR. PANELLA: Fine, thank you.  
18 MR. CUNNINGHAM: Would you please  
19 identify yourselves to the reporter and those that  
20 aren't counsel be sworn in?  
21 MR. PANELLA: Tony Panella, Wilentz,  
22 Goldman & Spitzer  
23 MS. MEKOSH: Louise Mekosh, Borough  
24 Clerk/Administrator.  
25 MR. PATEL: Malay Patel, Borough

1 Engineer's office.

2 (Louise Mekosh and Malay Patel,  
3 being first duly sworn according to law by the  
4 Notary.)

5 MR. CUNNINGHAM: So thank you for  
6 the appearance today. And I think we probably  
7 would have been able to deal with this on the  
8 Consent agenda. I don't think that I or--I don't  
9 want to speak for other members of the Board, but  
10 typically we wouldn't have any problem with a  
11 nonconforming maturity schedule. The USDA program,  
12 we understand the nature or the duration of the  
13 USDA loans and the semiannual payments. So there  
14 is not an issue per se there.

15 The issue was with the math and  
16 what was actually being requested and authorized.  
17 I have to admit that given other events yesterday,  
18 I didn't have a chance to fully read the  
19 explanatory materials that you were kind enough to  
20 send over. So would you be willing just to walk  
21 the Board through the application and the numbers  
22 so we can identify exactly what's being  
23 authorized?

24 MR. PANELLA: Sure. Lake Como is  
25 doing a municipal water system refurbishment

1 program. It's in two phases. This is phase one.

2 Lake Como, like many other shore  
3 towns, was hit hard by Hurricane Sandy. And its  
4 municipal water system, which was old to begin  
5 with, got hit hard as well. So after about a year  
6 of study, in early 2014 the Borough determined to  
7 proceed ahead with the refurbishment of the water  
8 system.

9 The project for phase one was  
10 sized at \$2,812,500. The bond ordinance was  
11 adopted for that amount. The bond anticipation  
12 note was issued in that amount. The process then  
13 commenced with submitting applications to the USDA  
14 for a loan. I'll explain at the end why we think  
15 that makes sense for the town.

16 But just to continue the chronology  
17 what happened, the project commenced in 2014. By  
18 the time the Borough hit early 2015, it got bad  
19 news and good news. The bad news was that the  
20 project would probably be over the original  
21 project amount by about \$400,000.

22 So in March of 2015 a new bond  
23 ordinance was adopted reflecting a new project  
24 amount of \$3,240,000 versus the original  
25 \$2,812,000.

1                   The good news was that  
2 unexpectedly the USDA awarded the project an  
3 \$849,500 grant. So even with the increased project  
4 cost, the loan amount dropped to \$2,390,000.

5                   The the project is now  
6 substantially complete. The trick with the USDA  
7 which makes the USDA financing process a  
8 challenge, is that you have to interim finance the  
9 projects while they are under construction. They  
10 won't actually close the loan until the project is  
11 done. So you never actually finally size the loan  
12 until about ten minutes before the loan closing.

13                   So the confusion in this  
14 application results from the following. We  
15 attached a loan amortization schedule to our LFB  
16 application. And the loan amount on that  
17 amortization schedule was \$1,963,000.

18                   Well, that was the loan amount that  
19 it would have been had the project not had  
20 increased costs. The reason why we don't have an  
21 amortization schedule that reflects the actual  
22 loan amount yet, is because the USDA will not give  
23 us that amortization schedule until they peg the  
24 loan amount.

25                   That's why our application was for

1 not exceeding \$2,390,625, because I know our loan  
2 amount will be that amount or less. So that was  
3 the confusion, Mr. Director.

4 MR. CUNNINGHAM: The \$2.390  
5 million, it will be that amount or less?

6 MR. PANELLA: That would be the  
7 bond ordinance maximum loan.

8 We believe our USDA loan will be  
9 somewhere between \$1,963,000 and that number. But  
10 we won't know it for another week or two.

11 MR. CUNNINGHAM: Well, you know it's  
12 not going to be the \$1,963,000?

13 MR. PANELLA: I know it is not going  
14 to be that.

15 MR. CUNNINGHAM: Okay. I guess the  
16 only thing is-- I've never really done a USDA  
17 loan, so this idea of how close they do the  
18 loan --

19 MR. PANELLA: They are fun.

20 MR. CUNNINGHAM: It sounds like it  
21 must bse exciting.

22 MR. PANELLA: They are fun.

23 MR. CUNNINGHAM: Until they peg  
24 that final amount, you don't know. Do you have  
25 approval? Is there any chance that the answer is

1 just going to be sorry, we're not doing it? Is it  
2 just a matter of figuring the numbers out now or  
3 does Lake Como still have the potential for not  
4 receiving a USDA loan?

5 MR. PANELLA: Malay Patel from CME  
6 Associates, the municipal engineer, is here. But  
7 I'll give my answer. If you have anything to add,  
8 you can do it.

9 I believe it's just a matter of  
10 of the USDA document submission process. They  
11 have incredibly bureaucratic forms that must be  
12 precisely submitted, that outline precisely the  
13 costs. We're in that process with them now.

14 So I'm comfortable that we're going  
15 to get a loan amount for the difference between  
16 our total project cost and our \$849,500  
17 loan--grant, forgive me. I just can't tell you  
18 just what that exact number is yet.

19 MR. CUNNINGHAM: Tony, I'm sorry to  
20 ask you to do this again, but just so the record  
21 is clear, total project cost?

22 MR. PANELLA: The total project  
23 cost, as approved by a bond ordinance, which means  
24 it is not exceeding, \$3,241,025.

25 MR. CUNNINGHAM: And the grant



1 amount the USDA is providing is --

2 MR. PANELLA: That's approved at  
3 \$849,500.

4 MR. CUNNINGHAM: \$500, okay.

5 MR. PANELLA: That's done.

6 MR. CUNNINGHAM: Then the not to  
7 exceed on the application before the Board today,  
8 remains at \$2,390,625?

9 MR. PANELLA: Yes. If you add  
10 those two numbers together, they miraculously  
11 equal the expanding BAN of \$2,812,500.

12 MR. CUNNINGHAM: What a  
13 coincidence.

14 MR. PANELLA: Because the USDA has  
15 not given us final approval on the increased loan  
16 yet.

17 MR. CUNNINGHAM: Okay. Any other  
18 questions from the Board?

19 MR. LIGHT: I'll move the  
20 application.

21 MR. CUNNINGHAM: We thank you for  
22 that explanation.

23 MR. PANELLA: Thank you.

24 MR. CUNNINGHAM: Did I hear --

25 MR. LIGHT: I make a motion to

1 approve.

2 MR. CUNNINGHAM: Mr. Light made a  
3 motion.

4 MR. BLEE: Second.

5 MR. CUNNINGHAM: Mr. Blee seconded.  
6 Roll call, please.

7 MS. MC NAMARA: Mr. Cunningham?

8 MR. CUNNINGHAM: Yes.

9 MS. MC NAMARA: Ms. Rodriguez?

10 MS. RODRIGUEZ: Yes.

11 MS. MC NAMARA: Mr. Blee?

12 MR. BLEE: Yes.

13 MS. MC NAMARA: Mr. Light?

14 MR. LIGHT: Yes.

15 MR. CUNNINGHAM: Thank you very much.

16 MR. PANELLA: Thank you.

17 MR. CUNNINGHAM: The application  
18 listed on the agenda by the Village of Ridgewood  
19 was withdrawn at their request.

20 So that brings us to Lower Township  
21 Municipal Utilities Authority.

22 MR. JESSUP: Thank you.

23 MR. CUNNINGHAM: Counsel Jessup,  
24 welcome. Would you please--

25 MR. JESSUP: Good morning, how are

1 we all doing?

2 MR. CUNNINGHAM: Wonderful, happy  
3 New Year. Would you please have you and your  
4 clients introduce yourselves and those that aren't  
5 counsel be sworn?

6 MR. JESSUP: Sure. Matt Jessup,  
7 bond counsel for the Township of Lower Municipal  
8 Utilities Authority, from Mc Manimon, Scotland &  
9 Baumann. To my right is Steve Testa, who's a  
10 financial consultant to the Authority. To Steve's  
11 right is Mike Chapman, the Executive Director of  
12 the Authority.

13 (Mike Chapman and Steve Testa,  
14 being first duly sworn according to law by the  
15 Notary)

16 MR. CUNNINGHAM: So another USDA  
17 loan?

18 MR. JESSUP: USDA, yes, saved them  
19 all for the end, I guess.

20 MR. CUNNINGHAM: There wasn't a lot  
21 of shuffling on this agenda. It wasn't that  
22 robust of an agenda. Matt, did you just want to  
23 introduce the application to the Board?

24 MR. JESSUP: That would be great.  
25 This is an application pursuant to NJSA 40A:5A-6,

1 in an amount not to exceed \$4.2 million, in  
2 connection with a project note resolution  
3 authorizing project notes in the amount not to  
4 exceed \$4.2 million. Then a supplemental bond  
5 resolution authorizing \$3,724,000.

6 This, again, project notes and  
7 bonds, ties into what Mr. Penella was saying one  
8 application prior, which is that the USDA requires  
9 that you self-finance your project until you get  
10 to ninety-five percent construction completion  
11 before you can, in fact, close your bond deal with  
12 the USDA.

13 So the USDA has awarded a loan only  
14 in the amount of \$3,724,000 to the USDA-- or to  
15 the Authority, excuse me.

16 This project constructs about  
17 25,000 feet of water mains, connects 547 new users  
18 and about 47 new fire hydrants to the existing  
19 water system.

20 MR. CUNNINGHAM: If I can just ask,  
21 are they new construction coming on or are they  
22 houses with wells that are going to be joining to  
23 municipal water?

24 MR. CHAPMAN: This section of the  
25 Villas is cottages that were build back in the

1 '40s and '50s. They all have thirty and forty foot  
2 shallow wells. Those wells will be discontinued  
3 and they will be joining the water system.

4 MR. CUNNINGHAM: Thank you.

5 MR. JESSUP: The interest rate on  
6 the USDA long term loan will be at a rate not to  
7 exceed 2.125 percent. It's currently at 2.125  
8 percent. But the way USDA works is, you get the  
9 lesser of the loan at commitment-- the interest  
10 rate at commitment, or the interest rate when we  
11 actually close. So we may get a lower interest  
12 rate when we close right around a year from now,  
13 or a lesser rate. But the rate will not exceed  
14 2.125 percent. That's a hard, committed number.

15 As with all USDA loans, principle  
16 is paid semi-annually. In this case principle  
17 and interest on an annual basis, is about \$138,682  
18 per year.

19 As I mentioned earlier, we need to  
20 short term finance the project until we get to  
21 ninety-five percent of completion. Which is why  
22 the Authority is seeking a project note resolution  
23 in an amount of not to exceed \$4.2 million.

24 Construction is estimated to be  
25 completed by the end of this year. So while we

1 discussed in the resolution the concept of issuing  
2 a note and perhaps issuing rollover notes, and  
3 including in the sizing cost of issuance and  
4 capitalized interest on rollover notes, currently  
5 the expectation is that we will issue one note for  
6 less than a year. By the time we issue the note  
7 in March or April, it will likely come due in the  
8 December, January time frame and that will be  
9 taken out by the USDA.

10                   So there is some excess built into  
11 that \$4.2 million number, originally assuming that  
12 we may have to roll the notes over multiple times.  
13 But at this point construction completion is  
14 expected to be completed by either November, if  
15 not, by December of this year.

16                   So we would anticipate one note.  
17 If we did have to roll the note, we would follow  
18 the 5A-24 procedure through the Director to roll  
19 that note, if necessary.

20                   Any difference between the  
21 \$3,724,000, which is the loan amount approved by  
22 USDA, and the amount of notes issued which, again,  
23 would primarily cover cost of issuance on the  
24 note, which are detailed in the application, and  
25 capitalized interest on the note, will be paid by

1 the Authority from-- I'll say one of three  
2 sources, cash on hand, connection fees from these  
3 new users, or a planned rollover of the note and  
4 payoff over a short time period.

5 But in reality, it is going to be  
6 cash on hand and/or connection fees. If it is  
7 roughly \$100,000, that is for this Authority an  
8 amount that can easily be paid off at one time and  
9 have the project note go away at loan completion.

10 There is no rate impact to the  
11 existing users as a result of this financing, both  
12 on the short project note, as well as on the  
13 \$138,000 a year in debt service on the long term  
14 bonds.

15 That's a product of, again, the new  
16 users coming on, plus the connection fees coming  
17 on, plus where the existing rates and debt service  
18 are, there will be no rate change as a result of  
19 this financing.

20 MR. CUNNINGHAM: Thank you very  
21 much. One big picture question I have, is that in  
22 August of '14, the Local Finance Board had  
23 approved an application to dissolve the MUA. That  
24 never happened. I'm just curious if you can speak  
25 to the status of that or what happened, before

1 this Board authorizes the Authority to undertake  
2 additional debt, that if it was then later  
3 dissolved would be a general obligation to the  
4 town. Are you in a position to discuss that?

5 MR. CHAPMAN: Sure. I'm a relatively  
6 new Executive Director. I came after all the fun  
7 of all of that. We actually had some dialogue at  
8 the League of Municipalities about that, if you  
9 recall?

10 MR. CUNNINGHAM: That's right, I do.

11 MR. CHAPMAN: Basically I guess I  
12 can categorize it that it was politically  
13 motivated and the election went a little bit of a  
14 different way. There is currently no talk of  
15 dissolving the Authority.

16 There has been some question on  
17 the study that was prepared, so it's business as  
18 normal. We have-- this is one of three projects  
19 we have scheduled this year. We have another  
20 project similar to that, that it will take after  
21 this project, go into another section of town.

22 So we're moving ahead with the  
23 business of the Authority as usual. It is as sure  
24 as you can say there is nothing in the wind right  
25 now, there is nothing in the wind right now.



1                   MR. CUNNINGHAM: Thank you for that  
2 answer.

3                   MR. JESSUP: Mr. Chairman, I would  
4 just add, that under the service contract between  
5 the Township and the Authority, there is a  
6 requirement that any new projects, before they are  
7 long term financed, be approved by resolution of  
8 the Township.

9                   What we at Mc Manimon have always  
10 done with the Township and the MUA when we're  
11 doing short term is, we have gotten that  
12 resolution up front before we do our short term  
13 finance. God forbid we issue notes and then the  
14 Township denies that they want the project done  
15 and we're going to issue long term bonds.

16                   So with that part of the process,  
17 the Township having to adopt a resolution  
18 approving this project, will take place at the  
19 same time as the Authority is considering these  
20 supplemental project note resolutions. So there  
21 will be some action required to be taken by the  
22 municipality.

23                   MR. CUNNINGHAM: That's very  
24 helpful, thank you.

25                   MR. LIGHT: I have a question if I

1 may? Has there been action by the municipality  
2 making the residents that are in this area  
3 attached to the water mains or can they refuse to  
4 attach?

5 MR. CHAPMAN: Well, there is an  
6 ordinance that the town passed that requires them  
7 to connect. We provide a five year option to pay  
8 the connection fee at zero interest. We are also  
9 working with the New Jersey Housing Mortgage  
10 Finance Agency that has an excellent potable water  
11 program that would allow someone to finance their  
12 connection fee and any --

13 MR. LIGHT: You carry it only to a  
14 certain point and they have to pickup the  
15 connection from that point?

16 MR. CHAPMAN: Right. Basically,  
17 the way it works, and it's worked in other  
18 projects, once the project is complete, we send a  
19 registered letter. You have a year to pay your  
20 connection fee. After that-- after a period of  
21 time you will be billed the connection fee, as  
22 well as a quarterly water charge.

23 So basically there are still some  
24 residents that love their well and don't connect,  
25 but they have to pay their quarterly water bill

1 and their connection fees.

2 MR. CUNNINGHAM: You just do clean  
3 water, you don't do sewer?

4 MR. CHAPMAN: Yes, we do sewer as  
5 well.

6 MR. CUNNINGHAM: Any plans to--

7 MR. CHAPMAN: The area already has  
8 sewer.

9 MR. LIGHT: They won't take it, but  
10 they will send it out.

11 MS. RODRIGUEZ: Just out of  
12 curiosity, how much is a connection fee?

13 MR. CHAPMAN: \$1,300--I'm sorry,  
14 \$1,600.

15 MR. TESTA: They have the ability to  
16 pay it at \$320 per year over five years.

17 MR. LIGHT: The connection fee is  
18 the cost that the Utilities Authority has for  
19 providing service up to the connection point?

20 MR. CHAPMAN: Yes, that's correct.

21 MR. TESTA: One of the reasons we  
22 did not get any grant money from the USDA is  
23 because our prices are too reasonable.

24 MR. LIGHT: I was wondering why that  
25 wasn't included in the original ordinance as part

1 of the fee--part of the cost? Instead of having  
2 the connection fee connecting to the service, why  
3 wasn't that included in the entire project  
4 financing?

5 MR. TESTA: Actually, the connection  
6 fee is, if you would, a catch up fee for everyone  
7 who hasn't been connected, to pretty much catch up  
8 to the costs that everyone else has paid to be  
9 connected. So it's really not a-- it is not a  
10 physical cost of the Authority.

11 It's the calculation under the  
12 statute that basically says that we can charge up  
13 to--I forget the maximum, but we're pretty much  
14 locked into that \$1,600 per year.

15 So it's not our physical costs--if  
16 that was a misunderstanding--

17 MR. LIGHT: It's not a cost of  
18 providing the service?

19 MR. TESTA: Right. Our costs for  
20 running the lines are all inclusive in the cost  
21 that we have proposed there, of the project.

22 The connection fee, the resident  
23 will pay us the \$1,600. Then they will also be  
24 responsible for paying the plumber to actually  
25 physically make that connection. It will cost

1       them a couple of thousand dollars just to tie-in.  
2       We won't have any physical costs with respect to  
3       that.

4                       MR. LIGHT: I'm not sure what you  
5       do with the \$1,600, though?

6                       MR. JESSUP: In this case some of  
7       it is being used to-- in fact, the USDA factored  
8       it in to use to help pay for a portion of the  
9       cost. And the balance of it, again, as Steve  
10      mentioned, is really for all of those that have  
11      previously paid to improve the system to have it  
12      where it is today. The new people come in and  
13      they pay a portion of that cost, because they are  
14      getting the benefit of the improvements to that  
15      system now that they are tying into it. Just  
16      because they got in a year later doesn't--

17                      MR. LIGHT: That is factored into  
18      the total cost of the project?

19                      MR. JESSUP: Correct, yes.

20                      MR. LIGHT: Thank you.

21                      MR. CUNNINGHAM: The only other  
22      question I have is related to the cost of  
23      issuance. I understand bond counsel has a role in  
24      doing documents and kind of getting the loan to  
25      the closing table. But you have the MUA's general

1 counsel and the Township's general counsel in at  
2 \$10,000 a piece. I just can't imagine there is  
3 that much work to do. Maybe I'm wrong, Matt, but  
4 they seemed like high numbers for local counsel.  
5 And then the auditors, both the Township and the  
6 Authority auditors, \$5,000 each. Can I assume  
7 that these are placeholder numbers?

8 MR. JESSUP: These are absolutely  
9 placeholder numbers. They are absolutely  
10 estimates. We have not spoken directly to, you  
11 know, the professionals.

12 I will tell you that in the USDA  
13 financing, there are local counsel opinions that  
14 are required by USDA governing rights-of-way and  
15 other project related items that you don't  
16 normally see in a typical project financing.  
17 Whether general counsel to the Authority under  
18 their contract even gets paid, let alone would  
19 charge that amount.

20 My recollection, for example, with  
21 the last deal we did in 2013, was that general  
22 counsel I think was paid \$3,500, not \$5,000. So  
23 they were meant to be placeholders for those local  
24 professionals.

25 MR. CUNNINGHAM: For the general

1 counsel and Township general counsel, the  
2 placeholders were \$10,000. The auditors were  
3 \$5,000 a piece?

4 MR. JESSUP: \$5,000 for the note  
5 financing and \$5,000 for the bond financing. For  
6 two separate transactions we were putting a not to  
7 exceed \$5,000, one for the project note closing  
8 and then one for the actual bond closing. You  
9 will have two separate transactions being done  
10 here.

11 MR. CUNNINGHAM: Okay. Any other  
12 questions?

13 (No response)

14 Then I'd look for a motion and a  
15 second?

16 MR. BLEE: Motion.

17 MR. CUNNINGHAM: Motion by Mr. Blee.

18 MS. RODRIGUEZ: Second.

19 MR. CUNNINGHAM: Second by Ms.

20 Rodriguez. Roll call, please.

21 MS. MC NAMARA: Mr. Cunningham?

22 MR. CUNNINGHAM. Yes.

23 MS. MC NAMARA: Ms. Rodriguez?

24 MS. RODRIGUEZ: Yes.

25 MS. MC NAMARA: Mr. Blee?

1 MR. BLEE: Yes.

2 MS. MC NAMARA: Mr. Light?

3 MR. LIGHT: Yes.

4 MR. CUNNINGHAM: Thank you very  
5 much.

6 MR. JESSUP: Thank you.

7 MR. CUNNINGHAM: And the last  
8 matter before the Board today is relatively  
9 perfunctory. We need authorization to extend the  
10 provisions of Section 5:30 of the New Jersey  
11 Administrative Code. This is a proposed  
12 re-adoption of Local Finance Board Rules without  
13 changes. It will be valid for another period of  
14 seven years.

15 I will make the motion and ask for  
16 a second from my colleagues?

17 MR. BLEE: Second.

18 MR. CUNNINGHAM: Second by Mr. Blee.  
19 Call the roll call please, Pat.

20 MS. MC NAMARA: Mr. Cunningham?

21 MR. CUNNINGHAM: Yes.

22 MS. MC NAMARA: Ms. Rodriguez?

23 MS. RODRIGUEZ: Yes.

24 MS. MC NAMARA: Mr. Blee?

25 MR. BLEE: Yes.



1 MS. MC NAMARA: Mr. Light?

2 MR. LIGHT: Yes.

3 MR. CUNNINGHAM: One more vote we  
4 need to take, motion to adjourn.

5 MR. LIGHT: So moved.

6 MR. BLEE: Second.

7 MR. CUNNINGHAM: All in favor?

8 (Upon unanimous affirmative  
9 response, the matter concludes at 11:33 a.m.)

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## 1 C E R T I F I C A T E

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3 I, CHARLES R. SENDERS, a Certified  
4 Shorthand Reporter and Notary Public of the State  
5 of New Jersey, do hereby certify that prior to the  
6 commencement of the examination, the witness was  
7 duly sworn by me to testify to the truth, the  
8 whole truth and nothing but the truth.

9 I DO FURTHER CERTIFY that the foregoing is  
10 a true and accurate transcript of the testimony as  
11 taken stenographically by and before me at the  
12 time, place and on the date hereinbefore set  
13 forth, to the best of my ability.

14 I DO FURTHER CERTIFY that I am neither  
15 a relative nor employee nor attorney nor counsel  
16 of any of the parties to this action, and that I  
17 am neither a relative nor employee of such  
18 attorney or counsel, and that I am not financially  
19 interested in the action.

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24 CHARLES R. SENDERS, CSR NO. 596

25 Dated: January 15, 2016

STATE SHORTHAND REPORTING SERVICE, INC.

