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STATE OF NEW JERSEY
LOCAL FINANCE BOARD MEETING

DATE - Wednesday, May 11, 2016

LOCATION - Department of Community Affairs
Conference Room #129/235A
101 South Broad Street
Trenton, New Jersey 08625-0803

BOARD MEMBERS:

- TIMOTHY J. CUNNINGHAM, CHAIRMAN
- PATRICIA PARKIN McNAMARA, EXEC. SECRETARY
- FRANCIS BLEE
- TED LIGHT
- IDIDA RODRIGUEZ

1 THE CHAIRMAN: Good morning. We will
2 reconvene the meeting. The meeting was already
3 open to the public in a previous session, so we
4 can resume. We have a pretty robust agenda today.
5 Although, I should note for the record that we
6 probably had at least 10 or 12 applications that
7 were vetted by staff and did not make it to the
8 agenda. So I want to dispatch of a couple of
9 things quickly.

10 We have two applications on the consent
11 agenda arising out of Gloucester County
12 Improvement Authority. Both of them are proposed
13 project refundings. They would only be commenced
14 if the savings were in excess of three percent.
15 Right now their current refundings that show
16 present value savings of over 7 and a quarter
17 percent, almost \$400,000 in one case and double
18 savings at that. The second is an advance
19 refunding, which would save 4.8 percent present
20 value and over \$500,000. So these matters were
21 put on consent agenda, and I would ask the Board
22 for a motion and a second.

23 MR. BLEE: Motion.

24 THE CHAIRMAN: Motion, Mr. Blee.

25 MS. RODRIGUEZ: Second.

1 THE CHAIRMAN: Second, Ms. Rodriguez.

2 Roll call, please, Pat.

3 THE SECRETARY: Mr. Cunningham.

4 THE CHAIRMAN: Yes.

5 THE SECRETARY: Ms. Rodriguez?

6 MS. RODRIGUEZ: Yes.

7 THE SECRETARY: Mr. Blee?

8 MR. BLEE: Yes.

9 THE SECRETARY: Mr. Light?

10 MR. LIGHT: Yes.

11 THE CHAIRMAN: Notice, Mr. Light is
12 sitting over there, and it through me off.

13 We have one other application to be
14 considered on a consent agenda. And that's Wall
15 Township Fire District Number 2. Again, this is a
16 refunding in the amount of 2.6 million that would
17 only proceed if the savings would have exceeded
18 three percent. This is an advance refunding that
19 right now shows savings of over five percent. It
20 doesn't extend any maturities and is level
21 savings, so Board's division staff has recommended
22 it. And in this case I would again ask for a
23 motion and a second motion.

24 MR. BLEE: Motion.

25 MS. RODRIGUEZ: Second.

1 THE CHAIRMAN: Ms. Rodriguez and Mr.
2 Blee. Roll call, please.

3 THE SECRETARY: Mr. Cunningham?

4 THE CHAIRMAN: Yes.

5 THE SECRETARY: Ms. Rodriguez?

6 MS. RODRIGUEZ: Yes.

7 THE SECRETARY: Mr. Blee?

8 MR. BLEE: Yes.

9 THE SECRETARY: Mr. Light?

10 MR. LIGHT: Yes.

11 THE CHAIRMAN: So the first applicant to
12 appear today is Buena Fire District Number 1.

13 So, Mr. Braslow, would you and your
14 colleague, please, introduce yourself to the
15 reporter, and assuming your colleague is not
16 Counsel, please be sworn in.

17 MR. BRASLOW: Sure. Richard Braslow,
18 representing the fire district.

19 MR. BURSHTIN: Michael L. Burshtin, fire
20 commissioner and secretary. B-u-r-s-h-t-i-n.

21

22 MICHAEL L. BURSHTIN,
23 Having been first duly sworn, was examined and
24 testified as follows:

25 MR. BRASLOW: This is an application

1 concerning a lease purchase of a fire truck. The
2 fire district secured the approval from the legal
3 voters at the February 20th, 2016, election. It
4 was to buy a tanker pumper in an amount not
5 exceeding \$450,000. The proposed purchase would
6 be with Rosenbauer for an amount of \$370,088. The
7 financing proposed would be over a period of eight
8 years. The fire district did send ten bid
9 packages out on the financing. Did receive bids.
10 The low bid was Municipal Asset Management of 2.49
11 percent over a period of eight years. And the
12 fire truck being replaced is a 1991 tanker, which
13 will be disposed of in accordance with statute and
14 being replaced with this new proposed truck.
15 Those are the highlights of the application. I
16 don't know if there are any questions.

17 THE CHAIRMAN: There is one. We are
18 going to hear this from a couple of the fire
19 district applications today. So because the
20 referendum or the matter went before the public in
21 2016 and the Applicant is in front of the Board in
22 2016, it causes issue with the statutory language
23 that refers to revenue for fire district purpose
24 limitations. And IN NJSA 40 A 14 84, the last
25 sentence says, "the amount so voted for shall be

1 included in the next succeeding annual budget of
2 the fire district." So the question before the
3 applicant today is will any of the funding be
4 expended during the 2016 budget or will this be a
5 2017 expense?

6 MR. BRASLOW: And let me say, I totally
7 recognize this issue. And it's one of the reasons
8 we always do lease purchasing. In this particular
9 case there, A, is no down payment. B, there is no
10 money in the 2016 budget that was even allotted
11 for a payment. If you look at the amortization
12 schedule, the lease purchase is always a year
13 after. So the first payment will not be until
14 2017. And I also will note, this fire district is
15 going to be making a \$200,000 payment towards
16 principal next year. The reason it was not in
17 their 2016 budget, they had not envisioned the
18 payment. So it's going to be in next year's
19 budget as a debt payment. So the answer to the
20 question is, I totally recognize the issue, and
21 there will be no payment on the debt until 2017.

22 THE CHAIRMAN: And I do want to say that
23 the executive summary in this application was
24 particularly strong explaining what a pumper is
25 and why the additional capacity and the additional

1 flow rate is necessary for this district. Again,
2 I remain disappointed that only 11 people came out
3 in the vote. I think that is indicative of some
4 of the problem we have with fire district
5 elections.

6 And so the question is being raised on
7 the amortization schedule. We have \$50,000 in
8 that -- never mind. We will leave it at that.
9 So, again, I have no questions. Just whether any
10 of the board members have questions. Hearing
11 none, then I would ask for a motion to second.
12 Oh. Mr. Blee?

13 MR. BLEE: One question. Appreciate
14 that you got four bids on the financing. How
15 about on the actual pumper?

16 MR. BRASLOW: HGAC. Done through the
17 Houston Galveston Purchasing Program. Yes.

18 MR. LIGHT: So move the application.

19 MR. CHAIRMAN: Mr. Light moves.

20 MS. RODRIGUEZ: I'll second.

21 MR. CHAIRMAN: Ms. Rodriguez seconds.

22 Roll call.

23 THE SECRETARY: Mr. Cunningham?

24 THE CHAIRMAN: Yes.

25 THE SECRETARY: Ms. Rodriguez?

1 MS. RODRIGUEZ: Yes.

2 THE SECRETARY: Mr. Blee?

3 MR. BLEE: Yes.

4 THE SECRETARY: Mr. Light?

5 MR. LIGHT: Yes.

6 THE CHAIRMAN: Okay.

7 MR. BRASLOW: As long as I'm sitting
8 here, can I go to my next one? I have you listed
9 two in between.

10 MR. CHAIRMAN: Who is your next one? As
11 long as you're at the table, we'll go slightly out
12 of order.

13 MR. BRASLOW: Thank you.

14 MR. CHAIRMAN: And we will go to Middle
15 Township Fire District Number 4.

16 So, Mr. Braslow, would you make your
17 colleague is introduced and sworn,

18 MR. STACKHOUSE: I'm Joe Stackhouse from
19 the fire district. S-t-a-c-k-h-o-u-s-e.

20 MR. BRASLOW: Richard Braslow
21 representing the fire district. This also is a
22 proposed lease purchase of a fire truck. It is
23 going to be replacing a 1997 pumper. The pumper
24 needs to be replaced because of its age and the
25 fact that there are significant repair issues with

1 the truck. It's ending up costing the district
2 quite a bit for the repair issues; therefore, the
3 desire for the new truck. Again, this is an HGAC
4 purchase through the Houston Galveston cooperative
5 purchasing program. The voters approved not to
6 exceed 450 for the truck purchase. The financing
7 would be 4 47 4. It would be over a ten-year
8 period.

9 We did send out a number of bids. Eight
10 bid packages and five bids were received. And,
11 again, the low bid was municipal asset at 2.44
12 percent. Mr. Director, should I address some of
13 the issues you asked me just to put them on the
14 record, which I will be happy to do?

15 THE CHAIRMAN: Yes. I would ask,
16 specifically, if you would address, first, the
17 voting issue in terms of the two elections within
18 two days of each other?

19 MR. BRASLOW: Exactly. The only way I
20 can answer that for the record and being totally
21 honest was that the district did not have the
22 appropriate statutory notices prepared to have put
23 this issue on the ballot. Having said that, I can
24 also say that in this case they went, I think,
25 well beyond what the statute calls for in terms of

1 where they posted the notices. And they got more
2 people to vote at the special capital meeting than
3 they do normally in the regular election. I fully
4 appreciate your comment, though, about the
5 election date. But that would be my answer for
6 the record. They just weren't able to comply with
7 the statutory notices to get it with the regular
8 ballot.

9 THE CHAIRMAN: Not a great answer, but
10 if that is the answer --

11 MR. BRASLOW: I acknowledge that. But
12 that is the truthful answer, so --

13 THE CHAIRMAN: That's fine.

14 All right. So then I would like to move
15 into the next issue. So, Mr. Braslow, if I can
16 just maybe ask you, if I can frame it and ask you
17 to then comment on it. So the public question
18 that did occur, the vote was held on February 22nd
19 of '16. And then --

20 MR. BRASLOW: Right.

21 THE CHAIRMAN: And then the application
22 in front of me says that the delivery may actually
23 occur in '16, and we had something -- and we're
24 looking for it, but somewhere along the way the
25 staff was under the distinct impression that a

1 contract was executed, meaning, that the Board's
2 vote today was largely or potentially, you know, a
3 formality. So could you, please, address that for
4 the record, as well?

5 MR. BRASLOW: I will. The first thing I
6 will tell you, as the attorney for the district, I
7 would not permit that. I remember having dialogue
8 with a number of the commissioners and, clearly,
9 indicating that a contingency for doing any formal
10 award or any formal contract would be the positive
11 findings from the local finance board. So I can
12 sit here and represent to the Board that, to my
13 knowledge, there is no contract. I think I would
14 know about it. The contract has not been awarded;
15 nor, has there been any contract signed.

16 Also, too, if I may, Mr. Director, to
17 get to the issues you raised before, again, there
18 is no down payment. There is no payment in 2016.
19 And the first debt payment will be in 2017 to just
20 address the issue you raised earlier to the other
21 application.

22 THE CHAIRMAN: Okay. With those
23 representations, I think that answers the
24 questions I had on this application. Any other
25 members of the Board have questions? Hearing

1 none, then I would ask for a motion and a second?

2 MR. BLEE: Motion.

3 MR. LIGHT: Second.

4 MR. CHAIRMAN: Okay. Roll call, please.

5 THE SECRETARY: Mr. Cunningham?

6 MR. CHAIRMAN: Yes.

7 THE SECRETARY: Ms. Rodriguez?

8 MS. RODRIGUEZ: Yes.

9 THE SECRETARY: Mr. Blee?

10 MR. BLEE: Yes.

11 THE SECRETARY: Mr. Light?

12 MR. LIGHT: Yes.

13 MR. CHAIRMAN: Thank you very much.

14 We'll return then to Franklin Township District

15 Number 4. Good morning.

16 MR. PAUL: Good morning. Edward F.

17 Paul, Jr., RMA, representing Franklin Township

18 Fire District Number 4 and Ball Buckley Seher.

19 MR. CHAIRMAN: Would you kindly be

20 sworn.

21 EDWARD F. PAUL, JR.,

22 Having been first duly sworn, was examined and

23 testified as follows:

24 THE CHAIRMAN: Okay. First issue I

25 have, I have two actions before you today. The

1 first is Franklin Township Fire District Number 4,
2 which is a lease purchase agreement for
3 replacement of a 23 year old heavy rescue vehicle.
4 The District has opted to use HGAC for this
5 purchase in a total of \$833,000. The voters
6 approved \$850,000 at the February 2016 election.
7 We solicited quotations for the financing in this
8 project. Received four quotations back. The
9 lowest being leasing two of Florida with a rate of
10 2.35 percent. Again, can't answer to your
11 question. There is nothing in the 2016 budget for
12 this purchase. The lease is structured in such a
13 way that the first payment is due in 2017 and will
14 be funded from reserved and unreserved funds. And
15 that the lease payments, themselves, will kick in
16 in 2018, and, basically, come from funds
17 previously being used for a lease which is paid
18 off in 2017. So it will have no technical aspect
19 of increasing the tax for the actual acquisition
20 of this piece of equipment.

21 All right. So this purchase is not
22 expected to have any effect on the tax rate?

23 MR. PAUL: No.

24 THE CHAIRMAN: Passed by a vote of 45 or
25 43 to zero? And, again, as you mentioned, going

1 through the Houston Galveston Co-Op, no one from
2 the district has joined you today?

3 MR. PAUL: No, they haven't.

4 THE CHAIRMAN: Okay. I assume you will
5 let them know that their website is not in
6 compliance in terms of the information you were
7 supposed to post?

8 MR. PAUL: I spoke to the district
9 secretary right after I received the notices. He
10 has at this point updated the 2013 and '14
11 budgets. '14 and '15 budgets were already
12 updated. Their audit currently is in draft format
13 for 2015. I spoke to him yesterday via E-mail,
14 and would expect that he finish his review and we
15 would expect it by the end of this week, the
16 beginning of next week. That audit will be issued
17 in final form.

18 THE CHAIRMAN: Okay. Any questions from
19 the Board? Take a motion in a second.

20 MS. RODRIGUEZ: Motion.

21 MR. CHAIRMAN: Is there a second?

22 MR. BLEE: Second.

23 MR. CHAIRMAN: Second, Mr. Blee.

24 THE CHAIRMAN: Roll call, please.

25 THE SECRETARY: Mr. Cunningham?

1 THE CHAIRMAN: Yes.

2 THE SECRETARY: Ms. Rodriguez?

3 MS. RODRIGUEZ: Yes.

4 THE SECRETARY: Mr. Blee?

5 MR. BLEE: Yes.

6 THE SECRETARY: Mr. Light?

7 MR. LIGHT: Yes.

8 THE CHAIRMAN: You are representing
9 Franklin Fire District 3, as well.

10 MR. PAUL: Yes.

11 THE CHAIRMAN: So as you're already
12 sworn, we can take testimony on that matter. So I
13 will let you introduce the application, and then I
14 do have some questions on this one.

15 MR. PAUL: Yes. This is again a
16 replacement of a 26 year old pumper, fire
17 apparatus, with a pumper -- a rescue pumper
18 apparatus. Again, it's being purchased under the
19 HGAC, and at a cost of \$616,000. I don't have the
20 numbers off the top of my head. I know it's in
21 that range. With the additional monies of \$34,000
22 being used to purchase needed new equipment for
23 this piece of equipment apparatus. We have last
24 night accepted quotations for the equipment. And
25 they didn't get those prices to me today, because

1 I didn't attend last night's meeting. We have
2 solicited quotations, received three quotations
3 back for the financing. Again, Leasing Two from
4 Florida was the low bidder at 2.35 percent. And
5 this was approved by the voters in 2015. The down
6 payment is in the 2016 budget, and the balance
7 will be funded on a month-to-year lease. Again,
8 it will be first payments commencing in 2017.
9 Again, from leases which have gone out often in
10 the last couple of years, those funds will then
11 become available to also pay the new lease and
12 retain the lower and not cause any tax increase.

13 THE CHAIRMAN: Okay. The issue I have
14 with this application is that on October 13th of
15 '15 the fire district entered into a contract with
16 the Houston Galveston Co-Op for this pumper. So,
17 now, am I correct, then, that the fire district
18 Number 3 of Franklin is obligated to accept
19 delivery of this vehicle regardless of what the
20 board chooses to do today with this application.

21 MR. PAUL: I would say, yes, sir. But I
22 was always under the impression that the Board's
23 approval was necessary for the financing. Not
24 necessarily for the apparatus.

25 THE CHAIRMAN: So if I don't approve the

1 financing, then what would that do to the
2 district?

3 MR. PAUL: Well, then, we would have to
4 go back and find new financing that would meet the
5 Board's approval.

6 THE CHAIRMAN: Your client didn't bother
7 to even show up today to address the issues before
8 the Board?

9 MR. PAUL: I in the past have always
10 represented my clients. They are all part-time
11 working people.

12 THE CHAIRMAN: We've seen every other
13 fire district come in front of this Board and most
14 in uniform, come in front of this Board and be
15 able to answer questions. So now we're in the
16 unenviable position of having a fire truck that
17 was ordered from a company that the district has
18 to take delivery of. And if we don't accept the
19 terms of the financing, then that puts, frankly,
20 the tax payors of that fire district in a very
21 disadvantageous position. I don't know what the
22 solution that you would proffer is.

23 MR. PAUL: Again, I apologize. You
24 know, in the past I've come before this Board and
25 never been questioned on having somebody from the

1 fire district attend with me. I would have had
2 somebody take time off from work in order to come
3 here if it had been, you know, in the past.

4 MR. LIGHT: Mr. Chairman, can I make a
5 suggestion that we postpone this until next month.

6 MR. PAUL: The only thing I would say to
7 you is, we have -- we have the pricing held on
8 this up until the end of this month on the leasing
9 quotation.

10 MR. LIGHT: Well, can you come up with a
11 better suggestion than the one I was going to try
12 to suggest to the Chair.

13 MR. PAUL: No. I'm only offering what I
14 have. I would have to go back then and re-bid
15 these -- I would think I would have to go back and
16 re-bid these quotes.

17 THE CHAIRMAN: So there was a \$175,000
18 payment made?

19 MR. PAUL: Yes. No. That payment has
20 not been paid. That payment will be made upon
21 delivery.

22 THE CHAIRMAN: And maybe I'm confused by
23 your prior testimony. So is that in the 2016
24 budget?

25 MR. PAUL: Yes, it is.

1 THE CHAIRMAN: The referendum was in '15
2 and --

3 MR. PAUL: The referendum was in '15.
4 We ordered the truck in '15. The first payment,
5 which is the down payment, is due upon delivery of
6 the truck in 2016.

7 THE CHAIRMAN: And what proceeds? Are
8 they coming out of the proceeds of the financing
9 or are they coming out of --

10 MR. PAUL: They're coming out of
11 reserved and unreserved funds.

12 MR. CHAIRMAN: Staff requested a copy of
13 the contract. Did we get a copy of the contract?

14 MR. PAUL: I'm pretty sure I sent one up
15 with it.

16 THE CHAIRMAN: It wasn't in my package.

17 MR. PAUL: This is the packet that I
18 sent and here is the contract that was attached to
19 it, the reply.

20 THE CHAIRMAN: What I am going to do is
21 I'm going to table this application while we
22 confirm with staff that we received that. And
23 then we can have you come back up and decide what
24 to do with formal action on it. So I would ask
25 you to just hang tight. We'll table Franklin Fire

1 District Number 4.

2 MR. LIGHT: 3.

3 THE CHAIRMAN: 3. Do we have a copy?

4 So, Mr. Paul, I ask you to come back up
5 then. We do, in fact, have it. So we do have a
6 copy of the contract as requested. It wasn't
7 included in the application. So we're left with
8 the issue that the fact is that the contract was
9 executed prior to the Board's approval of the
10 financing. So, as I said, the Board is in an
11 awkward position now. I don't know how to --

12 MS. RODRIGUEZ: I have a concern. We're
13 setting a precedent here that fire districts can
14 just go out and negotiate contracts, sign
15 contracts, order equipment apparatuses and then
16 come here like we're an after-thought. And I
17 don't think that -- we're not established to do
18 that. My inclination, of course, today is you
19 know not to vote no on this because of the way,
20 you know, the procedure, how this took place. I
21 hate to set a precedent here where other fire
22 districts up and down the State can think they can
23 do this and come to us afterwards.

24 MR. PAUL: My question would be to the
25 Board, is if -- and I have had some concern

1 expressed to me over the pre-payment system that's
2 currently being used as we use them. In doing
3 this, in this contract, if we were to sign a
4 contract last year and negotiate a lease at that
5 point in time, we would be negotiating a year, at
6 least, a year before we're even looking to
7 purchase a truck. A year before we're expecting
8 to make any payments on that truck.

9 THE CHAIRMAN: This is the --

10 MR. PAUL: And it's a concern. It's an
11 issue as to whether -- at point in time that the
12 district was looking at this purchase and looking
13 at the HGAC at the time there was a 17 percent
14 increase coming down -- or I'm sorry -- a three
15 percent increase coming down in the cost of the
16 truck, because at that time we weighed waiting
17 until the first of the year and ordering the truck
18 with the pre-payment discount or taking --
19 ordering the truck in October of last year saving
20 the three percent on the cost of the truck. And
21 so the District did do due diligence in making
22 sure that they were getting the best possible
23 price on the truck.

24 THE CHAIRMAN: So the district signed a
25 contract on October 15th, and you're in front of

1 the Board in May of '16. And --

2 MR. PAUL: Right.

3 THE CHAIRMAN: And maybe you tried to
4 get on the agenda for April. But still, I mean,
5 that's a significant amount of time. I share
6 Ms. Rodriguez' concern, that the Board, in
7 essence, is an afterthought at this point.

8 MR. PAUL: Well, again, my, my thinking
9 and what I was working under the impression was
10 that the Board was approving financing, not
11 approving purchase of the apparatus. The voters
12 had already approved purchase of the apparatus.

13 MS. RODRIGUEZ: But how do you purchase
14 an apparatus without financing?

15 MR. PAUL: Because there is no -- there
16 was no payments due until June of 2016.

17 MS. RODRIGUEZ: I understand what you're
18 saying. If this isn't approved and you don't have
19 financial approval, and you have to receive the
20 apparatus.

21 MR. PAUL: Then we cannot accept the
22 apparatus.

23 MS. RODRIGUEZ: Exactly. So that's why
24 you come here and you cover the finance before all
25 of this happens, because you would be, you know --

1 the district would be stuck.

2 MR. PAUL: And, again, I apologize for
3 that. It's just in my -- again, I've been doing
4 this for 40 years as an accountant.

5 MR. LIGHT: Well, then, you should know
6 better. Excuse me.

7 MR. PAUL: Okay. But I've always been
8 told that the Board is approving financing, not
9 approving the purchase of the vehicle.

10 THE CHAIRMAN: We are. That's fine.
11 I'll stipulate to that. We're approving the
12 financing today.

13 MR. PAUL: Right. And --

14 THE CHAIRMAN: But we're approving
15 financing for something that was already
16 purchased, and it really renders our evaluation of
17 the financing moot. And I think that is the point
18 that Ms. Rodriguez raised very clearly.

19 MS. RODRIGUEZ: That's my point.

20 MR. PAUL: But I didn't know. At the
21 point in I was not aware that the Board wanted
22 approved financing which is almost eight months,
23 ten months in advance. And I would have to sign a
24 contract ten months ago when I would have the
25 money sitting in an escrow account someplace for

1 ten months.

2 MR. CHAIRMAN: Apparently, this is the
3 only district we've had this issue with, because
4 in my tenure on the Board --

5 MS. RODRIGUEZ: I've never seen this
6 before.

7 THE CHAIRMAN: -- hasn't been a problem
8 for anyone else.

9 MR. PAUL: I have done this in the past.
10 And, again, it's not under your tenure as a Board,
11 but I have done this in the past. And a lot of it
12 has to do now, what a lot of districts today are
13 purchasing under the chassis -- under the
14 pre-payment status where they're paying for an
15 apparatus when they order it; much the same way
16 District 4 is doing.

17 In this case they felt that it was more
18 beneficial to them to save the three percent cost
19 of the truck by ordering it prior to an increase
20 then it was to do -- go with the chassis
21 pre-payment.

22 MR. LIGHT: Sir, I respect what you're
23 saying, but if that was the case, certainly, if
24 this occurred in October, you could have called
25 the director in November, December, February, over

1 six months.

2 MR. PAUL: Again, I was working with,
3 with my past experience in having done these
4 deals.

5 MS. RODRIGUEZ: You are correct. You've
6 had your own experience. But I think the Director
7 is probably going to from here on in send a
8 message that from here on in to tell your -- the
9 districts that you represent when they come here,
10 they're going to have a problem, because we're not
11 going to --

12 MR. PAUL: And I will be honest with
13 you. A few years ago I had a problem with the
14 method that the Director wished -- talked about
15 with bidding. I immediately left this meeting,
16 went back to my districts and informed them of the
17 Director's decision, and we followed that ruling
18 from that point on. I know no longer allow them
19 just to advertise when they're going into
20 advertising for bids. I now make them send out
21 copies, other proposals to all of the vendors in
22 the area as per the Director's --

23 MR. CHAIRMAN: Mr. Paul, if we took a
24 vote today for positive findings and it failed, do
25 you think that because of the application was

1 heard, do you think that your client would still
2 be able to proceed with the transaction?

3 MR. PAUL: If we, what, sir?

4 THE CHAIRMAN: If we put a motion up
5 under 40 A 5 86 for positive findings and that
6 motion failed, would your client still be able to
7 go to the co-op, and as long as you satisfied your
8 statutory requirement to come in front of this
9 Board, do you still think the transaction would be
10 able to -- would your client still be able to
11 proceed with the transaction.

12 MR. PAUL: As far as the transaction
13 with HGAC, I say yes. As far as them not being
14 able to pay for the apparatus, we would have to
15 defer acceptance of the apparatus until I could
16 get this Board's approval.

17 THE CHAIRMAN: All right. I think in
18 this instance, the Board is going to have to take
19 executive session to discuss it. I want to save
20 that executive session, because we do have other
21 applicants who are here. So rather than go into
22 executive session now, I would ask you to, you
23 know, please, bear with us. We're going to go
24 through the rest of the agenda. Then we can meet
25 privately and have a conversation how to best

1 proceed with this, because I understand the
2 difficulty that it represents to your client. And
3 I also do appreciate your experience and tenure in
4 front of the Board. So we are going to table
5 Franklin District Fire District Number 3 for now.
6 We will then move to Lower Township Fire District
7 Number 3.

8 Okay. Would you guys, please, introduce
9 yourself to the reporter, and those that are not
10 Counsel will be sworn in?

11 MR. WINITSKY: Jeff Winitsky, Parker,
12 McCay, Bond Counsel to the Fire District.

13 MR. VAN MOURIK: Jeff Van Mourik,
14 Chairman Commissioner. V-a-n Capital M,
15 o-u-r-i-k.

16 MR. COSTELLO: Leon Costello, auditor
17 for the District.

18 LEON COSTELLO & JEFF VAN MOURIK,
19 Having been first duly sworn, were examined and
20 testified as follows:

21 MR. CHAIRMAN: Counsel, how are you?

22 MR. WINITSKY: Very well. Thank you.

23 MR. CHAIRMAN: Do you want to introduce
24 the application to the Board?

25 MR. WINITSKY: Yes. We're here on

1 behalf of the Lower Township Fire District Number
2 3. We're seeking positive findings in accordance
3 with NJSA 48 5 6 to issue up to 1.3 million
4 dollars of its bonds to finance the cost of a
5 capital improvement project consisting of much
6 needed improvements to the District's Erma
7 Volunteer Fire Station. In particular, the
8 improvements include renovations, replacement of
9 the roof, doors, engine bay doors, lighting,
10 utility and the like. The building is over 21
11 years old, so there is lot to be done.

12 The fire district originally received
13 approval from it's voters to issue up to
14 \$2,000,000 worth of bonds. They're actually only
15 going to need 1.3 million dollars worth of bonds
16 given the very low bids that they got back for
17 purposes of completing construction, which is
18 great. The election occurred in 2013. The fire
19 district has actually appeared before the Board, I
20 can, twice since then. We originally appeared, it
21 was packaged with the fire apparatus, which was
22 subsequently leased, which the district now has.
23 And there was some questions that the Board has
24 had in the intervening period with respect to
25 ownership of the land and ownership of the

1 building, all of which, I think, have been
2 resolved to your satisfaction between now and
3 then.

4 The vote was -- we would a little bit
5 more than the last. We had 50 some votes, 73
6 percent approval rate for the project. We intend
7 to do conforming maturity schedule with respect to
8 the bonds over 12 years. We also expect to
9 privately place the bonds, which should give us
10 some pretty good cost savings given the size. So
11 if you have any additional questions related to
12 the application, we're here to answer those.

13 THE CHAIRMAN: We do. Thank you.
14 First, I would just ask the district to speak a
15 little bit about the need and the types of
16 renovations that are going to be undertaken.

17 MR. VAN MOURIK: We're replacing the
18 roof because the roof is leaking. So we're going
19 to replace the roof. It's over 21 years old.
20 This building was built in '95. The sprinkler
21 system, we've made major repairs to the sprinkler
22 system, and it was recommended to replace it,
23 which is a major factor. The heating system, the
24 hot water heaters, everything is original and
25 we're replacing them. There is soffit material

1 that's all deteriorating. We're in a salt water
2 environment right next to the seashore down there.
3 So we're replacing the soffit as we're doing the
4 work.

5 The lighting, we're putting in a more
6 modern lighting system. 21 years ago it was all
7 fluorescents and old things. So we're going all
8 LED lighting throughout the entire complex, which
9 is a cost savings for the district over the long
10 haul. Replacing the doors, the steel doors are
11 rusting out. The hinges are flexing and bending.
12 Nothing is fitting together the way it was when it
13 was new.

14 And this is, basically, an upgrade to
15 the building and remodeling and refurbishing the
16 building to bring it back up to an efficient
17 standard.

18 THE CHAIRMAN: I live in a salt water
19 environment, as well, so ...

20 But I just wanted to get on the record
21 that the improvements that are being done are
22 utilitarian in nature. There is not new space,
23 new --

24 MR. VAN MOURIK: No.

25 THE CHAIRMAN: No?

1 MR. VAN MOURIK: We're not making any
2 additions to the building, and we're not
3 reconfiguring the building in any way, shape or
4 size or anything inside.

5 THE CHAIRMAN: I guess, the one, I
6 wouldn't necessarily call it a concern. And it is
7 not something we would note in the resolution, but
8 if it's been known for quite a while that the
9 improvements have been needed and there kind of
10 wasn't any money budgeted short of the financing,
11 is not money being put down on that, and that was
12 something when I read through the application. It
13 kind of struck me, because it is an older
14 building. You know, one might have thought that
15 there would have been a little bit of pre-planning
16 in the budget for those types of expenses.

17 MR. VAN MOURIK: We just paid off the
18 bond on the original building, like, a year and a
19 half, I think, two years ago we paid off the bond.
20 And we've putting that bond money away for
21 improvements to the building, knowing that we were
22 going to do a bond. We were also going to be
23 using some of that funds if we have anything else
24 that we find that needs to be repaired on the
25 building. And there won't be any effect on the

1 tax rate, because that -- we're going to roll that
2 into our payment for the bond. That money that we
3 were using.

4 THE CHAIRMAN: I understand. Two bids
5 were sought. And I note that there were very,
6 very close in range, but nevertheless, the
7 district is going with one that is slightly more
8 expensive, by less than \$20,000. And I was just
9 hoping that you could explain why more expensive.

10 MR. VAN MOURIK: If I remember
11 correctly, the bidder for number -- that had the
12 lower price did not enter an amount in. He put no
13 bid in there. And when we asked him a question
14 about that, on an option that we had in there that
15 was also supposed to be part of the bid package,
16 he didn't place a price on it. And he said no
17 bid. And our attorney disqualified that bid.

18 THE CHAIRMAN: So it wasn't a compliant
19 response?

20 MR. VAN MOURIK: Right. It wasn't
21 compliant.

22 THE CHAIRMAN: Jeff, just one other
23 technical question. You already mentioned that
24 two million was initially approved by the voters.
25 And there is going to be 700,000, so the applicant

1 would not anticipate coming or coming back or
2 doing anything else with that remaining capacity?

3 MR. WINITSKY: No. This ties off the
4 project.

5 MR. CHAIRMAN: Any other questions from
6 the Board?

7 MS. RODRIGUEZ: No.

8 MR. BLEE: No.

9 THE CHAIRMAN: Motion?

10 Okay. Second?

11 MR. LIGHT: Second.

12 THE CHAIRMAN: Okay. Second, Mr. Light.

13 Roll call, please.

14 THE SECRETARY: Mr. Cunningham?

15 THE CHAIRMAN: Yes.

16 THE SECRETARY: Ms. Rodriguez?

17 MS. RODRIGUEZ: Yes.

18 THE SECRETARY: Mr. Blee?

19 MR. BLEE: Yes.

20 THE SECRETARY: Mr. Light?

21 MR. LIGHT: Yes.

22 MR. WINITSKY: Thank you very much.

23 MR. CHAIRMAN: The Borough of

24 Lindenwold.

25 Good morning.

1 MR. CAPOZZI: Good morning.

2 THE CHAIRMAN: Kindly introduce
3 yourselves for the record. And those that aren't
4 Counsel can be sworn in.

5 MR. CAPOZZI: David Capozzi, Solicitor
6 for the Borough of Lindenwold.

7 MS. THOMPSON: Dawn Thompson, business
8 administrator and chief financial officer.

9 MR. ROCHE: Richard Roche, Mayor.

10 DAWN THOMPSON & RICHARD ROCHE,
11 Having been first duly sworn, were examined and
12 testified as follows:

13 THE CHAIRMAN: So you're here before the
14 Board today for a cap waiver?

15 MR. CAPOZZI: Yes.

16 THE CHAIRMAN: Would you kindly explain
17 to the Board, in general terms, the application
18 and just a couple of questions for you.

19 MR. CAPOZZI: Very good. This is an
20 assumption of the solid waste utility services
21 where the Borough of Lindenwold was -- solid waste
22 collection and disposal services through a solid
23 waste utility. The utility had a low collection
24 rate. Usually it was coming in about 70 percent,
25 and when we went out to tax sale no one was really

1 interested in purchasing them. In order -- in
2 December of last year, the Borough chose to
3 disband and dissolve the solid waste utility.
4 What we're seeking to do is to transfer the costs
5 of the solid waste collection and disposal from
6 the utility to the general account, which is why
7 we're here seeking a waiver -- I'm sorry -- a cap
8 based adjustment with respect to those costs.

9 The cost that we're seeking that we're
10 seeking to transfer is the number of \$941,457.
11 Now, in discussions with the auditors, the
12 governing body was able to determine that by
13 transferring the service back to the general
14 account, and, also, by engaging in in-house solid
15 waste collection and disposal, we were able to
16 save the average home -- the average value of the
17 home in Lindenwold is \$96,437. That was being
18 charged \$120 per year for the utility. We are
19 going to take away the \$120 charge per year, now
20 that it's back in the tax base. And the actual
21 charge to the average homeowner now will be \$84
22 per unit, which would effectuate a tax savings,
23 actually, in the amount of \$36. We're here
24 seeking the Board's approval and permission to
25 have the cap base adjustment.

1 THE CHAIRMAN: Okay. I guess the only
2 thing that struck me -- and I know it struck some
3 of the staff that reviewed it as well, is that the
4 solid waste utility was only set up in '11, and
5 the first budget year was '12. So it's a pretty
6 quick turn around that this would be set up and
7 then immediately -- not immediately, about within
8 a matter of, you know, three years, the reverse
9 and then go back to the municipal budget. And I
10 think that the Board would like to hear a little
11 bit about that process and that decision-making.

12 MR. CAPOZZI: The solid waste utility --
13 and I will defer the numbers to our business
14 administrator and CFO, was losing money just about
15 every year. We were having to pull money out of
16 the general account to continue funding it. It
17 was supposed to be a self-funded utility.
18 However, as a result of multiple litigation with
19 several complexes, apartment complexes, in town
20 and as a result of low collections with the
21 residential homes, it just was not self-funding.
22 We attempted to sell the liens. Nobody wanted
23 them. They were only \$120 that were going up to
24 tax sale. And as a result, the collection rates
25 were coming in somewhere in the neighborhood of 70

1 percent per year, and we would have had to fund
2 that through the general account.

3 Is that a correct statement?

4 MS. THOMPSON: Yes.

5 MR. CAPOZZI: As a result of it losing
6 money every year, the Governing body decided to go
7 back to the drawing board and see if there was
8 another way that we could do this, because the
9 utility just didn't seem to be working out
10 properly.

11 THE CHAIRMAN: And that wasn't expected
12 in 2012 when this utility was established?

13 MS. THOMPSON: Well, I would say, in
14 2012 when it was established, the governing body
15 wasn't really sure as to what the outcome was
16 going to be. Again, we had litigation which
17 prompted the decision to do a solid waste utility
18 and to spread the costs amongst the entire
19 community. So based on the actual cost that we
20 received from the apartment complexes, because we
21 had to send out letters to get their actual cost
22 of collection and what we were spending for the
23 residential, we were able to spread that over the
24 number of units in town and came up with 120 per
25 unit for the whole community. And based on that

1 we were able to do, I think, the first year, it
2 was only half the collections, because it started
3 in, actually, in August. Although, the governing
4 body approved it in 2011, we didn't actually start
5 and include it in the budget until 2012. So we
6 only had half the year in 2012. And then in 2013,
7 the other half in addition to the portion for 2013
8 to give us a full year. But each year we have
9 just been having difficulty. And as of the end of
10 2015 we have receivables sitting on the books for
11 317,000. And we're having a tax sale today in
12 hopes of, you know, recouping some of that. But
13 at this point, for the past couple of years, we've
14 had to use monies from our current fund in order
15 to help to support it. And the governing body
16 just made the decision that they didn't want to
17 continue this undue burden to our tax payors,
18 because the tax payors were not only paying the
19 120 per unit for the solid waste utility. They
20 were also supporting the solid waste utility
21 through their regular tax bill. So the most
22 prudent thing to do and the most fiscally
23 responsible thing to do was to dissolve it at this
24 point and to put it back into the overall tax
25 billing.

1 THE CHAIRMAN: So I think that your
2 solicitor made a good point, that at \$120, you're
3 not going to have a lot of interest from, you
4 know, those entities that come in and buy tax
5 liens. I guess the only other question I would
6 have is, what happens to those delinquencies once
7 the utility is dissolved.

8 MS. THOMPSON: We're still going to try
9 to collect on them.

10 THE CHAIRMAN: As obligations of the
11 municipality?

12 MR. THOMPSON: Yes.

13 MR. CAPOZZI: Receivables. Yes. We're
14 not liquidating them.

15 MS. THOMPSON: Yes.

16 THE CHAIRMAN: Any other questions?
17 Mayor, anything you wanted to add before we --

18 MR. ROCHE: I was just concerned that
19 the tax payors were going to end up having to fund
20 this thing. And in order for them to make it
21 whole, we would have had to raise the bill to 150
22 to \$160 per household. When we did the numbers
23 and figured it out, versus \$86, it wasn't hard to
24 decide.

25 THE CHAIRMAN: I imagine that also would

1 have increased the 70 percent --

2 MR. ROCHE: Exactly.

3 THE CHAIRMAN: -- rate of
4 non-collections to even higher.

5 MR. CAPOZZI: That's exactly what we
6 were thinking, as well.

7 THE CHAIRMAN: If there's no other
8 questions from the Board, then, I would ask for a
9 motion.

10 MR. BLEE: Motion.

11 MR. CHAIRMAN: Mr. Blee, motion.

12 MS. RODRIGUEZ: Second.

13 THE CHAIRMAN: Ms. Rodriguez with a
14 second. Roll call, please, Pat.

15 THE SECRETARY: Mr. Cunningham?

16 THE CHAIRMAN: Yes.

17 THE SECRETARY: Ms. Rodriguez?

18 MS. RODRIGUEZ: Yes.

19 THE SECRETARY: Mr. Blee?

20 MR. BLEE: Yes.

21 THE SECRETARY: Mr. Light?

22 MR. LIGHT: Yes.

23 THE CHAIRMAN: Thank you. Borough of
24 Tuckerton.

25 Good morning, Mr. Mayer.

1 MR. MAYER: How are you today? William
2 Mayer bond Counsel to the Borough of Tuckerton.
3 And with me is Jenny Gleghorn, administrator for
4 the Borough of Tuckerton.

5 THE CHAIRMAN: She needs to be sworn.

6

7 JENNY E. GLEGHORN,
8 Having been first duly sworn, was examined and
9 testified as follows:

10 THE CHAIRMAN: So we're getting a new
11 building?

12 MR. MAYER: Getting a new municipal
13 complex at a surprisingly reasonable price, I
14 heard from staff. This is -- and I know you've
15 done one of these before. I don't know how many
16 you've done.

17 THE CHAIRMAN: Not too many.

18 MR. MAYER: You did one in Beach Haven a
19 couple months back.

20 THE CHAIRMAN: That was the only other
21 one was actually Beach Haven.

22 MR. MAYER: And I saw that transcript.
23 And I might sound a lot like it.

24 THE CHAIRMAN: Good. Because that one
25 passed.

1 MR. MAYER: It is EDA, NJ EDA Stronger
2 New Jersey Neighborhood Community Revitalization
3 Development and Public Improvement Program Loan.
4 I think that's the last time I am going to say
5 that.

6 So the story -- and I'll just try to
7 make it brief. It starts with Sandy. Tuckerton.
8 I'm sure the chairman knows where it is, but it is
9 across the Barnegat Bay. You got Holgate.
10 Holgate broke through. Tuckerton got flooded.
11 That was October of '12. November of '13 we
12 prepared a bond ordinance for Tuckerton, 550,000,
13 22 5 down. 522,500 bonds and notes, and they
14 bought the property. In November of '16 we got
15 EDA commitment for this sort of strange, precise
16 number of \$1,498,896. I can't read my own
17 writing. 896.39. If it comes in there right,
18 I'll be amazed, but there it is. And they got a
19 dollar breakdown on it. It's a 30-year loan. Two
20 years no principal and interest. Interest, when
21 it does start up in Year 3 is on the five-year
22 treasury rate, which checking this morning is
23 currently 1.2 percent. The interest resets in
24 Years 10 to 20 and then 20 to 30, again, at the
25 five year treasury rate. Level principal payments

1 start in month 25.

2 Upon completion of the construction and
3 the issuance of a permanent CO, we will get over
4 that -- there is a 25 percent forgiveness totaling
5 \$374,000. 374,724.10. We're here to request two
6 things. One is a waiver of the down payment on
7 the \$976,396 bond, which that is the balance of
8 the loan amount. And for a non-conforming
9 maturity schedule on -- I'm not going to repeat.
10 We'll call it almost a million five loan. And
11 Jenny Gleghorn who is the administrator probably
12 knows more about the project and the details than
13 anybody, I suspect.

14 THE CHAIRMAN: So if I could just ask a
15 question to that point then. The total
16 construction costs are estimated at 741. And
17 within that number, that includes a ten percent
18 contingency. And my question to you would be, has
19 your engineer, any other professional, taken a
20 look to see if they think that those construction
21 estimates are accurate? Do you feel confident
22 that you can build? I know you were kind enough
23 to send over the renderings. And I guess the
24 question would be, how confident are you that is
25 enough money to do the job.

1 MS. GLEGHORN: Pretty much 100 percent
2 confident. Because I have an architect and I have
3 also Owen Little and Associates and Greg Curry
4 (ph). He is out with us working on the numbers,
5 and that's how this came about. So I'm pretty
6 close to being 100 accurate that we're going to
7 stay within that figure.

8 THE CHAIRMAN: Okay. As I told Beach
9 Haven, I live in Stafford. I live in Beach Haven
10 West, so I know very well what that area was like.
11 I've been in the Tuckerton municipal building
12 before many times in a previous life. But I know
13 your challenges down there. And as someone that
14 has worked or been involved with personally and
15 professionally with the Sandy recovery, I really
16 do wish Tuckerton the best of luck, as you bring
17 your assets back up to the standard that your
18 staff and your tax payors deserve. And, again,
19 I'm happy that you know this media program could
20 be used for such purposes. I would ask that if
21 any of the Board members have any questions about
22 this project or want to know anything more about
23 the financing program or the building, itself. So
24 I'll make a motion to approve this application,
25 and I would ask for a second from one of my

1 colleagues.

2 MR. BLEE: Second.

3 THE CHAIRMAN: Mr. Blee seconds. Roll
4 call, please.

5 THE SECRETARY: Mr. Cunningham?

6 THE CHAIRMAN: Yes.

7 THE SECRETARY: Ms. Rodriguez?

8 MS. RODRIGUEZ: Yes.

9 THE SECRETARY: Mr. Blee?

10 MR. BLEE: Yes.

11 THE SECRETARY: Mr. Light?

12 MR. LIGHT: Yes.

13 MR. CAPOZZI: Thank you very much.

14 THE CHAIRMAN: On the agenda listed next
15 is the Borough of Mantoloking. Because of the
16 nature of the application, I waived an appearance,
17 and I will just read into the record.

18 What's being sought here is a, is a
19 waiver of down payment. The, the Borough is
20 undertaking a project, and they're expecting a
21 large portion of FEMA funds to reimburse. I
22 should note in a similar context as the previous
23 applicant, that the Borough's current business
24 operations are being conducted in a trailer, which
25 is certainly not conducive to the needs. And I

1 believe that this particular project were
2 improvements -- was this the police station, Pat?
3 This is the municipal building. So, again,
4 because this was Sandy damage, and it's expected
5 that, you know, FEMA funds in the amount of 1.1
6 million dollars would be received, and the
7 application was merely for the waiver of the down
8 payment, which I thought was prudent, given the
9 fact that the ratable base hasn't fully recovered,
10 I thought we could waive the appearance and
11 dispatch of this ourselves. And unless any -- the
12 Board has any questions for me, I would make a
13 motion to approve a 5.5 million dollar proposed
14 waiver of down payment. And I would ask for a
15 second.

16 MR. BLEE: Second.

17 THE CHAIRMAN: Mr. Blee seconds. Roll
18 call.

19 THE SECRETARY: Mr. Cunningham?

20 THE CHAIRMAN: Yes.

21 MS. RODRIGUEZ: Yes.

22 THE SECRETARY: Mr. Blee?

23 MR. BLEE: Yes.

24 THE SECRETARY: Mr. Light?

25 MR. LIGHT: Yes.

1 MR. McMANIMON: If I can direct -- not
2 really a trailer. It is in a strip mall. Not in
3 a trailer.

4 THE CHAIRMAN: Second floor --

5 MR. McMANIMON: No, no. I knew what you
6 were referring to. I wasn't going to present -- I
7 wanted to make sure the record was clear.

8 THE CHAIRMAN: I knew what Tuckerton was
9 doing.

10 MR. McMANIMON: Second floor of an
11 office complex, correct.

12 THE CHAIRMAN: Likewise, because of the
13 Division's great involvement with the City of
14 Camden as the only municipality of the State under
15 the Mirror Act and the fact that we have a
16 transitional aid monitor assigned, I waived the
17 appearance of the City of Camden today as they're
18 looking for a motion to approve the adoption of a
19 bond ordinance pursuant to the qualified bond
20 program and then, likewise, were seeking a waiver
21 of the down payment.

22 The project here relates to a demolition
23 program that the Mayor is undertaken and is
24 seeking to -- that the demolition of a building
25 and structures, this a program that the division

1 staff has worked closely with the City on, and we
2 were well aware of this. And I should note that
3 we did receive a memo from the monitor, and that
4 was included in the Board's packages, explaining
5 our recommendation along with the local finance
6 Board's staff's report.

7 I can tell you, as someone that has
8 spent some time in the City of Camden, there are
9 an extraordinary number of abandoned, vacant
10 properties. They are deleterious and create
11 issues for the law enforcement community. And the
12 division does support the Mayor's efforts to try
13 to clear them and improve their ultimate ratable
14 base. And that is the part of the transitional
15 recovery plan that the Mayor had submitted to the
16 Division as a requirement as for receiving
17 transitional aid. Because of our involvement with
18 this program and the fact that it's a waiver of
19 down payment and qualified bonds to be issued, I
20 would just ask if anyone had questions.

21 So I would make a motion to approve and
22 ask for a second.

23 MR. BLEE: Second.

24 MR. LIGHT: Second.

25 THE CHAIRMAN: Mr. Blee was faster on

1 the draw. And we'll take a roll call, please.

2 THE SECRETARY: Mr. Cunningham?

3 THE CHAIRMAN: Yes.

4 THE SECRETARY: Ms. Rodriguez?

5 MS. RODRIGUEZ: Yes.

6 THE SECRETARY: Mr. Blee?

7 MR. BLEE: Yes.

8 THE SECRETARY: Mr. Light?

9 MR. LIGHT: Yes.

10 THE CHAIRMAN: Okay. Last evening I
11 received an E-mail from bond counsel to the next
12 applicant, the City of East Orange, advising that
13 because they were going through the Environmental
14 Infrastructure Trust, they were going to withdraw
15 the application. So that matter has come off the
16 agenda, which will now bring us to the City of
17 Trenton.

18 MR. McMANIMON: Thank you. For the
19 record, Ed McManimon from McManimon, Scotland and
20 Baumann, Janet Schoenhaar, who is the City's Chief
21 Financial Officer, and Neil Grossman who is the
22 financial advisor to the City. And I know they
23 have to be sworn in.

24 JANET SCHOENHAAR AND NEIL GROSSMAN,
25 Having been first duly sworn, was examined and

1 testified as follows:

2 MR. McMANIMON: Just so that the record
3 is clear, our firm has been bond counsel to the
4 City of Trenton, I know, since this Board signs
5 off on changes. The City has hired Wilentz,
6 Goldman and Spitzer to replace our firm, so
7 technically they are the City's Bond Counsel. I
8 was asked to complete this matter before the
9 Board, so I am still representing the City, even
10 though they have replaced our firm. So if you
11 just said yes, I am out the door would be great.

12 The City had submitted an application in
13 connection with three bond ordinances. Two of
14 them, which was a sewer utility ordinance and a
15 water utility ordinance did not receive the
16 appropriate vote on introduction. So I can't
17 really have you defer it as opposed to withdraw
18 it, because when they took the vote, and they
19 didn't have sufficient vote for introduction, it
20 was determined to have been defeated by the clerk
21 as opposed to deferred. So if there is going to
22 be another consideration for those ordinances, I
23 am going to assume it's a separate application.

24 THE CHAIRMAN: So we would think so,
25 too.

1 MR. McMANIMON: So the last ordinance is
2 for \$4,725,000. It's a refunding bond ordinance
3 to fund an emergency appropriation to deal with
4 the issue involving the absconding of tax funds by
5 a company that was hired by the City to coordinate
6 the payment to the Internal Revenue Service and
7 the State of New Jersey. They did not do that.
8 So although the city paid them the money, that
9 money was not paid to the Internal Revenue Service
10 nor to the State of New Jersey. So in order to
11 provide the funds that now have to be paid while
12 they pursue whatever actions they are going to
13 pursue against this provider, they needed to have
14 an emergency appropriation to spend the money.
15 And they adopted that with a two-thirds vote last
16 week. They also introduced a refunding bond
17 ordinance to provide the funding for that since,
18 obviously, you have to have the funding before
19 they can commit to it. So we're asking for this
20 Board's approval to the adoption of a refunding
21 bond ordinance. We provided the information with
22 regard to what the impact would be over three
23 years. One year, three years or five years. And,
24 certainly, under the rule that you used for tax
25 appeals, it would be three years, because it's

1 about \$50 on an average home in Trenton, if this
2 was funded over three years. We have asked the
3 Board to do consider five years, but it's
4 completely up to this Board, since the City is
5 essentially partially a ward of the State. And
6 you provide a lot of funds to the City. This is a
7 circumstance different from tax appeals in the
8 sense that this was something that came out of the
9 blue that someone stole the money and didn't use
10 it correctly.

11 So the City is prepared, whatever this
12 Board chooses, to have three years or five years
13 for the payment out of this through the
14 refunding -- the issuance of either refunding
15 bonds or notes. However they choose to do that,
16 so ...

17 THE CHAIRMAN: Okay. Mr. McManimon,
18 thank you for that. So just going back to a
19 comment you made about the State's involvement
20 with the City of Trenton. The City of Trenton is
21 a transitional aid municipality that receives
22 approximately \$25,000,000 in transitional aid.
23 Although we are under an MOU with the City for
24 governing the terms of the transitional aid, and
25 part of the MOU is that we have a monitor

1 assigned. And that monitor has been involved in
2 working closely with the City administration from
3 the time that this issue was first uncovered. I
4 think we have worked together already to identify
5 steps the City could have taken from an internal
6 control standpoint to potentially reduce this type
7 of issue from happening again or at least. And,
8 perhaps, being caught sooner, if possible. But I
9 do -- I did speak to the Mayor personally about
10 this. And I think that the business administrator
11 and the staff took immediate and prudent action to
12 stop the problem from getting any worse. What we
13 feared immediately was that it could be
14 exacerbated by additional quarters of payroll not
15 being paid, because right at the time it was
16 uncovered, there was a payroll pending, and it
17 caused the City a lot of angst, and us by
18 extension. But I think the City did a very good
19 job in terms of immediately segregating accounts,
20 contacting law enforcement officials. And I think
21 the City did do everything in its power to deal
22 with the situation, to deal with the situation
23 well, and to pursue every avenue for potential
24 recoupment of the money. So I'm well aware of
25 this issue. I think the only question that I have

1 -- and I would talk to my colleagues on the Board
2 about, is whether or not in this case we would
3 want to defer slightly from our rule, or, I should
4 say, maybe rule of thumb would be a more accurate
5 way of expressing it. But the impact on the
6 averaged assessed home is \$49.77 for a three-year
7 recoupment. The City is before us seeking five
8 years, which would be \$29.86 cents.

9 I am inclined to be flexible with the
10 City and allow them to go to five years. Because
11 the fact of the matter is, we're giving the City a
12 significant amount of transitional aid. And we're
13 trying to keep the tax rate somewhat stabilized.
14 And to have an additional amount on the tax bill
15 just provides difficulty for other things we're
16 working with the city on to try to get them moving
17 in the right direction. But I think that would
18 have to be something that, obviously, the majority
19 of the Board supported. And I would just ask if
20 the Board has any questions on what happened, how
21 it was dealt with, or the impact on the tax rate
22 assuming this Board was to approve this
23 application.

24 MS. RODRIGUEZ: I just think it's
25 unfortunate, because, you know, Mayor Jackson has,

1 you know, inherited, to begin with, you know, a
2 very challenging situation. And to have this
3 compiled, I commend him. I think he's, you know,
4 he's doing a good job trying to move beyond this.
5 I'm very much in favor of this.

6 MR. LIGHT: Usually, I push to go out
7 further. But under the circumstances, I would be
8 willing to go the five years or even further. I
9 might be willing to go to with the five years.

10 MS. RODRIGUEZ: Yes.

11 THE CHAIRMAN: So if there are no other
12 comments from the Board, I will make the motion to
13 approve this application with a five-year term,
14 which would mean that the impact on the average
15 assessed home would be \$29.86. And, clearly, the
16 division will continue to support the City of
17 Trenton in its efforts to recoup as much money as
18 possible from this company. This is not the first
19 time that this has happened in the State of New
20 Jersey. I know it happened in a different region
21 a couple of years ago. It is unfortunate, and I
22 do hope that this company, you know, and it looks
23 like it will, but I certainly hope they're brought
24 to justice. So motion is on the table.

25 MS. RODRIGUEZ: I'll second.

1 THE CHAIRMAN: Ms. Rodriguez seconds.

2 And I would ask for a roll call.

3 THE SECRETARY: Mr. Cunningham?

4 THE CHAIRMAN: Yes.

5 THE SECRETARY: Ms. Rodriguez?

6 MS. RODRIGUEZ: Yes.

7 THE SECRETARY: Mr. Blee?

8 MR. BLEE: Yes.

9 THE SECRETARY: Mr. Light?

10 MR. LIGHT: Yes.

11 THE CHAIRMAN: Thank you very much.

12 So next before the Board is the City of
13 Newark. The first application involving -- so
14 Newark City first application involving the
15 expansion of the City's Riverfront Park.

16 Good morning. Would you kindly
17 introduce yourself for the record. Those that
18 aren't counsel will be sworn in.

19 MR. EISMEIER: Tim Eismeier, NW
20 Financial. We're the financial advisor to the
21 City.

22 MS. OBERDORF: Cheryl Oberdorf,
23 Decotiis, Fitzpatrick and Cole, Bond Counsel to the
24 City.

25 MR. WILSON: Baye Adofo-Wilson, Deputy

1 Mayor, Director of Economic Housing Development
2 for the City of Newark.

3 MR. GUZMAN: Benjamin Guzman, City of
4 Newark, Department of Finance.

5 BAYE ADOFO-WILSON & BENJAMIN GUZMAN,
6 Having been first duly sworn, was examined and
7 testified as follows:

8

9 THE CHAIRMAN: Good morning.

10 MS. OBERDORF: Good morning.

11 THE CHAIRMAN: We've talked about this
12 project in the past, but -- or at least at the
13 division level, but would you kindly discuss it
14 and then just help the Board understand the
15 application.

16 MR. EISMEIER: Sure. In 2013 the City
17 approved by referendum the implementation of a one
18 cent city open space tax. The purpose of which
19 was to fund the -- or support parks throughout the
20 city. The city began collecting that tax in 2015.
21 Also, in 2015, the City Council approved a
22 referendum to increase that tax by two cents. The
23 purpose of which increase would be to support the
24 expansion of Riverfront Park in -- within -- along
25 the Passaic River in the City. Deputy Mayor

1 Adofo-Wilson can speak in a little bit more detail
2 about the project itself and the various sources
3 of financing.

4 The application in front of you is for
5 the issuance of not to exceed 25 million in
6 qualified open space bonds. The -- we are also
7 seeking a waiver of down payment based upon the
8 fact that the City will adopt a resolution which
9 mandates that the City have at least 1.1 times
10 coverage on the debt service based on the open
11 space tax revenue which creates a self-liquidating
12 enterprise, which is the basis for the waiver of
13 down payment if approved.

14 Based on the 2015 assessed value of the
15 city, the estimate, the tax will collect around
16 2.4 million dollars annually. That's the
17 additional two cents. The projected debt service
18 we included in the application was 1.9 million.
19 Based on the average useful life of the projects,
20 we're requesting a 19 year maturity schedule. And
21 I think at this point I'll turn it over Baye to
22 talk about the project.

23 MR. ADOFO-WILSON: Thank you. I
24 appreciate you hearing this application.

25 Newark Riverfront is a space that has

1 been very unutilized over the last century. We
2 haven't been really able to utilize the park space
3 for open space. It's really been to the back of
4 the city, even though it's the beginning, so it's
5 an issue of real economics to the city.

6 And so initially there was a County
7 Park. That's a three-acre park. It's finished in
8 2012. And then there is another park that was
9 being worked on now that was by the trusted public
10 land. What we are finding out is that they were
11 like ten sources of funding, twelve sources of
12 funding, Federal and State. We just weren't
13 getting the kind of traction that we needed to
14 actually move the project forward in any type of
15 way in that space. We would be finished in 50
16 years. And so we went to the voters and asked for
17 a referendum. They approved it by 84 percent in
18 2015. And it's really to build -- eventually, it
19 will be a three-mile park from, from the Iron
20 Bound Section all the way up to the north ward.
21 It will be next to Penn Station, most of the
22 restaurants in Iron Bound, NJ PAC, Panasonic
23 building, Blue Cross, Blue Shield. It will be a
24 signature project. Hopefully, one of the
25 signature parks in the State of New Jersey along

1 the Passaic River. So we've been working with
2 Trusted Public Land, Horizon Blue Cross to fund
3 the project.

4 It's also a big dredging effort.
5 Recently there's been an effort to clean the
6 Passaic River. 1.4 billion dollars. That's been
7 allocated from the polluters. So this project
8 works in tandem with that to create the park.
9 Let's clean up the Passaic River. We will collect
10 -- it will have a huge impact on the city in terms
11 of taxes and ratables. As we know, most of the
12 valuable land in cities are next to parks and open
13 spaces. So we feel like the property values that
14 are near the Passaic River will increase
15 substantially, increase noticeably because of the
16 creation of the park. That's where we felt like
17 the two cents assessment, though, a burden on the
18 tax payers, will have a long-term benefit for the
19 residents. We want to activate it. Have events,
20 programs, program it. We have the F.B.I. building
21 is down there, so we have -- they can watch our
22 programming. We have to program around the part.
23 But we're really excited about it. As someone to
24 transform the project in the administration, we
25 think it will help us galvanize our residents,

1 really bring people into the downtown and really
2 activate the business community.

3 THE CHAIRMAN: Thank you. Couple of
4 technical questions, but I guess a broader
5 question than that I wanted to just talk about a
6 little bit, because we've talked about this
7 project before. And I know the importance of the
8 administration for it. But let's talk about the
9 total cost of the park. So the total cost of the
10 park, if I'm correct, is estimated to be just in
11 excess of 41 million dollars, and 25 million of
12 open space funds are going to be used. But when I
13 was reading the application over the weekend, I
14 note that there is still a significant number of
15 properties that have to be acquired. I guess I
16 didn't realize that there was still a lot of
17 individual ownership in areas that this park would
18 encompass. And I know that we previously talked
19 about the fact that the City wanted to bring in,
20 you know, some architecture firms to design this,
21 as you said, to be a signature park project within
22 the State.

23 My question is, what if it's not 41
24 million dollars for the project? What if it winds
25 up being more? Will the City scale the project

1 down or will the City identify additional funds?
2 What I don't want to have happen is, I don't want
3 to approve the issuance of the debt using the 25
4 million in open space trust bonds and then that
5 money just kind of get stalled or held in abeyance
6 because the overall project budget fell apart.
7 Could you talk a little bit about how comfortable
8 you are with the 41 million dollar total cost and
9 just your thoughts on how the city would proceed
10 if --

11 MR. ADOFO-WILSON: Yes. We were very
12 conservative in terms of our numbers. So,
13 hopefully, that number is the high number as
14 opposed to the number. We already have our
15 re-development plan for the river front. And so
16 the park -- and because there is an easement that
17 is there already for the entire river front park.
18 So the acquisition -- we can proceed with the park
19 based on the easements that are in the
20 re-development plans as of now. So that portion
21 of it is where sort of the 25 million number, that
22 we can proceed, build the park and not acquire
23 anyone's land and just build on the easements
24 portion it and we'll be fine. And that will be
25 the same three-mile park. It will just be in some

1 areas where there is additional property owners,
2 we won't be able to acquire those lands. But we
3 will be able to build out the easement portion of
4 the parks currently. We're very comfortable with
5 that number, and feel that that's what will make
6 the part successful.

7 The additional funding is for land
8 acquisition and for environmental clean-up. So
9 one of the things we're doing is working with DEP.
10 And our goal to obtain some of the funding for the
11 clean-up around river front park. And they have
12 as a requirement after a 40-foot clean-up on the
13 shore as a part of the clean-up of the river. So
14 we're working with them to see if we could have
15 that layered on to do the clean-up of the river
16 front park, so that that portion of the funds
17 doesn't have to come out of the 25 million. And
18 in addition to that 25 million, we have 5 million
19 from Horizon Blue Cross Blue Shield. That's
20 already been part of the project, and so we're
21 working with other entities to raise money. Trust
22 Public Land, they're raising eight million dollars
23 for their portion of the project. And we're
24 working with them, as well, to raise additional
25 funding.

1 So the application of the staff report
2 that I'm looking at, there's 40 parcels of land
3 that make up the river front park expansion area.
4 16 are owned by the city, and, as you mentioned,
5 there's easements in place on six additional
6 properties. Then we have the Newark Housing
7 Authority and DOT, State DOT own properties. So
8 there are still -- I mean, I know about four
9 million dollars was budgeted to purchase lands of
10 additional easements. I guess, I was just -- I
11 didn't realize just how many properties had to be
12 acquired.

13 We're working with the Housing Authority
14 and DOT now. That's the bulk of the lands that
15 we're talking about. We regularly swap properties
16 with the Housing Authority. That happens on a
17 couple, few times a year based on properties they
18 need. So that is just a normal occurrence. And
19 we're also talking to Department of Transportation
20 about -- for the sites that they have that we need
21 for it. So it's not -- I mean, they're not
22 actually owned by the city, but they're owned by
23 other entities. But because they're the Housing
24 Authority and DOT and we have had negotiation, but
25 we have a lot of confidence in the transfer. And

1 we work with the Housing Authority a lot in
2 transferring properties back and forth. Most of
3 the time we do them in swaps. So we don't have to
4 pay the purchase price. Often times what we do
5 is, we just swap lands based on the square foot
6 basis. And then so it evens out as an even swap.

7 THE CHAIRMAN: So the 41,500,000 number,
8 I just want to make sure I understand, that is the
9 entirety of the park?

10 MR. ADOFO-WILSON: That's the entirety
11 of the park. That's if we have to acquire
12 everything. That is if the housing authority
13 doesn't work with us and the DOT doesn't work with
14 us and if we have to clean up everything
15 ourselves. So that is the biggest number that the
16 project would be.

17 MR. RODRIGUEZ: Right.

18 THE CHAIRMAN: At the time that, I
19 think, the application was submitted, the city had
20 not adopted a resolution to utilize the open space
21 fund. Is there an update on that?

22 MS. OBERDORF: Well, it was contemplated
23 that once the ordinance becomes effective, which
24 they're assuming approval at this meeting, that it
25 will be on the agenda for the City's meeting of

1 May 24th for the bond ordinance and that ordinance
2 will become effective 20 days after publication.
3 And then I had anticipated doing the resolution,
4 you know -- it needs public hearing and resolution
5 to allocate specific dollars to specific purposes
6 pursuant to 40 12 dash 15.7. And so, I would say,
7 sometime, probably end of June, beginning of July.

8 THE CHAIRMAN: If for some reason that
9 resolution failed, then the Board's approval would
10 just be rendered moot.

11 MS. OBERDORF: Well, then the question
12 becomes, it would not be a self-liquidating
13 purpose. And then, therefore, the ordinance would
14 have to raise a down payment.

15 THE CHAIRMAN: Said a little more
16 simply, if the City Council chooses not to use
17 open space funds for this project, and that's the
18 resolution I was referring to -- I don't think
19 there's been a resolution by the governing body
20 saying that they are going to use open space
21 dollars towards this project.

22 MR. ADOFO-WILSON: So the resolution
23 that submits for the application for the -- there
24 has been an adoption of the referendum, which
25 specifically allocates for the two cents for River

1 Front Park because it -- the way the issue of
2 referendum went, there was one cent for the entire
3 park for the city. So nobody is going to add it
4 to three cents. We also have an accounting where
5 there is one cent that goes to the other account
6 for all of the parks. And then the two cents
7 would be separated into another account.

8 THE CHAIRMAN: But the City Council has
9 taken formal action supporting the
10 administration's desire to use open space funds --

11 MR. ADOFO-WILSON: Yes.

12 THE CHAIRMAN: -- towards this project.

13 MR. ADOFO-WILSON: Yes.

14 MS. RODRIGUEZ: I have a question. This
15 encompasses the East Ward --

16 MR. ADOFO-WILSON: Yes.

17 MS. RODRIGUEZ: -- the central and a
18 little bit of the north.

19 MR. ADOFO-WILSON: Of the North.

20 MS. RODRIGUEZ: So it encompasses --
21 it's a river front property, basically, for three
22 separate wards, right?

23 MR. RODRIGUEZ: Yes. The concern
24 initially was, we weren't going far enough.

25 MR. ADOFO-WILSON: It was just an East

1 Ward park. That's why they.

2 MS. OBERDORF: I think it is also
3 important to note this park will unite a county
4 park with an existing river front park in terms
5 and connect the two and there will be a pathway
6 developed along the entire Passaic River, so it
7 would be one long park.

8 THE CHAIRMAN: So it's a good segue to
9 my next question, which is, I think I read in the
10 application and the statute report that it is
11 contemplated that the City would enter into a
12 contract with Essex County and Essex County would
13 operate the park; is that accurate?

14 MR. ADOFO-WILSON: Yes. Long term,
15 that's the goal. We've had conversation with the
16 county. We don't have a formal agreement as of
17 yet. They own and operate a portion of the park.
18 They, we believe, do a really good job with parks
19 in Essex County. And I thought it would be in the
20 best interest of the City, long-term, given
21 Branchburg Park and the other county parks to make
22 it a county park, but we know that the funds
23 require just a piece of the management as opposed
24 to ownership, so that's the structure that we will
25 eventually upon completion of the build-out of the

1 park.

2 THE CHAIRMAN: Any other questions?

3 Mr. Light, did I hear a motion?

4 MR. LIGHT: No, no, no. If you are
5 open, I'll make a motion to approve it.

6 MS. RODRIGUEZ: I'll second it.

7 THE CHAIRMAN: Mr. Light and Ms.
8 Rodriguez. Take roll call.

9 THE SECRETARY: Mr. Cunningham?

10 THE CHAIRMAN: Yes.

11 THE SECRETARY: Ms. Rodriguez?

12 MS. RODRIGUEZ: Yes.

13 THE SECRETARY: Mr. Blee?

14 MR. BLEE: Yes.

15 THE SECRETARY: Mr. Light?

16 MR. LIGHT: Yes.

17 THE CHAIRMAN: Okay. Thank you very
18 much.

19 MS. RODRIGUEZ: I'm looking forward to
20 taking a walk on that River Front Park.

21 THE CHAIRMAN: So the City remains
22 before us for a temporary emergency appropriation
23 dealing with some unpaid invoices, significant
24 unpaid invoices. So this group has already been
25 identified on the record, has already been sworn

1 in so we can move into that application.

2 Mr. Rodriguez has recused herself on this matter,
3 anyway, so the remainder of the Board will hear
4 the application.

5 MS. OBERDORF: The City of Newark owes
6 money to Blue Cross Blue Shield for unfunded
7 amounts due for retirees and employees as well as
8 past due premiums. And the City, as well, and
9 Horizon Blue Cross Blue Shield have reached an
10 agreement regarding the amount that will be paid
11 by the City to Horizon Blue Cross Blue Shield for
12 these amounts. On April 20th the City adopted a
13 temporary emergency appropriation because they had
14 already adopted their temporary budget to -- for
15 the -- for the payment of these amounts. And the
16 City seeks to fund the temporary emergency
17 appropriation through the introduction and final
18 adoption of a refunding bond ordinance pursuant to
19 NJSA 40 A dash 251. The City also seeks approval
20 from the Board regarding the final adoption of
21 this ordinance as well as the issuance of the
22 bonds as qualified bonds and also seeks -- the
23 Board put its consent upon the bond ordinance.
24 The City is also requesting a ten-year
25 amortization schedule not to exceed 17 million

1 dollars, which essentially would result in a tax
2 impact of \$54 per year per assessed value per 100
3 percent --

4 MR. GUZMAN: Yes. For the average
5 assessed home.

6 MS. OBERDORF: Average assessed home.
7 The City did introduce a refunding bond ordinance
8 on April 26th and assuming Board approval of this
9 application intends to finally adopt the ordinance
10 at a meeting on May 24th.

11 THE CHAIRMAN: I think it should be
12 noted on the record that the City's business
13 administrator met with the division staff, brought
14 this issue to our attention as well as to the
15 monitor assigned to the City of Newark. We
16 discussed the status of the negotiations with the
17 vendor. We discussed the amount. We discussed
18 why it happened. And I do think that it happened
19 during the prior administration. And there is a
20 very little, unfortunately, that the City can do,
21 other than to negotiate the number as low as
22 possible. And I think that they've been rather
23 successful in that regard. And I do think the BA
24 has done a good job in his best work on that. It
25 is a very unfortunate position. And, once again,

1 even at ten years, we're still over \$50 impact on
2 average homes, so just to, again, talk about the
3 amount for the record, we're talking about 17
4 million dollars in unpaid expenses. And there is
5 no, there is no argument, whatsoever, that the
6 City wasn't liable for these expenses. There is a
7 little bit of an argument that the City took a
8 gamble in terms of the way this was structured
9 hoping that the utilization wasn't going to be as
10 high as it is, but in some other respects there is
11 unpaid invoices that are due and owing to an
12 entity. But I know this is a big number. And as
13 I said the division staff met for quite a while
14 with the City and the monitors has been involved
15 in this along the way. But if you gentleman have
16 any additional questions, we can certainly have
17 the City talk about that.

18 MR. LIGHT: Yes. According to the
19 report we have here, this goes back to actually
20 2011, '12, '13 and '14.

21 THE CHAIRMAN: That's right.

22 MR. LIGHT: Were there any -- did it end
23 there? Were there any for 2015 or --

24 MS. OBERDORF: No.

25 MR. LIGHT: Okay. So, apparently, it

1 was found sometime in the 2015 year, early in the
2 2015 year?

3 MS. OBERDORF: That's correct.

4 MR. LIGHT: Right?

5 THE CHAIRMAN: It was first brought to
6 my attention when the City's, I guess we would
7 call him interim business administrator, who was
8 on loan to the City and was working on it when I
9 came into this job, that's when the negotiations
10 first happened. They've been ongoing for quite a
11 while. And, as I said, Jack Kelly, the business
12 administrator, kind of recently struck terms with
13 the vendor and brought those terms to us for
14 discussion and consideration.

15 MR. LIGHT: So under the circumstances
16 are you willing to go with the \$55 at ten years?

17 THE CHAIRMAN: Yes. I think that's --
18 especially given the tax burden on the residents
19 of the city and, you know, other issues.

20 MR. LIGHT: Stab this through my heart,
21 you know, and then --

22 THE CHAIRMAN: Again. It's still \$55,
23 even at ten years. And the city did have a
24 significant tax increase on the residents this
25 last year, so I certainly don't take it lightly.

1 Certainly, it's a very, very difficult application
2 coming the City. I think this administration was
3 very forthright with us and has kept us apprised
4 along the way. And the monitor has met on this,
5 worked on this and submitted a memo as part of the
6 package.

7 MR. LIGHT: So it has been corrected so
8 we're not continuing into 2016 with the same --

9 MS. OBERDORF: I think it is also
10 important to note that the Administrator did a
11 great job in negotiating the amount down by a
12 significant dollar amount.

13 THE CHAIRMAN: Well, if there is no
14 other questions, I'll a motion and ask for a
15 second from my colleagues.

16 MR. BLEE: Second.

17 THE CHAIRMAN: Mr. Blee seconds.

18 We will take roll call, please.

19 THE SECRETARY: Mr. Cunningham?

20 THE CHAIRMAN: Yes.

21 THE SECRETARY: Mr. Blee?

22 MR. BLEE: Yes.

23 THE SECRETARY: Mr. Light?

24 MR. LIGHT: Yes.

25 THE CHAIRMAN: And Ms. Rodriguez recuses

1 herself on this matter so the motion carries.

2 Thank you very much.

3 City of Asbury Park.

4 Would you kindly make sure everyone is
5 identified for the record, and those that aren't
6 can be sworn in.

7 MR. CANTALUPO: Mr. Chairman, John
8 Cantalupo from Archer and Greiner, bond attorney
9 to the City of Asbury Park. To my right we have
10 the chief financial officer, Ricky Gartz and also
11 further to my right is the City's financial
12 advisor, Jennifer Edwards.

13 RICKY GARTZ & JENNIFER EDWARDS,
14 Having been first duly sworn, were examined and
15 testified as follows:

16 THE CHAIRMAN: Okay. Mr. Cantalupo,
17 please.

18 MR. CANTALUPO: The first application
19 involves a refunding at the -- a funding
20 opportunity that the City has for 4.2 million, not
21 to exceed 4.2 million in qualified general
22 improvement bonds. They would be taking out
23 approximately 3.6 of the 2009 Municipal Qualified
24 Bond Act bonds. Savings are roughly 4.88 percent
25 or 175,000 on present value basis. The savings

1 are taken level but for a little quirk in that
2 first year, because of an interest payment onto
3 roughly about \$13,000 a year. Most likely, the
4 City will participate in the MCIA program. That
5 is going to come before you next month. We have
6 the famous Heather Litzebauer from NW Financial,
7 the MCIA Financial Advisor back there. And I know
8 that they're coming forward. And we had talked, I
9 believe, last week or the week before that they
10 would probably participate in that pool, because
11 the Triple A bond rating of the County really
12 affords them great interest rates. I'm sure we
13 will see the savings jump from the 4.88. We are
14 seeking approval pursuant to 40 A 2 51 to do the
15 refunding bond ordinance and for you to endorse
16 your consent upon it. And also your approval to
17 issue qualified bonds pursuant to the Municipal
18 Qualified Bond Act and endorse your consent upon
19 the funding bond ordinance. Happy to entertain
20 any questions at this time.

21 THE CHAIRMAN: Any questions from the
22 Board? No. It seems pretty cut and dry. Motion
23 from Mr. Blee.

24 MR. RODRIGUEZ: Second.

25 MR. LIGHT: Idida seconded.

1 THE CHAIRMAN: All right. Roll call,
2 please.

3 THE SECRETARY: Mr. Cunningham?

4 THE CHAIRMAN: Yes.

5 THE SECRETARY: Ms. Rodriguez?

6 MS. RODRIGUEZ: Yes.

7 THE SECRETARY: Mr. Blee?

8 MR. BLEE: Yes.

9 THE SECRETARY: Mr. Light?

10 MR. LIGHT: Yes.

11 THE CHAIRMAN: Okay. So continuing on
12 you have another application in front of us.
13 Mr. Cantalupo, would you introduce this to the
14 board, as well.

15 MR. CANTALUPO: Yes. Sure. This is the
16 City's new money annual capital program that
17 they're going to be undertaking this year. I
18 believe it's the same amount as we did last year,
19 correct? 2,850,000. It's divided into two
20 separate ordinances. One is for 1 million 662 500
21 for various capital improvements which include
22 police, fire, Department of Public Works,
23 Administration. It's all pretty highly detailed
24 in the ordinance. The second ordinance is for 1
25 million 187 500 for various road improvements in

1 the City. We are seeking approval to sell these
2 bonds pursuant to the Municipal Qualified Bond Act
3 and for you to endorse your consent upon both of
4 the bond ordinances, as well.

5 THE CHAIRMAN: Okay. I guess the one
6 question I had on this application is the local
7 portion of the taxes on the average assessed home
8 would increase by \$77. And I just bring it up for
9 the City's, you know, thoughts on that, given the
10 fact that the City is a transitional aid
11 municipality. I know the City has done a great
12 job in terms of stabilizing the budget. You have
13 a lot of really good development going on and
14 potentially, you know, coming out of transitional
15 aid program pretty quickly. Nevertheless, given
16 the tax increases that the City has faced over the
17 prior years and decades, I was just curious that
18 the administration's thoughts on the \$77 number.

19 MR. GARTZ: The County of Monmouth, as
20 you're aware, has an annual program that everybody
21 gets reassessed every year. Our assessment since
22 this has been done since '14, '15 to '16's
23 assessments went up 80 million dollars. Now, the
24 way the City is thriving with new pilots coming
25 on, four current pilots that were presented to me

1 through RAD payment issues, we feel that, you
2 know, everybody -- 77 is at the high mark at this
3 point. I believe it will not be at that point as
4 the City keeps expanding and the City goes in the
5 right direction.

6 THE CHAIRMAN: Again, we did talk to the
7 monitor assigned to the City to talk about these
8 projects and so the division staff did look at
9 them. But in terms of any other questions that
10 the Board may have. Make a motion.

11 MS. RODRIGUEZ: Make a motion.

12 THE CHAIRMAN: Ms. Rodriguez makes a
13 motion.

14 MR. LIGHT: I'll second that.

15 THE CHAIRMAN: Mr. Light seconds. Roll
16 call, please.

17 THE SECRETARY: Mr. Cunningham?

18 THE CHAIRMAN: Yes.

19 THE SECRETARY: Ms. Rodriguez?

20 MS. RODRIGUES: Yes.

21 THE SECRETARY: Mr. Blee?

22 MR. BLEE: Yes.

23 THE SECRETARY: Mr. Light?

24 MR. LIGHT: Yes.

25 THE CHAIRMAN: Passaic County Utility

1 Authority.

2 Mr. McManimon, welcome back.

3 MR. MCMANIMON: Thank you. Ed
4 McManimon, Bond Counsel for the Passaic County
5 Utilities Authority. I have Steve Wielkocz who
6 serves the auditor for both the Passaic County
7 Utilities Authority and the County of Passaic,
8 which is really the party that has the interest
9 here. And we have Heather Litzebauer here who is
10 representing NW who is the financial -- the
11 underwriter for this transaction.

12 This matter had been presented in a
13 slightly different form at the last meeting of the
14 -- the March meeting of this Board and was
15 approved as a financing that would save debt
16 service for the County. The Passaic County
17 Utilities Authority, as you know, really doesn't
18 exist much as an operating entity. It was
19 utilized for the solid waste facilities. And when
20 this all crashed and burned, the County had
21 certain debt that was guaranteed by the County and
22 certain debt that was not. The debt that was not
23 remains an obligation by the Authority. The debt
24 that was guaranteed by the county, including this
25 debt, is paid for by the county. This accounting

1 is an amendment to the prior approval by the Board
2 because the original application that was
3 submitted presumed a tax exempt financing to
4 undertake a current refunding of prior debt of the
5 Authority. Because the prior debt that is being
6 refunded here refunded a variety of prior bond
7 issues of the utilities authority, a number of
8 them had been previously advanced for funding. So
9 either you had to split this transaction into a
10 taxable refunding and a tax except re-financing or
11 do what is referred to as a forward refunding,
12 forward delivery refunding, which essentially
13 means that you sell these bonds to an underwriter
14 now. They don't close on it until within 90 days
15 of the call date, so there is a current refunding.
16 And they purchased bonds with the same interest
17 rates that exist on the bonds that occur now.
18 They take the risk of whether that will actually
19 produce the savings for them at that time as a
20 forward delivery obligation, but the savings are
21 paid up front. So there is a one-time payment
22 that is made at the time of entering into the
23 agreement for the underwriter to purchase these
24 for ultimate delivery to the customers of theirs
25 in 90 days of the call date, which is 2018.

1 So instead of there being a new maturity
2 schedule where the savings occur annually in the
3 pieces that would be level, there is a one-time
4 payment that's made here to the authority that
5 actually goes to the county, because there is a
6 party paying the interest. So it's projected to
7 be about \$900,000. And the county had planned and
8 does plan, they have a 40 million dollar budget.
9 I'm sorry. A 400 million dollar budget, and
10 they're planning on using this all in the one year
11 because it's really not a large amount as a
12 percentage-wise, but they will adapt to whatever
13 this Board prefers. And Mr. Wielkocz who does the
14 budgets and audits can address whether that is
15 something that you should embrace as a one-time
16 \$900,000 deposit into the County for their budget
17 in one year or over two or three years. Any
18 questions you want answered?

19 THE CHAIRMAN: Please.

20 MR. WIELKOTZ: What he said. Again,
21 whatever the Board is most comfortable with in
22 terms of how to use the \$900,000, whether it be
23 for '17 budget, '17/'18, '17, '18, '19. We're
24 open to or -- we're just happy to save the tax
25 payers \$900,000. So if - whatever the Board is

1 comfortable in terms of years to utilize it, we
2 will certainly do that.

3 MR. McMANIMON: It obviously requires
4 the money not to be used in one year, held in
5 reserve for a couple years. While it's a large
6 sum of money in a vacuum against this budget, it's
7 not. That's the reason they had anticipated and
8 asked us to request one year, but they're not
9 driven by that.

10 THE CHAIRMAN: Well, it would be helpful
11 if the County Administrator appears so we could
12 ask him these questions.

13 MR. WIELKOTZ: I will certainly send him
14 a message. Call.

15 THE CHAIRMAN: Call him to drive down,
16 and we'll defer the application until he gets
17 here.

18 Very complicated transaction. It took
19 me a couple of reads through. And I know Dan
20 Marinella called me last week and offered to walk
21 me through it. But I honestly think that after
22 reading the application -- and, Paul, you were on
23 our team and did a nice job with the staff report
24 -- I think I understand the transaction. So what
25 it came down for me was, and as Counsel said, you

1 know, it's a \$900,000 savings to the tax payer.
2 And in a percentage terms, it's over 6 percent.
3 So it's, clearly, a favorable financial
4 transaction.

5 With respect to utilization of those
6 savings, I don't see the reason to hold money in
7 reserve and complicate the transaction for the
8 simple fact that in a budget the size of Passaic
9 County, which I know and I know very well, it
10 really is diminutus. And it is not going to --
11 it's not anywhere near a tax point. And it's not
12 going to move the needle one way or the other. I
13 actually think the administrative function of
14 trying to account for that money over a multi-year
15 term is going to have more of a hassle than it
16 actually would be just, you know, socializing it
17 across the rest of the budget. But that's my
18 general thoughts on the matter.

19 The questions I had on the application,
20 I think, Mr. McManimon answered during his
21 presentation in front of the Board.

22 Were there any questions that the
23 members had realizing it is a bit of a transaction
24 we don't often see?

25 THE CHAIRMAN: Okay. So then I would

1 ask for a motion and a second on this one.

2 MR. BLEE: Motion.

3 THE CHAIRMAN: Mr. Blee motions.

4 MR. LIGHT: I will second it.

5 THE CHAIRMAN: Mr. Light seconds. Roll
6 call, please.

7 THE SECRETARY: Mr. Cunningham?

8 THE CHAIRMAN: Yes.

9 THE SECRETARY: Ms. Rodriguez?

10 MS. RODRIGUEZ: Yes.

11 THE SECRETARY: Mr. Blee?

12 MR. BLEE: Yes.

13 THE SECRETARY: Mr. Light?

14 MR. LIGHT: Yes.

15 THE CHAIRMAN: Thank you very much.

16 MR. McMANIMON: Thank you.

17 THE CHAIRMAN: Gloucester County

18 Improvement Authority. Good morning. I know that

19 you previously -- just for the record, identify

20 yourself again, just so the transcript is clear.

21 But I know Ms. Edwards is already sworn in, so we

22 don't have to do that again.

23 MR. WINITSKY: Just quickly, George

24 Strackton (ph) who is the Executive Director of

25 the Improvement Authority was supposed to be here

1 today. He was called away on an emergency. He
2 apologizes. We saw there were several absences
3 today. His was certainly not intentional.

4 THE CHAIRMAN: On this particular
5 application, I'm still a little unsure why you're
6 here.

7 MR. WINITSKY: I share that thought,
8 but, nevertheless, we're here, so ...

9 THE CHAIRMAN: Go ahead.

10 MR. WINITSKY: Jeff Winitsky from Parker
11 McCay, Bond Counsel. To my right, Jennifer
12 Edwards Acacia Financial, financial advisors to
13 the improvement authority.

14 THE CHAIRMAN: Okay.

15 MR. WINITSKY: We're here before you
16 seeking positive findings, I think, pursuant to 40
17 A 5 A 6 to issue, not to exceed seven million
18 dollars of county guaranteed solid waste revenue
19 bonds for the Gloucester County Improvement
20 Authority. They're seeking to expand their
21 existing landfill at the IA's solid waste complex
22 in South Harrison Township, New Jersey. The
23 Improvement Authority is going through the New
24 Jersey environmental infrastructure trust for this
25 financing. I think the complicating matter, I

1 think, why we're here today is because part of the
2 transaction involves the inclusion of a county
3 guaranty, so -- pursuant to Section 80. So we're
4 here specifically seeking approval of the final
5 adoption of that guaranty ordinance. We're happy
6 to talk about the particulars of the transaction,
7 but I think that's the crux of why we're here is
8 with respect to the guaranty ordinance. So if you
9 have any questions, we're happy to answer them.

10 THE CHAIRMAN: I think we're still
11 trying to sort out what the clean-up bill means in
12 terms of the IT. I'm still working with the trust
13 and how we're dealing with those approvals. I'm
14 not sure we felt that this needed to come in front
15 of the Board, but I understand that the Applicant
16 wanted that comfort.

17 MR. WINITSKY: Yes.

18 THE CHAIRMAN: So I'm happy, unless has
19 any questions, to dispatch of this rather quickly.
20 So seeing no affirmations of questions, I will
21 make a motion to approve this application and ask
22 for a second.

23 MR. BLEE: Second.

24 THE CHAIRMAN: Mr. Blee. And roll call,
25 please.

1 THE SECRETARY: Mr. Cunningham?

2 THE CHAIRMAN: Yes.

3 THE SECRETARY: Ms Rodriguez?

4 MS. RODRIGUEZ: Yes.

5 THE SECRETARY: Mr. Blee?

6 MR. BLEE: Yes.

7 THE SECRETARY: Mr. Light?

8 MR. LIGHT: Yes.

9 THE CHAIRMAN: Okay. Thank you very
10 much. Passaic County Improvement Authority.

11 MR. DRAIKIWICZ: John Draikiwicz, Bond
12 Counsel on this transaction with Passaic County
13 Improvement Authority.

14 MS. LITZEBAUER: Heather Litzebauer from
15 NW financial, financial advisor to Passaic County
16 Improvement Authority.

17 MS. FOX: Nicole Fox, Executive Director
18 of Passaic County Improvement Authority.

19 MR. WIELKOTZ: Steve Wielkocz, Auditor
20 for the County of Passaic.

21 MR. DRAIKIWICZ: The Passaic County
22 Improvement Authority approved not to exceed 14
23 million --

24 THE CHAIRMAN: Sorry. We haven't been
25 sworn in yet.

1 MS. LITZEBAUER: We also have
2 representatives from the City of Paterson here, as
3 well.

4 THE CHAIRMAN: Mr. Draikiwicz looks very
5 nervous with Mr. Cantalupo over his shoulder.

6 (Discussion off the record.)

7 THE CHAIRMAN: But I see Mr. Cantalupo,
8 Mr. Ten Hoeve and Mr. Grossman here, as well. Are
9 you going to be presenting testimony on the
10 application. Shall we have you sworn in?

11 MR. CANTALUPO: Yes. If needed.

12 THE CHAIRMAN: Then let's just do it, so
13 we can have open an conversation as needed. So
14 these gentleman have appeared. Mr. Ten Hoeve, I
15 don't know that you've identified yourself. Maybe
16 by spelling your last name, and then we'll have
17 ...

18 MR. TEN HOEVE: James Ten Hoeve, T-e-n
19 space, Capital H, o-e-v-e. Director of Finance.

20 MR. GROSSMAN: Neil Grossman. I was
21 sworn in with Trenton.

22

23 JAMES TEN HOEVE, NICOLE FOX,
24 Having been first duly sworn, were examined and
25 testified as follows:

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THE CHAIRMAN: Mr. Draikiwicz, are you going to take lead on this?

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MR. DRAIKIWICZ: Yes. Please. The Passaic County Improvement Authority notes not to exceed \$14,395,000. The proceeds of which will be utilized to make a loan to the City of Paterson to finance various capital projects, tax appeals and emergency notes of the City. The Passaic County Improvement Authority's notes will be secured by bond anticipation notes by the City of Paterson, which notes are secured by the taxing power of the City.

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In addition, the notes will also be secured by a guaranty from the County of Passaic, which, again, guaranties also secured by the taxing power of the County. The note are expected to receive as SP-1 rating based on the County of Passaic's bond rating, which is the highest short-term rating available through Standard and Poor's. If there are any questions to be asked, I will happy to answer them at this time.

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THE CHAIRMAN: I'm sure, maybe, Mr. Ten Hoeve, you will correct me if I'm saying anything incorrect, but these are projects that have

1 previously been approved for the City to
2 undertake. They include money for a city-wide
3 road reconstruction project in the amount of 11.6,
4 and that was approved by this Board in September
5 of '14. In February of '16 this Board -- and I
6 was here during that period -- approved 1.6
7 million dollars in tax appeal refunding notes and
8 then also in February '16 at the same time,
9 although, I was a little unhappy with some of the
10 -- with the way that the demolition was
11 configured, we approved a little over one million
12 dollars in emergency notes for the demolition of
13 the armory. Since the approval -- since those
14 approvals, the City has determined and worked with
15 the Improvement Authority to identify a financing
16 mechanism that was cheaper, and, I would guess,
17 more stable than trying to finance this, and that
18 is the purpose of them working through the
19 Improvement Authority. Did I summarize that
20 correctly?

21 MR. TEN HOEVE: Perfect.

22 THE CHAIRMAN: Thank you. So the
23 Authority is going to sell bonds, and then that
24 funds the authority's -- funds the purchase of the
25 City's bonds?

1 MR. DRAIKIWICZ: That is correct.

2 THE CHAIRMAN: And, Mr. Draikiwicz, I
3 know that you already addressed the fact that this
4 deal will be rated significantly higher from in
5 terms of a credit rating perspective by going
6 through the Improvement Authority as opposed to
7 the City doing the financing themselves.

8 MR. DRAIKIWICZ: Maybe the financial
9 authority can speak more to that.

10 MS. LITZEBAUER: Yes. With the County's
11 guaranty, they will get an SB-1, short-term rating
12 on the bond anticipation notes, which is the
13 highest short-term rating. If the City were to
14 get a short-term rating, they actually would not
15 get an investment-grade, short-term rating,
16 because they are the double A-3 credit. They
17 would not be able to get an investment-grade,
18 short-term rating just because of how the
19 short-term ratings work for the rating agencies.

20 THE CHAIRMAN: And in no way am I being
21 critical of the City, but I should, at least,
22 recognize that the City has had -- just building
23 on that point, rather, that the City has had
24 difficulty accessing the markets for even the sale
25 of notes in the past. So there is a risk that the

1 transaction would be difficult, if not -- I don't
2 want to say impossible, but let's just leave it at
3 very difficult. So by going through the
4 Improvement Authority it increases the likelihood
5 of the successful financing at more favorable
6 financing terms.

7 MS. LITZEBAUER: Correct. And I think
8 the transaction in December where the City came to
9 the Improvement Authority and the County to
10 permanently finance their bond anticipation notes
11 last year was very successful. The City and the
12 County were very happy. It saved approximately
13 \$2,000,000 for the City. So everyone was happy
14 with the result, so it really fostered this
15 additional transaction and has paved additional
16 transactions in the future to help the City save
17 additional money for their tax payers.

18 THE CHAIRMAN: I think the record should
19 be clear -- and I think I already said it, but
20 these all expenditures that this Board has already
21 approved. So, really, the only thing in front of
22 us today is who the transaction is consummated
23 through. So I just want to make sure that my
24 colleagues understand, as we look down the list of
25 projects included, that these were all things

1 we've already discussed as a board and voted upon.

2 Did I hear, Ms. Rodriguez, that you
3 wanted to --

4 MS. RODRIGUEZ: That I wanted to speak?

5 Yes. No. I think it's an excellent vehicle, I
6 mean, for the County of Passaic, really, to look
7 at the PCIA and, you know, I have to say, it's a
8 vehicle that's working for the City of Paterson.
9 It can really work for the County. It's probably
10 the most -- I'm not going to say underutilized,
11 but, I mean, it was established to do things like
12 this in the County, and we haven't done it. So I
13 hope that the City sets a precedent to keep Nicole
14 busy. Busier. Sorry, Nicole. Busier. And the
15 administrator should have been here for this.
16 Just kidding.

17 THE CHAIRMAN: Any questions?

18 MR. LIGHT: Yes. A question on the
19 documentation.

20 According to our report, there was some
21 paperwork that was not submitted, including the
22 introduced ordinance, supplemental dates and
23 supplemental debt statement and supplemental
24 questionnaire. I think that's been provided.

25 THE CHAIRMAN: Well, the supplemental

1 questionnaire I have in hand. I think that's been
2 provided. Yes. The other one, the supplement
3 says it is not applicable in the case, so I think
4 the staff had everything we needed to.

5 MR. LIGHT: Okay. Thank you.

6 THE CHAIRMAN: Okay. So if there is no
7 further questions, I would ask for a motion.

8 MR. BLEE: Motion.

9 THE CHAIRMAN: Mr. Blee. Second,
10 please?

11 MS. RODRIGUEZ: Second.

12 THE CHAIRMAN: Ms. Rodriguez.

13 Roll call, please.

14 THE SECRETARY: Mr. Cunningham?

15 THE CHAIRMAN: Yes.

16 THE SECRETARY: Ms. Rodriguez?

17 MS. RODRIGUEZ: Yes.

18 THE SECRETARY: Mr. Blee?

19 MR. BLEE: Yes.

20 THE SECRETARY: Mr. Light?

21 MR. LIGHT: Yes.

22 THE CHAIRMAN: Thank you very much.

23 I want to return to a matter we
24 discussed earlier. And we are going to go into
25 executive session to do it. So I propose a motion

1 to go into closed session for the purpose of
2 discussing pending applications regarding the
3 investment of public funds and options related to
4 the same, the disclosure of which could negatively
5 impact the public interest and we may receive
6 legal advice regarding same. So with that motion
7 to go into executive session, I would ask for a
8 second.

9 MR. BLEE: Second.

10 THE CHAIRMAN: Mr. Blee seconds.

11 If the rest of the public is, is
12 leaving, then we can commence executive session in
13 this room, because the only other parties -- we
14 can do this with you and the rest of the people in
15 the room, because we are all staff. So I don't
16 think it's a problem.

17 We do need roll call on my motion to go
18 into executive session. And Mr. Blee seconded.
19 So I'm sorry roll call on that motion.

20 THE SECRETARY: Mr. Cunningham?

21 THE CHAIRMAN: Yes.

22 THE SECRETARY: Ms. Rodriguez?

23 MS. RODRIGUEZ: Yes.

24 THE SECRETARY: Mr. Blee.

25 MR. BLEE: Yes.

1 THE SECRETARY: Mr. Light?

2 MR. LIGHT: Yes.

3 (Discussion off the record.)

4 THE CHAIRMAN: We are back on the
5 record. Mr. Paul, I had asked you to appear
6 before the Board. Having discussed in closed
7 session the application in front of us regarding
8 Middle Township Fire District Number --

9 MR. PAUL: Franklin Township Fire
10 District Number 3.

11 THE CHAIRMAN: Thank you. Franklin Fire
12 District Number 3, which is just to refresh for
13 the record was a \$475,000 proposed project
14 financing. I would make a motion to adopt
15 positive findings related to the application in
16 front of the Board.

17 MR. BLEE: Second.

18 THE CHAIRMAN: Second by Mr. Blee. So
19 we have a motion and a second. I would ask the
20 executive secretary for roll call.

21 THE SECRETARY: Mr. Cunningham?

22 THE CHAIRMAN: No.

23 THE SECRETARY: Ms. Rodriguez?

24 MS. RODRIGUEZ: No.

25 THE SECRETARY: Mr. Blee?

1 MR. BLEE: Yes.

2 THE SECRETARY: Mr. Light?

3 MR. LIGHT: Yes.

4 THE CHAIRMAN: The motion doesn't carry.

5 So there are not positive findings, but,
6 nevertheless, action was taken by this Board and
7 your client can proceed with their application.

8 MR. PAUL: Thank you very much.

9 THE CHAIRMAN: Okay. Thank you.

10 Remaining in open session we have two last matters
11 before the Board. Both deal with the proposed
12 adoption of rules. They were included in your
13 package and deal with a Notice of Action on
14 petition for rule making and proposal amendments.
15 I think we'll vote on them separately, but these
16 deal with a certification of available funds to be
17 included upon local government contractor
18 resolutions for same. They were proffered
19 initially by John Path who sent a letter to staff.
20 We referred it to staff, and it's coming back now.

21 So the first matter is approval of the
22 Notice of Action for petition of rule making which
23 will appear at the administrative code 5 30 dash 5
24 4 and 5 5. And can I have a motion and a second?

25 MR. BLEE: Motion.

1 MS. RODRIGUEZ: Second.

2 THE CHAIRMAN: Mr. Blee and Ms.
3 Rodriguez. Roll call.

4 THE SECRETARY: Mr. Cunningham?

5 THE CHAIRMAN: Yes.

6 THE SECRETARY: Ms. Rodriguez?

7 MS. RODRIGUEZ: Yes.

8 THE SECRETARY: Mr. Blee?

9 MR. BLEE: Yes.

10 THE SECRETARY: Mr. Light?

11 MR. LIGHT: Yes.

12 THE CHAIRMAN: Thank you. And then the
13 second matter would be the Notice of the
14 Pre-Proposal and the proposal amendments and
15 adoption of the same which were included in your
16 packages. And I would ask for a motion and a
17 second there.

18 MR. BLEE: Motion.

19 MS. RODRIGUEZ: Second.

20 MR. CHAIRMAN: Roll call, please. Blee
21 and Rodriguez.

22 THE SECRETARY: Mr. Cunningham?

23 THE CHAIRMAN: Yes.

24 THE SECRETARY: Mr. Rodriguez?

25 MS. RODRIGUEZ: Yes.

1 THE SECRETARY: Mr. Blee?
2 MR. BLEE: Yes.
3 THE SECRETARY: Mr. Light?
4 MR. LIGHT: Yes.
5 THE CHAIRMAN: Motion to adjourn.
6 MR. BLEE: Motion.
7 MR. LIGHT: Second.
8 THE CHAIRMAN: All in favor.
9 (Whereupon, the proceedings were
10 concluded at approximately 12:46 p.m.)
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1 C E R T I F I C A T E

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

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

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

19 C:\TINYTRAN\JAMES KORWAN.bmp
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24 DATED: May 26, 2016

STATE SHORTHAND REPORTING SERVICE, INC.

