MR. CUNNINGHAM: This meeting having previously been opened to the public upstairs we can dispatch with anything in that regard and go immediately into the financing portion of the Board's agenda. The first matter before the Board is a matter on Consent Agenda coming out of Califon Borough in Hunterdon County. This is a $1.4 million financing proposed to be done through the environmental infrastructure trust loan program requiring both an approval of that along with a proposed nonconforming maturity schedule and waiver of down payment. Again, we have handled any number of these EIT applications on consent. And we're doing so again. So unless any of the members have any questions or concerns, I would ask for a motion to approve.

MR. LIGHT: Motion to approve.

MR. BLEE: Second.

MR. CUNNINGHAM: Roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: The next matter is also
being considered on a Consent Agenda. It arises from the Little Egg Harbor Township Fire District Number Three. It's a proposed project financing of $486,000. We moved this to Consent Agenda because the district has undertaken a ballot question, sought bids and is going with the lowest bid. All their paperwork was complete. And there were no issues with it. So again, unless there's any questions by members of the Board, we can -- I can ask for a motion and second on this as well.

MR. BLEE: Motion.

MR. LIGHT: Second.

MR. CUNNINGHAM: Thank you, gentlemen.

Roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: The last matter that the Board is hearing on Consent Agenda is a request by the Morris County Improvement Authority to extend the county guaranteed leasing program for an additional year through July 31st of '16. There's no changes to
the program. Nor are there changes to the program amounts. So this is merely an extension of the term of the program. So I think this was right for consideration on the Consent Agenda. And I would ask for a motion and second on this as well.

MR. BLEE: Motion.

MR. LIGHT: Second.

MR. CUNNINGHAM: Thank you, gentlemen.

Roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: For those following along on the agenda and playing at home, the matter that was listed for 10:15 from the Lower Township Fire District was pulled from the agenda. So the Board will not be hearing that matter today which leads us to the first full action of the day which is Monroe Township Fire District Number two.

(All parties sworn.)

MR. CUNNINGHAM: Gentlemen, good morning.
MR. STALKER: Morning.
MR. CARBON: Good morning.
MR. CUNNINGHAM: I know you're here regarding an $800,000 proposed project financing. The Board just had a couple of questions in terms of kind of the referendum process. And I think we have a little better clarity, but would you just mind walking the Board through the application including the chronology of it?

MR. STALKER: Sure. The fire district they advertised an election at their -- before their May 13th meeting. Passed resolution approving a ballot form. Posted at the appropriate public locations and published notice in the local paper regarding the election. Election was held at their regular meeting on May 13th. Vote was I believe 9 to 1.

MR. CARBON: Yes.

MR. STALKER: 9 to 1 in favor.

MR. CUNNINGHAM: Really got the public out on that one, huh?

MR. LIGHT: Just want to know who the one was.

MR. CUNNINGHAM: Wasn't a fire fighter.

But going back a little bit further, one of the concerns that this Board had was that you were
undertaking the referendum and the financing in the same year. But when staff looked a little closer it wasn't necessarily clear in the application. I just want to confirm that in 2014 it's my understanding that the Board also took -- the district I should say took action to authorize at least a down payment. $150,000 as I recall.

MR. STALKER: Correct. There was a special election in October authorizing $150,000 down payment so that it could be applied in this current year. So we used to off set the purchase price.

MR. CUNNINGHAM: So you're purchasing this off of the money down putting $150,000 and then you're purchasing this off the Houston Galveston Co-op?

MR. STALKER: Correct.

MR. CUNNINGHAM: Yeah, we just want to point out that the matter, this was the 2410 matter, was actually a special meeting. It wasn't a special election.

MR. STALKER: Correct. Yes.

MR. CUNNINGHAM: My two concerns with this application are as follows: Number one, considering one was a special meeting and then the other one was a, you know, 9 to 1 vote there really wasn't a lot of public participation in this process.
which is concerning to me. Also of concern, and I
would like you to respond to this, is you didn't
solicit competitive proposals for the financing. I'm
just curious why that is.

MR. STALKER: Well, it's been financed
through Oshkosh Capital who are the parent company of
Pierce. And they offer substantial discounting for
financing through them. After speaking with your staff
member last week we did call around to see if the rate
could be matched and it was not able to be matched.

MR. CUNNINGHAM: I think that's the one
reason why this application is still on the agenda
today. And it's for the fact that the rate that the
district is receiving on this purchase is a fair and
competitive rate. But again, I will caution the
district just in terms of, you know, applications that
come before the Board in the future pay particular
regard to the public participation. And in the future
I would ask that you shop for competitive rates. Do
any of the members have the Board have any questions?
Then if that's the case, then I'll make the motion to
approve this financing.

MR. BLEE: Second.

MR. CUNNINGHAM: Thank you, Mr. Blee.

Roll call.

STATE SHORTHAND REPORTING SERVICE, INC.
MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thank you, gentlemen.

Next matter before the Board is Woodbridge Township Fire District Number Four.

(All parties sworn.)

MR. CUNNINGHAM: Gentlemen, good morning. You actually got the last application beat because you had 10 votes in favor of and only one against. You got them beat by one vote. So you're ahead of the game. So gentlemen, you're before the Board today, again, with a respect to a proposed project financing of $400,000. You want to just walk the Board through it quickly.

MR. BART: Absolutely. Back in November of 2014 the district seeing the need for a new apparatus to replace an old aging apparatus sought the approval from the legal voters of the district through a duly advised special election by which they asked for permission to finance a new apparatus in an amount not exceeding $400,000. On an election held on
November 14, 2014 the district did acquire ten votes in favor of this proposed financing. No votes against the proposed financing. At that point they reached out to Pierce Manufacturing who is owned by Oshkosh Capital and sought to get rates and prices for apparatus. They sought three bids for financing altogether. One from Oshkosh Capital which would finance this apparatus over a ten year period at 3.53 percent. They also spoke with two local banks in the area, one bank at which they work with and has used as a depository of the district which quoted them approximately four and a half to 4.7 percent over a seven year loan with a 20 percent down payment. And another bank locally quoted them a seven year rate at 5.25 percent.

Upon looking at Oshkosh Capital was the best rate that they could acquire and agreeing to contribute $100,000 of their reserves, they seek permission to enter a lease finance agreement with Oshkosh Capital for the purchase of a Pierce pumper in an amount not to exceed 400 -- $394,000. $400,000 overall. Their project cost at this point looks to be about $394,000.

MR. CUNNINGHAM: Thank you very much for that. The one thing that staff noted wasn't in the application and won't hold the vote up today but I
would ask you to provide if you haven't already is
proposed amortization schedule for the financing.

MR. BART: Yeah, I could provide that to
you.

MR. PAWOL: I have it here.

MR. CUNNINGHAM: Thank you very much.

The only thing I would just counsel the district on is
I know that you sought competitive financing, but the
solicitations from the local banks were done verbally.
It would be better practice to have them committed to
writing in the future. But again, I think that the
rate that you're getting through the proposed financing
through Oshkosh is certainly acceptable. Again, you
know, like I did the applicant before you, I just
cautions you going forward again trying to maximize a
public participation in the process. But all in all, I
think that the financing as set forth seems to be
perfectly reasonable. I would just ask whether any of
the other colleagues on the Board have any questions or
concerns.

MR. LIGHT: No. I move the application.

MR. CUNNINGHAM: Thank you. Mr. Light.

MR. BLEE: Second.

MR. CUNNINGHAM: Mr. Blee seconds. Roll
call, please.
Next matter on the agenda is Cherry Hill Township Fire District Number 13. We've actually waived the appearance for this matter. So I just will read into the record that this would have been on consent given that it's a refunding. We did initially put it on consent because not all the documents had been provided. They have since been received and reviewed by staff. In this particular refinancing the applicant expects to receive net present value savings of 3.625 percent. So we do need to take a vote on it. But again, because of the nature and the amount of the savings on this deal we waive the appearance. So I will make a motion for positive findings in this regard and ask for a second from one of my colleagues.

MR. BLEE: Second.

MR. CUNNINGHAM: Mr. Blee seconds.

Thank you. May I have roll call?

MS McNAMARA: Mr. Cunningham?
MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Okay. That brings us to the Borough of Seaside Park.

(All parties sworn.)

MR. CUNNINGHAM: Good morning.

MS CLARK: Good morning.

MR. CUNNINGHAM: Counsel, you're before the Board today with your client's it's a proposed USDA funding. You just want to give a brief introduction to the Board about the nature of the financing?

MS CLARK: Absolutely. This a proposed funding through the USDA for their phase two of the sanitary sewer and water distribution project. Majority of this project was financed. And we received approval from the Board in 2012 through the NJ EIT. The remainder of the funds -- the remainder of the project as we said in 2012 is now requested to be funded through the USDA.

MR. CUNNINGHAM: So there's grant funds of approximately $340,000 in grant funds coming from the USDA. And as was stated, there's about 4.2 million
being financed through EIT.

MS CLARK: Correct.

MR. CUNNINGHAM: Which leaves the balance to be financed through USDA. So you're before the Board for request of approval of a nonconforming maturity schedule. I guess the only question I had is with the USDA deals the amortization can go out for 40 years. And I was just curious whether the applicant may want to speak to my only concern is are the improvements that would be financed is the useable life going to be such that it matches that 40 year amortization?

MS CLARK: I actually have -- I have Mr. Contreras here. He's our engineer. He could speak to that.

MR. CUNNINGHAM: Please. Thank you.

MR. CONTRERAS: Thank you, Mr. Chairman.

The useful life of the project is for 75 to 100 years. All materials that are used that we're using in the project were selected for the specific soil conditions. Under regular water and sewer project the plan is to replace two percent of the network every 50 years. So taking that into consideration we're way over the term of the loan just for that matter.

MR. CUNNINGHAM: Okay. Thank you very
much. Gentlemen, have any questions?

MR. BLEE: No.

MR. LIGHT: No. I watched the project.

MR. CUNNINGHAM: What's that?

MR. LIGHT: I watched the project.

House is just so close to it. I'll move the application.

MR. CUNNINGHAM: Okay. We a motion.

MR. BLEE: Second.

MR. CUNNINGHAM: We have a second. Take roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Board will now hear an application from the Borough of Brooklawn.

(All parties sworn.)

MR. CUNNINGHAM: Good morning.

MR. WINITSKY: Good morning. How are you?

MR. CUNNINGHAM: I'm doing well. You're
also here for an application through financing through
the USDA? Would you mind just walking the Board
through the application.

MR. WINITSKY: Just quickly to my right
is Ryan Giles who's CFO and to his right is Mayor
Theresa Branella.

MR. CUNNINGHAM: Mayor, welcome.

MS BERTRAM: Thank you.

MR. WINITSKY: The borough's here for
three reasons. One of which you mentioned was with
respect to USDA. We're also here seeking a waiver of
down payment and seeking exception from our debt
limitation. Essentially what the borough is going to
be doing is issuing two series of bonds for an
aggregate principle amount of $2,678,000. The proceeds
of those bonds together with certain grants to be
provided by the USDA are going to be used to finance
various improvement to the borough's water and sewer
system including hydrant valve replacements, manhole
covers, sewer lining, slip lining, the whole cadre of
much needed improvements for the borough.

The bonds will be issued pursuant to the
USDA's Road Development Program with an amortization of
40 years and a fixed rate of 3.25 percent. The impact
of that debt for the borough is about $42 a quarter for

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user fees, rate fees which is about $168 a year per
household. That number will be mitigated probably very
quickly because when the grant comes it will offset
some of the money that we're borrowing up front which
is also why we're over the debt cap. We couldn't
otherwise be over it. We would not be over it
otherwise.

And on the waiver of down payment side,
we're actually looking for one waiver. The water
utility is self-liquidating. The sewer utility is not
because of this. So that is if you have any questions
specifically with respect to the application we're here
to answer them.

MR. CUNNINGHAM: I do. Thank you. I
just want to go back to the exceeding the debt
limitation. And as I read the application, the debt
would swell to 3.66 percent.

MR. WINITSKY: Correct.

MR. CUNNINGHAM: But as I further read
the application I would just ask you to confirm on the
record that it looks like it would go back down under
the debt limit in 2017.

MR. WINITSKY: That's correct.

MR. CUNNINGHAM: That's accurate. Okay.

Thank you.
MR. LIGHT: What is the limit now, 3.5.

Correct?

MR. WINITSKY: Yes.

MR. CUNNINGHAM: Again, I asked the applicant before you and I would ask the same with the USDA going out for 40 years are you prepared to -- your testimony today that the improvements are going to last for that duration?

MR. WINITSKY: Based on discussions with their engineer, yes, I believe all of that will be at least that useful life. These are big sew and water improvements that should be in ground for use quite sometime. We can make that representation, yes.

MR. CUNNINGHAM: I think the one thing that we didn't have, and I still don't think we have, the staff had asked for a copy of the ordinance that would adjust the fees. Would you be able to --

MR. WINITSKY: Certainly. If it was not provided previously we will do so.

MR. CUNNINGHAM: Thank you. Mayor, was there anything else you wanted to add to the application?

MAYOR BRANELLA: No. We're just very grateful to be able to improve our water and sewer.

Thank you for all your considerations.
MR. CUNNINGHAM: Gentlemen, do you have any other questions for the applicant?

MR. BLEE: No.

MR. CUNNINGHAM: Hearing none, I'll make a motion to approve.

MR. BLEE: Second.

MR. CUNNINGHAM: Roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thank you very much. We're going to move to the Borough of Paulsboro.

(All parties sworn.)

MR. CUNNINGHAM: Okay. So once again, Borough of Paulsboro also in for a USDA project. Jeff, did you want to just like you did just walk the Board through eye level?

MR. WINITSKY: Sure. As was the case with Brooklawn this is again USDA project to be issued in the principle amount of $558,000 and change for the purposes of construction of a half a million gallon elevated water storage tank for the borough. The bond
will be issued for 40 years at a rate of 2.125 percent fixed rate which equals approximately 21,000 and change in debt service. The net debt of the borough is not going to change. It's a self-liquidating utility. So this will have no impact. There will be a small increase in user fees about $9. It's not a big impact. It's relatively small. The reason we're here is looking for the waiver of the maturity schedule limitations.

MR. CUNNINGHAM: You got a significant amount of the cost of the project grant funded. Correct?

MR. WINITSKY: Correct. Which is why the borough --

MR. CUNNINGHAM: Three quarters?

MR. WINITSKY: Almost that, yes. It's a very small amount.

MR. CUNNINGHAM: Gentlemen, have any questions?

MR. LIGHT: Is this to replace an existing water storage or is this just the fact that you had none and this is going to be a new storage tank?

MR. WINITSKY: There is an existing. This will be a new to eventually replace.
MR. LIGHT: Eventually replace.

MR. WINITSKY: Eventually replace.

Because of the timing, one will remain and it will sort of -- it's out lived useful life.

MR. LIGHT: You're getting the new one because the other one is on the verge of going out?

MR. WINITSKY: That is correct.

MR. CUNNINGHAM: You answered my questions already. I just want to talk about the self-liquidating nature of the utility. With the rate I saw I think the interest rate is attractive for grant funds to go along with it. So Mr. Blee, if you don't have any other questions then I'm supportive, I'll make a motion to move the application.

MR. BLEE: Second.

MR. CUNNINGHAM: Thank you. Roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thank you very much.

MR. WINITSKY: Thank you.

MR. CUNNINGHAM: Board will now hear
City of Plainfield's application. I'm starting to pull ahead of the agenda. And I don't think your -- your counsel is supposed to be here as well. Right?

MR. WEST: Yes, he is.

MR. CUNNINGHAM: Then we can either adjourn for a couple minutes or I would ask if Moonachie's available we could hear Moonachie.

MR. MAYER: Good morning. Bill Mayer with Decotiis, FitzPatrick and Cole, bound counsel for the Borough of Moonachie. I'm here before you today for $875,000 approval of an $875,000 refunding bond ordinance. The borough adopted an emergency appropriation in November of '14 for tax appeals. It was over three percent. It was approved by the Director. There are notes outstanding on that 850,000 which are due October 21st. May '14 they introduced an $875,000 refunding bond ordinance. And we're requesting approval for this ordinance to fund the emergency appropriation for the tax appeals. They've requested in the application a five year pay out commencing in 2015. The schedule's in Appendix A of the application at a cost of 97 per year per taxpayer. To my right is Dieter Lerch, city auditor and to my left is Tony Ciannamea, the administrator/CFO. And if you have any questions we'd be glad to try to answer.
MR. CUNNINGHAM: So I guess my initial question is this only deals with commercial and industrial appeals?

MR. LERCH: It actually encompasses all of the appeals. Just for a little bit of a background, I'll give you little background as to what we've done so far and paid out in appeals. You know, since the loss in rateables which has been dramatic the borough itself has paid out over 1.6 million in cash. That's through 2014. Without taking into account the 800 and some odd that we're asking for on a five year pay back period on current application. But having said that, we also have on our balance sheets reserves of $700,000 for on pending appeals that we know are primarily commercial and some -- primarily residential and some of the commercial that have not settled. We have an estimated payback that we're hovering somewhere around 700,000. We feel confident that we have that adequate funding set aside. So really, we don't see ourselves coming back here.

And just as an additional note, the borough's also in the process they have signed a contract for a reevaluation. So we really think that at the end as far as tax appeals we really feel we've
paid the bulk of it out. We're asking for this little fees of 800,000 considering the 2.4 million we're going to wind up paying out of cash by the end of the day. We have the reval set in place. You know, our biggest issue going forward as you know is really dealing with the Hurricane Sandy aftermath. And we really, we're talking about we've utilized roughly $2 million, $2.2 million of CDL money in our budget which we do not know whether or not that is going to be forgiven or not. We also have a budget that we've introduced. We have pending approval at this point but we're still waiting for approval on the essential service grant which we have another $500,000 paid into the budget.

So, you know, we were able to get ourselves through the appeals. We feel comfortable and confident with that, but, you know, the big thing that's hanging over Moonachie really is the CDL money and essential services grant. If we can get passed that we feel Moonachie is definitely progressing in the right direction.

MR. MAYER: And it's a horrible Sandy story that I won't dwell on. I'd never envision the Hackensack river backing up that much from the storm surge.

MR. LERCH: Borough Hall is still not
MR. CUNNINGHAM: I met with the mayor on that on numerous occasions when I was in my prior capacity. But I guess I would ask, and maybe to the extent you can speak to it is, you know, at some point the rateable base is going to rebound. And I know that Moonachie was hit particularly hard not just by the physical destruction but by the makeup of the housing stock which in large portions was I know there was at least one or two mobile home parks that were decimated. And I'm just curious, you know, as the recovery progresses I'm just curious what the, you know, long-term vision is three, four, five years down the line for what that's going to mean to the rateable base.

MR. CIANNAMEA: We're going to recover our stock. I mean, the gentlemen who came in and did the initial discussion on the reval says that our rateables we have to bring our rateables down just to get them to market value, but as we reconstruct it should come back.

MR. CUNNINGHAM: How is the pace of the reconstruction going?

MR. CIANNAMEA: Again, Borough Hall we're still in trailers. We're probably moving slower
than everybody else. The factories are getting rebuilt. The residences are getting rebuilt but there's a lot of houses still waiting for the -- what is it? REM money. And again, people have to get their confidence back, too. There's a little bit of a stigma out there right now which hopefully with time will go away.

MR. CUNNINGHAM: With respect to the essential service grant decisions will be forthcoming next we can on that. So most likely the borough can anticipate an answer on their application I would guess mid next week.

MR. LERCH: I think the planned adoption is two weeks, Tony? I think it's two weeks. So we plan on adopting it if we can within the two week weird.

MR. CUNNINGHAM: Do you recall what the amount of the ESG requested was?

MR. LERCH: 515.

MR. CUNNINGHAM: So going back to the application before the Board, I know that and I heard you say it's a five year a term that you're looking for and the impact on the average assessed home would be 97.

MR. MAYER: Correct.
MR. CUNNINGHAM: Gentlemen, have any other questions?

MR. LIGHT: Originally I was going to ask about moving the five year down but under the circumstances that I've heard here I think five years is okay.

MR. CUNNINGHAM: And even at five years, you know, a hundred bucks is a hundred bucks. You know, fairly impact the community.

MR. MEYER: Could have asked for more.

MR. CIANNAMEA: Actually, right now assuming we get this granted and that assuming we get the essential services grant we're looking at about nine percent tax increase because of loss of rateables.

MR. CUNNINGHAM: Does that create cap problem?

MR. LERCH: No. Actually, we're about 130,000 below the tax levy cap. And really what we're looking at is a $284 increase per average home. And $60 six of that alone is lost in rateables. But we know -- you know, we've been very aggressive and we know that that's why we only came down for five years because we would like to put this past us honestly.

MR. LIGHT: The increases that you're mentioning does that include the increases for this

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$97?

MR. LERCH: We built it in.

MR. CIANNNAMEA: It assumes we were going
to get granted.

MR. CUNNINGHAM: I understand and maybe
sympathize is the best word with what the borough's
going through. As I said, I met were the mayor before.
I was involved in the conversations of the disputes
with FEMA over Borough Hall. I know the difficulties
that you've had up there. And for that reason, you
know, I think I'd be remiss if I didn't applaud you for
using so much of, you know, existing cash funds and
financing as little as possible. I think that's really
a strong move on the borough's behalf. So I'll make a
motion to approve the application.

MR. LIGHT: I'll second.

MR. CUNNINGHAM: Take roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. MAYER: Thank you very much.

MR. CUNNINGHAM: Thank you, gentlemen.

STATE SHORTHAND REPORTING SERVICE, INC.
Are we prepared to go back to Plainfield City? No, not yet. Can we go to Monmouth County Improvement Authority? Gentlemen, good morning. So this is a refunding application to advance -- refund some debt.
Would you just mind for benefit of the Board members just introducing the application?

MR. DRAIKIWICZ: Thank you so much. The Monmouth County Improvement Authority proposes to issue its refunding bonds in an amount not to exceed $27,000,000. The purpose of which will be used to refund its outstanding series 2008 bonds issued for the benefit of Brookdale Community College. The bonds will be secured by lease payments from the college and also by guarantee from the County of Monmouth. The refunding will only be undertaken provided the savings are at least two percent of the refunded bonds. We hereby request positive findings in connection with the transaction.

MR. CUNNINGHAM: Give us the numbers again.

MR. DRAIKIWICZ: Not to exceed 27 million. And we'll only undertake the transaction if it's at least three percent present value savings.

MR. BACHER: And we're about nine at the moment.
MR. CUNNINGHAM:  I thought you were a little higher than that.

MR. BACHER:  The market's been tailing away.

MR. LIGHT:  Got sticker shock with the cost of insurance issuance.

MR. CUNNINGHAM:  Yeah, I mean, I think that's a fair point. It's something that I noted. So we have bond counsel, authority counsel, county bond counsel and college counsel. I know these are only proposed and estimated costs, but they did strike me as fairly high for the nature of the matter before the Board today. But again, I think the application, you know, seeing around nine percent savings it's certainly a worth while application, but I don't think I'm prepared to condition positive findings on the fees, but I would ask each of you to communicate to your colleagues working on this deal that they should be mindful of the fees. And they should just know that the Board, at least the Chairman, thinks that an aggregate they might be estimated a little on the high side. And I would ask for you to --

MR. DRAIKIWICZ:  Let me suggest just two things and you can address the other ones, too. But the two I'd like to note is the county guarantee.
That's really almost like a bond insurance fee. It's not a cost to do a transaction. So it's really a bond insurance type of fee for the county guarantee. And standard of course is $70,000. That's because the county has typically gone through all three rating agencies. And that's what their standard charges are. So out of the number that's listed on the bottom, you know, 190 or so is really not in the control of the financing team.

MR. CUNNINGHAM: I will note, though, that I don't believe all counties charge a county guarantee fee. So, I mean, I understand that. That's the freeholders' prerogative and it is a significant cost in the cost of issuance, but, you know, I again go back and look at some of the other costs in the line items. And again, I'm not prepared to condition the positive findings, but I'm relying on you to communicate to others involved in the deal that, you know, I would ask that these estimates be watched closely.

MR. BACHER: Will do.

MR. DRAIKIWICZ: Thank you.

MR. CUNNINGHAM: Any other questions on it?

MR. LIGHT: No. I'm still gasping for
MR. CUNNINGHAM: Any other issues, then?
I'll make a motion.
MR. BLEE: Second.
MR. CUNNINGHAM: Roll call, please.
MS McNAMARA: Mr. Cunningham?
MR. CUNNINGHAM: Yes.
MS McNAMARA: Mr. Blee?
MR. BLEE: Yes.
MS McNAMARA: Mr. Light?
MR. LIGHT: I'll vote yes because we need the three votes to approve it, but I got tell you I got sticker shock with that. I think that in the future these types of applications have to take some consideration on half a million dollars on a $27 million project. I think it's an awful lot, but I vote yes.

MR. CUNNINGHAM: All right. So we have the votes. And the only thing I'll just say from the dais, and I know the votes were taken already, but I've said this to some of the improvement authority applicants before that, you know, the staff for the Division is going to be sending out a questionnaire to the improvement authorities about the fees charged on various projects that's in development. And again, the
purpose there is going to be identify the outliers so
we fully understand who's charging what on each deal.
Again, we didn't condition it. We didn't read it into
record. It's not part of the resolution. But I would
ask out of courtesy to the Board that as the
application move forward if you could maybe just send
me what the actual cost came out to be when the
transaction's complete.

MR. BACHER: Will do.

MR. CUNNINGHAM: But again, the vote's
done. And it was positive finding Board approved. So
I thank you.

The Board will hear New Brunswick City
Parking Authority.

(All parties sworn.)

MR. CUNNINGHAM: Nice to meet you in
person. I know we had any number of conference calls
on another difficult deal and I'm happy to meet you in
person today. So you're here on behalf of your client,
New Brunswick Parking Authority, the City of New
Brunswick. I just would ask for the Board's benefit
would you just introduce your colleagues and introduce
the project?

MR. PANELLA: Sure. I'm Tony Panella,
Wilentz, Goldman, Spitzer, bond counsel to the

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authority. Mitch Karon is the long time executive
director. And Bright Rajaratnam is the CFO. We have
before you an application that is a combined
refinancing of existing debt and the permanent
financing of outstanding project notes that the Local
Finance Board had previously approved in 2012 for a
large redevelopment project that the Authority
originally financed in 2010. The large portion of the
bond financing is to refinance about $20,000,000 of the
Authority's 2006 outstanding bonds and then about
$4 million of the financing relates to the permanent
financing of the outstanding project note. Those
project notes were issued originally in 2012. And
under section 5A-4(a)24 we've done the two renewals on
those. So they would scheduled for permanent financing
now.

There has been a twist in underlying
facts here that we want to bring to your attention for
your consideration. You know, we've seen lots of words
-- I think someone said the market -- what was the
phrase that was used, the market's moving away?

MR. CUNNINGHAM: Tailing off I think is
what I heard.

MR. PANELLA: Okay. Let's just say that
the market has imploded. This refinancing is a country
country mile away from working. So this is what we're faced with: The Authority has a three and a half million dollar note in a complex Parking Authority revenue bond structure with a city guarantee over it. The financing costs relating to the Parking Authority doing a three and a half million dollar new money financing to permanent finance that note benefits everyone at the table starting with me with the exception of the Authority. The Authority will be absolutely killed to do a $4 million new money bond financing because this refunding is not working.

So this is what we would like to propose. Under 4A-5(a)24 the Authority has the right to ask your permission to renew the note beyond the three year period. And it will turn hundreds of thousands of dollars of issuance costs into $25,000. Amboy Bank has bought the last three notes from the Authority at one and a half percent interest with zero issuance costs from the bank. The bank has advised me that it would allow a prepayment provision placed into the note so that if the refunding comes back the Authority would not have to wait until next year to do the note.

Equally importantly, the purpose of these limitations in the local bond law and the local

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authority's fiscal control law about not perpetual renewal of notes is for timely commencement of principle. So what the Authority to would propose to do is if you look at the bond repayment's schedule attached to this application there would be $110,000 principle payment made on this three and a half million dollar permanent note financing. The Authority would budget in its 2016 budget that principle payment so that the note would be not remade with no principle repayments.

If it's procedurally unacceptable to ask you to consider that today, the truth of the matter is we could submit the application on June 17th and ask for permission on July 8th, but we thought we have might try to have you consider morphing any approval that you would give on this to allowing the Authority to renew the note for not exceeding one year period. And the basis for that is that the issuance costs just make no sense because the refunding is gone. That's where we stand. I just in good conscious can't see this Authority incurring all these issuance costs for a three and a half million dollar bond financing. My own professional judgment would be renew the note for a year, put prepayment provision in the note and see if the market comes back.
MR. CUNNINGHAM: From a time standpoint.
I don't want to be inflexible. I really don't. But,
again, just for benefit of all of us, the Board members
and for the staff to review it, are there any timing
concerns by them deferring this to the next meeting and
asking you to come back next month?

MR. PANELLA: Absolutely not. The note
matures I believe July 19th. Somewhere around that.

MR. CUNNINGHAM: If that's the case,
then, respectfully I'd ask can we consider this
application withdrawn?

MR. PANELLA: What I would ask for if
you consider approving it because the market is
radical.

MR. CUNNINGHAM: I understand.
MR. PANELLA: The market will come back
and the financing will make sense again. I just know
it doesn't make sense now.

MR. CUNNINGHAM: So we'll approve the
12 months and then you'll come back with a revised --

MR. PANELLA: The point is this, if you
approve this as it is with nothing -- and we do nothing
else, they're going to have to do a $4 million bond
deal.

MR. CUNNINGHAM: I understand.
MR. PANELLA: It all made sense when it was 26 million. Doesn't make any sense anymore.

MS McNAMARA: But you were going to submit an application, just a stand alone application just for 5A-24 for that portion?

MR. PANELLA: Renew the note with a principle paydown on it in the '16 budget.

MR. CUNNINGHAM: Okay. All right. So the Board then for today is being asked, then, to approve the 12 month period, the refunding.

MS McNAMARA: The way the application was submitted we'll approve and you'll get an additional approval should that be necessary.

MR. PANELLA: The market is radical and it moves radially. And it might move back the Authority's way again, but I don't know that between now and July 19th.

MR. CUNNINGHAM: Okay. I think it's prudent. Gentlemen, have any questions on it?

MR. LIGHT: It's not a question. I suppose it doesn't move that way just continue with the 12 month --

MR. PANELLA: You know, the New Brunswick Parking Authority, everybody who knows New Brunswick knows just have to look up and you see, you
know, the revitalization of the entire city that's been going on for 20 years. The Parking Authority has been a vital sponsor of most of the redevelopment. There are -- there is a whole new round of larger scale redevelopment projects on the planning books in New Brunswick. And originally we had thought we might come here and ask to roll this note and then make it become part of a financing for a new redevelopment project we can get, put right in with such minimal issuance cost folded in. And we might, you know, suggest that in the future if this refunding doesn't come back. So there are larger scale redevelopment projects on the books where the Parking Authority would in fact be the sponsoring entity again. If the refinancing never comes back our wish would be that this little project financing would get folded into that larger one. And then it would become a rounding error on the cost of issuance.

MR. LIGHT: Either way we'll see another application or at least some sort of communications from you for the next meeting in July?

MR. PANELLA: Yes.

MR. CUNNINGHAM: Okay. I'll make the motion.

MR. BLEE: Second.
MR. CUNNINGHAM: Thank you. Roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Could I just get a side bar with you quickly?

(Whereupon there is a recess.)

MR. CUNNINGHAM: Mercy County Improvement Authority.

(All parties sworn.)

MR. MAYER: Good morning. Bill Mayer with Decotiis, FitzPatrick and Cole, bond counsel to the Mercer County Improvement Authority. To my right is Jen Edwards and then Jeff Winitsky, county bond counsel and Al Collins with the Authority and then Dave Miller, county treasurer. County CFO. Maybe treasurer, too.

We're before you today for an application on behalf of the Mercer County Improvement Authority for project financing review for lease revenue bonds for the county courthouse annex project not to compete $35 million. I believe we'll open it up
for questions. I think the application's pretty self-explanatory.

MR. CUNNINGHAM: Al, if you would, could you just explain the project because I was reading the application. It's been a long time since I kind of been in any of those buildings. I'm just curious which buildings and where people are being moved from.

MR. COLLINS: Sure. Currently there's existing the old county courthouse which is at 209 South Broad Street. Then there's a connecting building which is referred to as the annex.

MR. CUNNINGHAM: Is this criminal?

MR. COLLINS: Criminal. It fronts South Broad Street. It's behind the new criminal courthouse that fronts Warren Street. Originally the Department of Community Affairs came in and cited the county with a host of fire code violations. And the county asked the Improvement Authority to get involved to see what remediation can be done to fix those. Originally we were just going to install sprinklers, add some egress and be done with the project. As we got into the project, started getting into the design the building systems are in disrepair, mechanical system, electrical system, plumbing systems. And the building is full of asbestos. So what we have to do now is we have to
relocate those occupants in those buildings to
temporary office space. Remediate the asbestos.
Renovate the building. Then move those people back
into the existing annex building. So it will take --
it will encompass the complete rehab, renovation of
five floors of the annex. Courthouse building itself
will not be occupied. It will remain empty, but we'll
have building conditioning systems in it to maintain
temperature and humidity control so there's no further
deterioration in that. That space, the annex space as
well as the courthouse space is necessary as we go
through the 25 year projections for the court expansion
and court needs.

MR. CUNNINGHAM: Thank you. And I note
that the application says that the Authority's using
about nine and a half million dollars of cash hand?

MR. COLLINS: Yes.

MR. CUNNINGHAM: And it will be a lease
with the county. And the county will pay the lease
payment which will cover the debt service as I read the
application. Is that correct?

MS EDWARDS: That's correct.

MR. CUNNINGHAM: Is there a West State
Street building that I saw?

MR. COLLINS: That's the temporary
office space that we're relocating the occupants to.

It's the old Holiday Inn on Calhoun.

MR. CUNNINGHAM: That way toward Calhoun. Right?

MR. COLLINS: Yes.

MR. CUNNINGHAM: And again, there's costs in order to get that up to standards to relocate those people?

MR. COLLINS: Correct.

MR. CUNNINGHAM: And the county's debt, the net debt would increase to 1.46 percent as I saw in the application?

MR. COLLINS: Yes.

MR. CUNNINGHAM: One of the questions I had had, you still haven't made the determination whether to do these tax exempt or taxable?

MR. MAYER: We expect the majority if not all of it will be tax exempt.

MR. CUNNINGHAM: And doing them negotiated?

MS EDWARDS: Yes, negotiated sale. 25 year maturity schedule. The not to exceed number does include capitalized interest for 12 months. Although it hasn't been decided whether that would be utilized.

So if it's not utilized par amount would get reduced by
that amount.

MR. CUNNINGHAM: Ted, any questions on the cost of issuance before I do?

MR. LIGHT: I have the page opened there. Just the same thing that I said before. 460, almost $500,000 sounds like a high cost of issuance for a $35 million project. I just ask them to review it as you had asked the previous applicant to review it. See what can be done for the future, if anything, to reduce that.

MR. CUNNINGHAM: So Al, I mean, I see financing fees and I see something the Authority monitored fee but are you doing CM.

MR. COLLINS: We are doing CM on the project. Those fees are built into the project cost itself.

MS EDWARDS: I would note the total includes the estimated underwriters fee which is a not to exceed fee. So again, if that comes in lower that will be reduced. And that's a large majority of the total costs is the underwriters fee.

MR. CUNNINGHAM: That and bond counsel.

MR. MAYER: That fee is under discussion with the Authority. The scary thing is you don't know where these things go. And you're kind of -- it's a

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top end. It's not --

MR. CUNNINGHAM: I do understand that.

And as I said to, you know, a prior authority.

Improvement authority applicant, I understand that
they're estimates but you put place holders in but they
are significant place holders. And for a deal this
size, you know, it is concerning to the Board. And
you're hearing that. With respect to the Improvement
Authority's actually fees, you heard me say that we're
going to be sending out a questionnaire. But that's
not really where I see the issues. I know the fee's
under discussion. I think it should be under
discussion. I would ask just out of courtesy but not
out of requirement we'll put in I'd ask you to keep me
posted on fees and where they ultimately land going
forward.

All in all, though, I think it's a
necessary project. I remember reading the paper some
of the issues that were going on with that. I also
just want to commit to the record the fact, and it
seems a long, long time ago, I worked for the Mercer
Improvement Authority. I don't see any conflict or any
reason to recuse myself. Never involved in these
projects. It was a long time ago. I'm not even sure I
still know the folks that work there. But I do just
want to put that on record that it was previous
employer of mine, but I don't see any reason to recuse
myself. So with that, unless any other Board members
have questions, I'll make the motion to issue positive
findings on the application.

MR. BLEE: Second.

MR. CUNNINGHAM: We have a second from
Mr. Blee. Take a roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thanks very much.

We're going to go back to the City of Plainfield's
application.

(All parties sworn.)

MR. CUNNINGHAM: Mr. West, again, we
want to just wait until you had the opportunity to
afford yourself of counsel. So Tony, I don't know
whether you're prepared to kind of introduce the
application or not. If you are, then I'd ask you to do
that for the Board.

MR. PANELLA: Yes. Tony Panella,
Wilentz, Goldman, Spitzer. I have Leonard West with me, the director, the administrator of East Orange.

East Orange has qualified municipal bonds act --

MR. WEST: Plainfield.

MR. PANELLA: Plainfield has qualified municipal bonds outstanding under the local bond law. Even when you adopt bond ordinances that you do not intend to finance through QUAB's you still have to submit an application to Local Finance Board for approval of that ordinance prior to it being given a second reading. This a $4 million road improvements ordinance that entails $3 million in debt, the customary five percent down payment and then a combination of state and county grants for the remainder. We're asking permission to finally adopt this bond ordinance so these road improvements can be made.

MR. CUNNINGHAM: Okay. Thank you. I note that the net debt will ultimately be 1.3 percent. I think it's acceptable. The one thing that the Board had asked for, at least staff had asked for and we don't have yet, and we won't condition the approval, but I was just curious because you're not doing these as QUAB debt. I was wondering if you could tell me or get to me what the rating is right now for the city.
MR. WEST: Which rate?

MR. CUNNINGHAM: The bond rate.

MR. WEST: We're A1.

MR. CUNNINGHAM: Okay. Gentlemen, have any other questions for the applicant?

MR. LIGHT: No.

MR. CUNNINGHAM: Hearing none, can I have a motion?

MR. BLEE: Motion.

MR. LIGHT: I'll second.

MR. CUNNINGHAM: Second Mr. Light. Roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thanks, gentlemen. We will, however, here Willingboro Municipal Utilities Authority.

(All parties sworn.)

MR. MAYER: Good morning.

MR. CUNNINGHAM: Again.

MR. MAYER: Bill Mayer, Decotiis,
FitzPatrick and Cole, bound counsel for the Willingboro Municipal Utilities Authority. I have to my left Andy, Weber or Andrew Weber, executive director -- recent executive director since November or so of the MUA. And of course, Sherry Tracey to my right with Phoenix Advisors, the FA to the MUA.

Back in May of '14 this Board adopted a positive finding resolution for not to exceed $6 million refunding for the refunding of the Board's -- the Authority's 2005 bonds under 40A:5A-6. That approval was good for 12 months or that resolution had a 12 month shelf life, if you will. We've come back to ask for an extension on that positive finding resolution. I suspect the Chairman may have some questions.

MR. CUNNINGHAM: I do. And I'll start with a comment before I get to my questions. I would have moved this to the consent agenda. The net savings are four and a half percent. Documents were in order. It's a perfectly acceptable and seemingly prudent refunding. But in reviewing the application, the staff noted several concerns regarding corrective plan for the 2013 audit report is still outstanding. The 2014 audit report was due on April 30th. Still not received by DGLS. And then the 2015 budget was approved on
December 29th of '14 but the adopted budget's still outstanding. And that's a significant concern on behalf of the Division, you know, that does, you know, result in an appearance. So I'm hopeful, and if you're new in your tenure I understand that, but I'm hopeful you can't speak to those deficiencies.

MR. WEBER: I think I can. In fact, I notice that my first action was actually signing the resolution back in October. I was appointed interim executive director actually October 15th of '14.

MR. CUNNINGHAM: Had you been with the Authority prior to that?

MR. WEBER: No, I had not. I'm an attorney. I've been counsel to a number of governmental entities since '73 and including MUA's. And I'm actually special counsel to one now. And this particular action --

(Off the record.)

MR. CUNNINGHAM: You were explaining that you were counsel and represented some MUA's. And then you were getting into --

MR. WEBER: I'm going to skip all the other stuff and go right to the corrective action. Time is limited. There were three corrective actions that were identified in the audit. I've been working
very closely with Bowen and Associates. And those
three items are in a nutshell one had to do with
minutes. The second one had to do with contract
compliance. And the third one had to do with the
reconciliation of the general ledger and financing. My
goal initially when I became interim and ultimately
executive director in February of this year was to once
it's identified solve and then ultimately move on. And
I had suggested to the auditor that I would prefer to
since they were still there when I -- obviously the
recommendations were still present when I became
executive director, I wanted to resolve those. So I
can report today that when the audit is -- and the
audit should be completed. Unfortunately, the young
man who's been doing it was away on vacation or I would
be able to report that it was completed today. He
comes into the office within I think it's either
tomorrow or the next day. All of the information
required by him will be sufficient in order to complete
that audit.

In addition thereto, the items that are,
number one, minutes and, number two, contractual issues
have been resolved. The third item dealing with the
general ledger will also be resolved at our June 17st
meeting with the appointment of a finance director.
The executive director, my predecessor, was -- let's just say he wore multiple hats. And I felt as though a finance director is essential in any organization particularly an MUA. And so I've been given Authority to and working with civil service create the position to of finance director. And we've also identified a finance director. And he has been working with me right now in the corrective action dealing with the financing.

MR. CUNNINGHAM: Are you full-time in your position?

MR. WEBER: Yes, now I am. Actually I was part-time when I was first appointed as interim. I only became full-time couple months ago.

MR. CUNNINGHAM: Do you still represent other clients?

MR. WEBER: No, this is my day job and night job as it turns out. The budget. The budget has been adopted and approved. I think part of the confusion was, and I've spoken to staff, is that we had received a budget that was marked approved. I was -- I did not realize, and it's my mistake, that there's a Schedule C attached which needs to be approved subsequent to the -- I think it was Melissa I think that I was talking to. And it was Schedule C which I
was not aware of that needed to be adopted after all of
the information was supplied to BCA, which of course it
has been. And we intend on having that on our agenda
on June 17th.

MR. MAYER: I did encourage Mr. Weber to
speak to staff and he came back with glowing reports
about your staff.

MR. CUNNINGHAM: Yeah, and I would note
that Melissa Ford is in the audience today and is very
helpful to Authority clients to the extent that as you
work toward rectifying these issues if you need things
from Division staff or have questions or don't
understand the process I would encourage you to reach
out and kind of, you know, get things answered on the
near end. In that regard we're here to assist.

MR. WEBER: And I have to tell you that
they were very helpful since I've been contacting them
because I've been contacting a number of state
agencies. They all have been very cooperative
including this agency.

MR. CUNNINGHAM: Good. I'm glad to hear
it. Again, I thank Melissa for her efforts in that
regard. And we are lucky to have a very, very strong
budget team. And again, I offer if you need to avail
themselves for anything as you've been doing, please do

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So again, the purpose of today's appearance was to really have an update. As said, I would have otherwise moved this to consent. I mean, it's otherwise a very relatively simple application. Gentlemen, have any other questions?

MR. LIGHT: Just how many commissioners are there on your Board?

MR. WEBER: Five.

MR. CUNNINGHAM: I'll ask for a motion approve.

MR. LIGHT: I'll make a motion.

MR. BLEE: Second.

MR. CUNNINGHAM: Roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thank you very much.

(Whereupon there is a recess.)

MR. CUNNINGHAM: For just agenda purposes, I note that there's two matters from the Bridgeton Municipal Port Authority. There's wholesale
real property and then also there's an action or a conversation regarding financial difficulty under the Local Authorities Fiscal Control Act. So I'm going to bracket those and deal with both of them together. And any members of the public that want to comment. And then we'll return to take any action if necessary.

MR. McMANIMON: For the benefit of the Board and for the record Al Marmero is the attorney for the Bridgeton Port. Rebecca Bertram is the attorney for the city. Al Kelly is the mayor of Bridgeton. Gail Goodreau, administrator.

As you know, we've been here on several occasions previously with regard to the approval of a piece of property that is a warehouse located in a redevelopment area in the city. This Board granted approval to that sale in August last year. We have appeared in a couple of other occasions to continue to update this Board in connection with the activities or lack of them at the port. And this Board asked the city and the port to present a plan following the approval of the prior sale of the property for the redevelopment project. And this is basically the product of that request, requirement of the Board. The port has 11 additional authorities. Most of them are not particularly developable. They're in wetlands and
other areas adjacent to the particular warehouse that you previously approved. The city and the port determined based on the discussions here that it would seek the authorization under the port statute require approval of this Board to purchase by the city from the port of the remaining 11 properties for the full assessed value of those properties on the books of Bridgeton. They just completed a reval so the assessed value is hundred percent value of those properties. Believe true value is much less, but the goal here was since these issues are in court --

(There is an interruption.)

MR. McMANIMON: Anyway, there's an issue with regard to an obligation that the port owes to a company called Henry Grove who is the purchaser of an outstanding loan that was issued originally in 1988. That loan was about $800,000. It was paid down. It's now ratcheted back up with interest. And the issue is whether the obligation that the port owes is payable solely from the proceeds derived from the sale of that property. That property we expect to complete the sale of by the end of July. All of the approvals that were required for the tax credits and the state redevelopment agency have been provided. There was a ceremonial approval yesterday with regard to that
transaction. To the extent that there are issues involved in when that will actually close, the redevelopment agency representative indicated that they would be in touch with this Board to explain the process, but approvals have been provided. There's a 60-day window to provide for the closing that's expected to occur by July 30th this year.

These properties the city is prepared to purchase and to issue notes to buy the property and provide that money to the court if the effect of that resolves the litigation so that there will be not a continuum in terms of an obligation beyond the port in terms of its properties and its assets. I don't believe that that will happen, but in order to be able to present to the court that the city has to adopt a bond ordinance and the port had to adopt a resolution providing for the sale. So both of those things have occurred. So we're simply asking in this application as provided in the statute for the Authority to complete that transaction if in fact it results in a resolution of all of the issues in court. If it does not, then since you asked what the plan is that the city will consider whether to activate the port as a redevelopment, designated redevelopment entity. Right now the plan is to dissolve the port and have the city
act as the redevelopment entity without going to the
port who owns the properties in the redevelopment area.
If in fact doing that results in the continuing
litigation over what the obligation of the city is, if
in fact a dissolution occurs, does that become an
obligation of the city? We have stated many times
here, I continue to state the position that if there is
a dissolution the city has the ability to satisfy the
requirement of the dissolution statute that they have
made adequate provision for the payment of the
obligations by having all of the assets of the
corporation sold and provided to the court in order to
resolve all the issues that are related to that.

So that there is no scenario in our
view, either the port or the city, where this
obligation which is neither direct or indirectly
guaranteed by the city, the city has no involvement in
it, is not a guarantor, that would result in the city
having an obligation to pay this debt. Nevertheless, I
believe that Henry Grove will pursue this in a way that
is designed to make that result occur. I'm not going
to comment on the efficacy on doing that because it's
not our prerogative, but we simply want the ability to
present everything possible to the court in order to
resolve the litigation and move forward. If it doesn't
happen, then we expect to either reactivate the port as a redevelopment entity or to simply dissolve it and go through the issues that would result in that litigation. It seems like a waste of time, but nevertheless, that's what we would do. Answer any questions.

MR. CUNNINGHAM: Well, I think the one question I wanted to talk about is I know that the application before the Board today would be to sell certain property and you said you would take the proceeds of that sale and deposit it with the court.

MR. McMANIMON: If in fact the court determined as a final resolution that that resolved all the issues. We have the authority to issue net debt to do that. And they would do that if that was the end result. If it wasn't, then they would not close on that transaction.

MR. CUNNINGHAM: Finishing the thought out, where does this stand in the court's right now? I mean, is there --

MS BERTRAM: The issue of the second set of parcels has not been brought to the court's attention. We are still under the first -- well, two lots. The warehouse property which was approved by the court to be sold subject to your approval. We are
returning to the assignment Judge Curio in the end of July.

MR. CUNNINGHAM: I didn't ask it very well, but that's what I was trying to get at. I was trying to get a sense of the next steps in the timeframe of litigation. I should have been more clear.

MS BERTRAM: We're reporting back to her on July 30th -- with her whether renewable has concluded their sale. And within that time period we're anticipating they will because they have the approval of the new market tax program and NJRA in order to do that. And they provided the 60-day window. They should be able to close within that period of time so long as NJRA does not prolong the process in any way or ask for something that would delay. But renewable has committed to close within that period of time. The money would then be placed in the court for the court's determination of an application or division of that money.

MR. McMANIMON: Just for the record, that loan, original loan was secured by a mortgage. And that mortgage was declared to be invalid under the statute. And as a result, there is no security for the loan that was purchased by Henry Grove. I believe what
the court has done is essentially provide the
equivalent of that mortgage security by requiring the
proceeds of the sale of that property which is no
longer security for that loan to be deposited into
court for the court to determine who would get that
money. I don't want to presume that it would all go to
Henry Grove because there are other creditors and that
hasn't been conceded. And this concept of selling
these one 11 properties and having it available to go
into court is without prejudice to not doing that.
It's simply an idea that would literally as this Board
asked what would it take to essentially wind down 100
percent of the affairs of the port. And that's what
we're proposing to do is provide the money if in fact
it resolves all the issues. And if not, certainly
Henry Grove has no claim to the property and we believe
has no claim to the proceeds, but the city is prepared
to provide them court if it resolves the issues. And
this Board doesn't have to determine that. That issue
has to be resolved in court.

MR. CUNNINGHAM: And I was -- thank you
for making that point because, you know, Board has
limited jurisdiction here. Is there anything else that
anybody wanted to add or, Mayor, or anyone else before?

MR. McMANIMON: I think that's our
MR. CUNNINGHAM: I do know that there's members of the public that wanted to be heard on this. So I would ask you to return to the audience and I'll open up for public comment. I welcome you to make comments on what's before the Board today.

MR. BONCHI: Obviously I've been before you many times. My name is Keith Bonchi. I'm an attorney. I'm the attorney for Henry Grove. With me is William and Thomas Martin, principles or officers of the entity. The city -- again, I'm never sure because Mr. McManimon submitted this application as bond counsel for the Authority. Although we're not aware of him ever being appointed to the Authority. Historically he's represented the city. And basically they say, you know, they'll do this if we compromise our judgment down to less than half. And that's been rejected already many times. We've been here for two years asking that you order the nonexistent, nonfunctioning, debt ridden, mismanaged Bridgeton Municipal Port Authority to finally be dissolved. I've agreed and said, okay, we'll find out what that means with the judge. And we appeared before the judge last time. And she's ready to deal with that issue. She put in the last order there's nothing before her that
prevents you from acting to dissolve the Authority.

The response of the city through the non-functioning Authority is, well, we'll sell the properties that my client has a judgment on that they can't sell without the judgment if they accept our offer that was rejected. And again, I don't believe you should get involved with that and be a co-conspirator with them to violate the Fiscal Control Act.

I cited to you in my last submission the Supreme Court case. And I know it's not a court, but the concept of Stone versus Old Bridge where it says in talking about the fiscal law's consistent with the purpose to provide for municipality to stand by the debts of the dissolved agencies since it would be essential to the acceptance of newly created authority in the eyes of the financial community. Honoring governmental debts is assuredly conducive to public confidence and credit. I've cited to you the statute that goes with it that indicates that when it's dissolved they have to deal with the debt. What we can't do is get to a decision because they come up with a last minute application. I thought this would be postponed. And I'm glad you're not postponing it today. But I think it's time to vote and dissolve it. Order them to be dissolved. The legislation is set
forth what happens in the law. There's a disagreement
between Mr. McManimon and I and the interpretation.
That's what we have judges for to decide those issues.
Here we're dealing with an application to buy the
property at a bargain rate. No independent person
assessed the value of these properties. It was the
city's assessor who's paid. The property that's being
sold, before the judge removed the judgment on that and
that's what she did she required appraisals to
establish the value of the property. And we went
through this long process. You approved it last
August. It was also promised to they would have close
before the end of the year, but of course they didn't
close. Because nothing they ever tell you is going to
be honored.

Again, implore upon you that it's time
to vote to dissolve it. They come back and say if we
don't agree to their gun to the head offer they're
going to create it as a redevelopment authority to keep
it in existence. In my last submission to you I gave
you the quote by former chairman of the Local Finance
Board, Thomas Neff, when his initial comments were why
is a nonfunctioning port authority being a
redevelopment entity? Why shouldn't it be the city?
Again, all they want to do is continue to act in a
fiscal irresponsible manner. The reason this debt is so high is because they refuse to pay it. They refused to force their buyer last year to close on time. And they continue -- the Appellate Division decision which I've given your Deputy Attorney General that said that the mortgage was invalid told us the following acts that were required. They didn't say the debt was not collectible. We've done that. We've come before the agency of the State of New Jersey that deals with the fiscal integrity for local governments. And if there ever was a fact pattern of a nonfunctioning, debt ridden, mismanaged authority this is it. And for two years they haven't dissolved themselves because they see it as a way to further avoid paying debt.

And all the times I've been before you, and I have to admit this is the only time I've been before the Local Finance Board on numerous applications I've never seen you condoning nonpaying debts. I've seen you come with ways to pay debts but that has not been brought before you. And the precedent, the statute envisions that when you dissolve it doesn't say just debt secured by bonds. It talks about all municipal debt, all Authority debt has to be paid. So therefore, again, I ask you to reject this last minute, ill conceived, illegal application that asks you to be
a co-conspirator, put a gun to the head and order them which I've asked all along and I believe that Henry Grove does in fact have standing. I addressed it before who else but a judgment creditor would come before you, this Board? New Jersey standing laws are very liberal. It will either be on our application or your application. I believe it's time to take a vote and order them to dissolve themselves within 30 years. Submit to you the appropriate ordinances that the statute requires. This has already been decided by the State New Jersey what happens in this thing. Why it's unique that this particular fact pattern comes before you, please remember who brought it before you. It was my client who blew the whistle on these people and said, look. And your staff initially, the former Chairman, were very stunned to learn about this nonfunctioning, debt ridden authority that was hidden from you. And I don't believe you can -- it's unfortunate that they didn't address this issue in all these years and we've had to bring it before you, but it's time respectfully to take a vote and order them to be dissolved. I don't know if you want to add anything on the values or properties or anything else.

MR. W. MARTIN: No, I'd like to make a comment, though.
MR. CUNNINGHAM: Public commentary, please.

MR. W. MARTIN: We've been here on numerous occasions. I'm really impressed with the Local Finance Board, Mr. Neff prior to you. And I like sitting there listening to how you interact with the municipalities. I'm really disappointed the more we find out how Bridgeton has behaved. And I just really wish there could possibly be more state oversight. And I'm sure there are other municipalities, too, not to single out Bridgeton. That's basically my only comment.

MR. CUNNINGHAM: Thank you, gentlemen. So I'll ask the applicant to come back.

MR. McMANIMON: I'll leave them in the audience. Just a brief comment. Words mean something. And they're critical. And this is likely to wind up in court. There's a lot of throwing around of words here, but the statute that results in -- first of all, there's no application before this Board to dissolve this Authority. Only the city can seek to do that or you can on your own initiative. None of that has occurred. We have no objection to the standing issue that raised in a long wording here it's just that there are procedures that are available to a defaulted holder
of an obligation. It's not to appear as an applicant before this Board. So they can ask you to take whatever steps they can and we have no objection to them doing that. Doesn't give them standing as an applicant and all that goes with that.

The concept of whether -- he said the words are very clear in the statute. I just want to make it clear that the words that he chooses not to bring in are in 40A:5A-20. And it's after those words he refers to about having the city obligated to come forward with the general obligation to pay this debt off over which you it has no obligation whatsoever. They certainly knew. All the prior holders of the note knew that. They bought it at a deep discount because of that. Or else nobody would have sold it for the small because the city was an obligor. It says, notwithstanding the provisions of any other law, rule or resolution to the contrary if in order to make adequate provision which is the statutory requirement to this Board for the payment of outstanding obligations of an authority being resolved it effectively says you assume the obligation in the manner in which it is. This is not a direct obligation of the city. The whole provisions of the dissolution statute do not require the city when it dissolves it to
adopt a general bond ordinance. This language was enacted after that statute. It was codified in this provision. Makes it very clear that you can take nonrecourse debt or unsecured debt or debt that is not guaranteed by the city and assume it on the same basis that it exists. And in this case it exists as an obligation of the Board. And it will pay all of its funds to resolve that debt. It doesn't have any other money. And they knew that when they bought it. So I just want that to be clear. There's a lot loose language thrown around. I just want to make sure that the words matter. It matters what it says in the loan agreement in terms of what the security is for this obligation. It matters what the statute says if in fact that you wind up seeking to do dissolution. Thank you.

MR. CUNNINGHAM: Thank you. So as I did last time, I'll reiterate that this isn't Superior Court. And I don't think my legal pedigree will ever put me behind a bench or wearing a robe. But that said, you know, this Board is clearly -- understanding the applicant's position but we also hear from the parties that are adverse as members of the public before us making comment. It's just my strong opinion that there is a significant amount of work left to be
done before the Superior Court. And I do understand
Mr. Bonchi's point that the judge may have said that
there's nothing stopping us from effectively demanding
dissolution of the Bridgeton Port Authority. But I'm
not there just yet. And I'm not there yet because
regardless of the strategy and who may be right on the
merits, I am seeing steps taken to resolve a
complicated, a legal issue and a contested legal issue.
So I am not in my opinion, and I don't know about my
fellow members of the Board, I'm not prepared to
immediately order the dissolution of the Bridgeton Port
Authority.

However, with that said we have to
return to the application before us. And I'm inclined
to permit this in the context of whether it's -- I
think it's ultimately going to further the process in
Superior Court which is where I think this entirely
belongs. And I don't want to preclude the Authority
from that avenue whether Mr. Bonchi and his clients
think that it's a meritorious argument, whether it is
truly a gun to the head offer. I don't necessarily
think that this Board's action by approving this, you
know, really prejudices anybody. It's truly my
opinion.

So I'm inclined to approve the
application for today, but I would like to schedule a
return appearance in I guess September because you're
going to go potentially back to court in late July and
I want to have enough time to whatever shakes out of
that. But again, you know, there's eventually going to
be an end strategy here. Not trying to just kick a can
down the road but from where I am today in June I'd
like to give us a couple more months. And that's where
I'm going to land on it. So want to just know any of
the Board members any other questions you have for Mr.
McManimon or his clients, the applicants.

MR. LIGHT: I don't think so. We've
been through this a number of times.

MR. CUNNINGHAM: We're probably not
going to be through it a number more times, but I do
think that --

MR. LIGHT: How is the approval going to
be worded because there's two things that are being
asked here, aren't there?

MR. McMANIMON: It's really just the
one. The other one is the conversation about the
financial difficulty. And again, I think my by
rescheduling that for the September meeting we can
dispatch of that. So I think the only matter before
the Board right now for a vote is the actual
application. And again, I kind of made my thoughts on it. I'm not fully comfortable. But, again, this is not territory that I'm -- I claim to be particularly well versed in. So I'm going to make a motion to approve it. And as I said, the rest of it's just going to have to shake out over a little bit of -- couple more months. So I'll make a motion to approve. Ask for a second.

MR. BLEE: Second.

MR. CUNNINGHAM: I have a second from Mr. Blee. We'll take a roll call.

MR. LIGHT: That's to approve the $225,000 proposed sale of the property?

MR. CUNNINGHAM: Correct. Correct.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thank you.

MR. BONCHI: I did make an application to dissolve. I made a formal application. Submitted it. If you're just saying you don't stand it or deny it can we get an order from you or resolution saying
so?

MR. CUNNINGHAM: Mr. Bonchi, I honestly didn't know there was that application before. I'll have to go back and talk to staff about it and we'll reach out to you, but I understand your request.

MR. BONCHI: Okay. Thank you.

MR. CUNNINGHAM: The Board will now move to City of Newark. I should just note Mahwah Township's application that was listed on the agenda was deferred. So that's not being heard today. I apologize for that confusion. So again, we're here to Newark City.

(All parties sworn.)

MR. MAYER: Good morning. Good afternoon, now. Bill Mayer, Decotiis, Fitzpatrick and Cole, debt bond counsel to the City of Newark on an application for not to exceed $500,000 redevelopment area bonds expected to be issued by the New Jersey Economic Development Authority. It's before you on a review under the redevelopment area bond financing law provisions in the local redevelopment housing law for the review and approval -- we're before you today under 40A:12A-67g for your review and approval of the issuance of RAB bonds by the EDA secured by PILOTS and the Tryp hotel project in Newark, East Park Street
Hospitality Urban Renewal, Inc. To my right is Julio Colon. He's with the Newark Department of Housing and Economic Development. To my left is Timothy Eismeier with NW. To Julio's right is Karen Franzini. She's consultant to the project. And representing Miles Burger and the entity East Park Street Hospitality Urban Renewal. And to Karen's right is Steve Pearlman, the bond counsel in this matter. I understand from my conversations with Pat this week that the Board has received comments from the EDA on the application.

MR. CUNNINGHAM: And Office of Planning Advocacy which is also required. So we have both of those amendments complete.

MR. MAYER: Very good. And we're just looking for the Board's approval of the issuance of the RABS secured by the city's PILOTS pursuant to the statute. There also is a request for approval of private sale.

MR. CUNNINGHAM: I just wanted to offer as a threshold comment that this Board previously authorized the modernization of the city's rental car tax revenues. And I know that's a portion of the capital stack. So I think it's consistent with action previously taken by the Board. Unless anyone think that, you know, this Board doesn't kind of take an
ongoing dialogue with the applicants we should know
that there have been significant conversations and
meetings, discussions with EDA and discussions with the
developer and consultants in the city about the
project, but I think it would be beneficial just to put
on the record a little bit about the hotel project
itself. So Julio, I don't know if you or Karen want to
speak to that, but just in terms of what the expected
-- the size of the hotel, the occupancy of the hotel
and potential impact on the city's tax through the
occupancy tax and through the PILOT. So if either of
you just want to offer some high level comments about
the project in total it would be appreciated by the
Board.

MR. COLON: Just to say that the City of
Newark Township does see this as a project that will
help more stabilize and bring the kind of economy that
we're trying to generate in this environment of the
downtown area. So that's one of many projects that we
have on the list. The only one that is actually going
before the Board for a RAB. The others are going as
the standard practice, but as you said earlier, because
it's the vehicle tax money and the investment that
we're making into it it is consistent with what we're
trying to accomplish in Newark.
MS FRANZINI: Thank you. So the project I think is more of three elements. One it is the renovation of a current vacant building in downtown Newark. It will be a 102 room Wyndham Tryp Hotel. That's TRYP. And it's a European chain for Wyndham. There's one in New York City. And this will be the first one in New Jersey in Newark. Second, what's really important to the City of Newark are jobs. The owner, Miles Burger, has a long history of Newark of employing people from the City of Newark as other projects. And has anticipated 48 full-time jobs and ten part-time jobs at the facility. And the other thing very important to Newark is tax revenue. So the importance to the city is that they will -- the estimate currently is being $12 million over the life of the project or 30 years of $12 million and new hotel tax. The city also will receive share of their kind of special improvement tax of $3 million dollars. The city share of the PILOT over 30 years is $2.6 million and payroll tax of over $700,000. So not only is this jobs but new taxes and the renovation of a vacant building.

MR. CUNNINGHAM: Thank you very much. I also note that because the city is under State Supervision Act my division has a fiscal monitor
involved. And we monitor the deals closely. But in
this particular instance there's no municipal guarantee
being put on the debt. And the bonds are non-course as
well. So I just want to make sure that that's
adequately reflected in the record. So it's my
understanding there would be a 30-year long term tax
exemption. Redeveloper pays the annual service charge.
And I just want to talk a little bit about the capital
stack as well. That I know there's a significant
portion, almost $10 million, of developer's equity
which I think is a testament to how a RAB helps a
project get done but doesn't necessarily overtake the
project and provide all the financing. So my point is
that, you know, the various elements of the capital
stack and the city's involvement are pieces to an
overall puzzle. And as Steve Pearlman often reminds
me, you know, deals don't get done without these
PILOTs. So I take that in consideration as well.

I also note that, and I think we already
said this on the record, that the Economic Development
Authority and the Office of Planning Advocacy have
reviewed the application, reviewed the RAB and
submitted memorandums to the Local Finance Board. So I
would ask whether my colleagues on the Board had any
questions or wanted to know a little more about the
hotel or its location, occupancy, anything like that.

MR. LIGHT: Looks like a good project to support the renovation of Newark.

MR. CUNNINGHAM: And the last point I make, I think you have an established hotel operator on board who would operate -- are Tryp's franchised? So it would be franchisee?

MS FRANZINI: Yes, would be franchisee.

MR. PEARLMAN: Mr. Chairman, one item, one additional item I want to add for the record is that I understand there will be delayed issuance here with the actual issuance and bond. People want issue RAB after the construction period which would be up to 18 months. So I know your typical approvals last for a year so we're asking on the record some sort of provision that would address that so we don't have to come back.

MR. CUNNINGHAM: 18 months.

MR. MAYER: Probably going to need two years. 18-month construction period. Can you go two years?

MR. CUNNINGHAM: Do they sunset?

MR. PEARLMAN: What Ed reminds me typically the one year is with refundings. I don't know if it's been an informal policy of the Board when
new money bonds have gone longer than a year, but we're
specifically asking and telling you up front this is
what we're going to do.

MR. MAYER: We would request there not
include a 12 month provision in the resolution. Ed
from the back is correct. Some have them. Some don't.

MR. CUNNINGHAM: We'll note that and
take care of it with the language of the resolution.
Again, hearing no other questions from the Board and
having worked on this project at various times along
the way or at least met about the project I'll make a
motion to approve the application before the Board.

MR. BLEE: Second.

MR. CUNNINGHAM: Have a second from Mr.
Blee. Take a roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. MAYER: Thank you very much.

MR. COLON: I want to thank the Board
for continued involvement with the City of Newark as it
continues to recover from some of the issues that it
MR. CUNNINGHAM: I think that we're mutually making progress.

MR. COLON: I believe we are. Thank you.

MR. CUNNINGHAM: I know that there's another RAB application that people are particularly interested. I'm going to jump out of order very quickly because we only have one other matter after that. So I'm going to hear Salem County now. If we can, we're to dispatch of this very quickly and then we can move to the other matter before the Board.

So very quickly, the County of Salem had been approved to do a proposed installment purchase agreement. And included in that installment purchase agreement was a list of properties. I was not on the Board at that time, but the Board had passed. And there was a number. There is a particular property that the county is moving quickly toward closure on but it was determined that that was inadvertently left off the list of properties. So the application before the Board is to supplement the list of approve properties, to add this particular location and include it within the approved proposed installment purchase agreement.

MS TRACY: Exactly correct. Yes.
MR. CUNNINGHAM: So again, this request came to me through the Department of Agriculture. I think it's a relatively ministerial function. So I assume no one has any questions about it. I'll make the motion to approve the application. Ask for a second.

MR. BLEE: Second.

MR. CUNNINGHAM: Second from Mr. Blee.

Take roll call, please.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.

MR. CUNNINGHAM: Thank you very much.

MS TRACY: Thank you.

MR. CUNNINGHAM: With that, we'll move to the last item on the agenda. And that is an application from the Borough of East Rutherford. Good morning. I just want to state before you proceed that we have an application in front of us. I believe there may or may not be members of the public that want to be heard. So before the actual -- any votes are taken by
the Board we'll ask members of the public for any input. I just want anyone in the audience to understand that. So Mr. Allen, if you don't mind, I'll address to you. It's nice meeting you in person.

MR. ALLEN: Yes, thank you.

MR. CUNNINGHAM: Worked together to get a complete application in place. Would you kindly introduce your colleagues to the Board and maybe if you want to make initial statement on the application.

MR. ALLEN: Be happy to. Thank you for the kind words. To my right is Mayor Cassella. The mayor is the leader of our delegation this morning. And with your permission will basically take the lead in presenting the borough's position on this. To his right is Steven Hoffman from Government Capital Management, our borough's financial advisor. He's available for questions, obviously. She doesn't have a planned presentation for you. And to my left is Ken Bond from Squire Patton Boggs who is our special counsel in the matter and is also available if the Board has any questions. We're going to try and focus on the mayor but he's going to give you a comprehensive view from our viewpoint of what we have. In addition, if I may jump for a moment, in the audience is Glen Scotland and Tony Armlin. Glen is counsel for Triple

STATE SHORTHAND REPORTING SERVICE, INC.
Five who is the developer here and Tony is their vice president in charge of development. We would have no objection if the Board -- if you or the Board felt that it was appropriate to ask them to join us at the table. Much of the information is basically developed through Mr. Armlin's office and through Mr. Scotland's office and it might be helpful to you in order to do that. We would have no problem if that was appropriate.

MR. CUNNINGHAM: Yeah, I don't have an objection. We realize they're not applicants but they're parties that are very close to the application. So, you know, if Mr. Scotland, Mr. Armlin want to join at the table that's certainly acceptable.

So Mayor, I'll welcome you and ask if you want to start the conversation.

MAYOR CASSELLA: Thank you, Chairman Cunningham and members of the Board. I don't want to say it's a pleasure to be here, but it's good to see you all.

MR. CUNNINGHAM: It's a good way to start the presentation off by saying it's a pleasure to be here.

MAYOR CASSELLA: I missed all of you and I get to meet you now. I know a few people are still here from the last time I was here on this. But as
always, I always look forward to seeing you.

But anyway, I would like to update you
on the background of East Rutherford's involvement in
these American Dream Project and the reasons why we are
here today. And I want to apologize to those that did
listen to me last time. I may be repeating some things
said in 2013 but I believe it is important to see the
full picture.

Specifically I want to emphasize to you
our basic philosophy which has guided East Rutherford's
team throughout process. First as far as the borough
is concerned, this transaction has to be a no risk and
no cost or no deal approach. We do not want to put the
taxpayers at risk. Second, as the transaction evolved
from the former Xanadu project we also relied upon the
principle that benefits to the borough would be net.
That is without offsetting cost or reductions in the
dollars that we are entitled to receive under current
agreements. In sum, we will only proceed with this if
it is a win/win providing us with significant benefits
at no risk.

As I explained back in 2013, the borough
was convinced and remained so that this American Dream
Project could only succeed with the cooperation of all
three levels of New Jersey government. By that I mean
the municipal, county and state. We believe that goal has been achieved. Although, this application slightly changes the nature of the participation of each level of government. The state is significantly involved in the project. It is located on state owned land. The state is also poised to issue an Economic Recovery Growth Grant to help with the financial side of the deal. We also worked hard to be sure that Bergen County played a significant role in the project. The Bergen County Improvement Authority was originally anticipate to be the purchaser of East Rutherford bonds. If this application is approved that may change as the nature of the bonds transforms into taxable bonds. However, the BCIA is also anticipated to issue other bonds monetize the ERGs, a true shared service project which is anticipated to bring thousands of jobs to Bergen -- Southern Bergen County.

Just to remind you of the background, in the early 1970's the legislature adopted legislation that allowed the state to take over 750 of East Rutherford Meadowlands creating the New Jersey Sports and Exposition Authority. These 750 acres were exempt from all property taxes. In 2002 the Sports Authority changed the master plan for those 750 acres to allow for an entertainment/retail development. That
development would retain the tax exempt status of all
other Sports Authority -- as all other Sports Authority
-- I should say all other Sports Authority property,
but under state law is required to make a payment in
lieu of taxes to East Rutherford. The Sports Authority
amended the master plan to allow for both the
entertainment/retail development and a water park
entertainment facility. And I might add that the 750
-- the original 750 acres has been increased once or
twice. The last time being the last 22 acres is where
this amusement and water park are going to be built. I
think they're using about 14 acres of that. That
property is now part of the New Jersey Sport and
Exposition Authority which in fact is part of this
application that would combine that as one project.
Originally the Sports Authority
designated joint venture of Mills Mack Cali. The
borough negotiated a PILOT agreement with Mills for its
project then called Xanadu. On October 5, 2004 that
deal was put in are writing in a document which
everyone refers to as the second addendum. The second
addendum provided that the Borough was to receive a
series of PILOTS that would continue over a period in
excess of 30 years. The borough was to provided
police, fire, emergency and other services to the
Xanadu project.
The first two years were I think just under $2 million. The figures escalated as we went then it went up to 3 million or 4 million, eventually just below $10 million a year. But there were other issues with that and other parts of the agreement that may not have been the final amount. It may have been less. It may have been more. But however, that as I mentioned included services. All services. It also in that addendum does separate or does refer to there were two parcels. This is the Colony Parcel which are the outer parcels. We now call them the Ancillary Parcels. And then you have the ERC which is what we're talking about here. And I should say the ERC amusement/water park which is -- so that's one part and the Colony Parcel is the Ancillary Parcels.

Well, there was no guarantee that those Ancillary Parcels were ever going to be developed. Therefore, East Rutherford may never have received the PILOTS for those Ancillary Parcels. East Rutherford was to receive no payments until the three months after the Xanadu project opened for business. As history has taught us, that never happened. If that continues East Rutherford would receive nothing from this development but a paper promise. East Rutherford has had an
obligation to provide costly police and other emergency services. Those services even required a certain number of East Rutherford police officers to be stationed at the Xanadu project. The cost of those services significantly reduced the benefit of the Xanadu project.

To have meet its obligations through the project East Rutherford was required to make significance investments even before the Xanadu project opened in order to be in a position to comply with its contract obligations when and if it opened. In any event, the Mills deal fell apart. And its successor called Colony also failed to advance the project to opening. The Xanadu project as we all know sat for years. It was rejuvenated when Governor Christie and the Sports Authority designated Triple Five to pursue the project. I will allow Triple Five itself if they wish to describe its efforts if the Board wishes.

Triple Five immediately changed the project and named it American Dream. East Rutherford was approached by Triple Five to assist the financing of this American Dream Project. In the Spring of 2012 we were asked to assist by issuing what was then a net of $250 million non-course revenue bonds. We started the discussion with Triple Five. To do so we needed to
build a team of professionals to assist in the process.
Remember, East Rutherford is a town of 9,000 people.
So we're obviously not accustomed to dealing with a
bond issue of this magnitude. Myself, Councilman
Jeffrey LaHullier, our borough attorney, Dick Allen,
and I researched experienced professionals who were
free of conflicts. We were surprised to find that most
of New Jersey based professionals with that expertise
had conflicting roles in this project or represented
other parties to the project in other matters. We
retained Steve Hoffman who was introduced of Government
Capital Management. Steve is an experienced financial
advisor to municipalities. His clients include the
City Cleveland. Steve has long experience in revenue
and conduit bonds. We also retained Ken Bond as
introduced by Mr. Allen. Ken's a recognized national
expert in revenue bond and conduit financing.
Consistent with our philosophy of no cost, no risk,
Triple Five paid for and is paying for all those
professionals as we have gone through the project or
discussion on the project. Those professionals joined
our borough attorney, Dick Allen, Councilman look and I
to work with Triple Five to move this project forward.
We negotiated for months if not years here. I've been
doing it for 12 years since the Xanadu people first
came into the picture. We negotiated for months, as I said. And there were some ups and downs and some tense moments, but ultimately we think we reached a fair deal. Obviously, there are still some loose ends to work out, but I don't foresee major problems here. I'm sure that they will all be marked out.

In October of 2013 this Board approved the original plan for the borough to issue 550 million in non-recourse redevelopment area bonds. Recently Triple Five has proposed and we agree that the original concept of tax exempt financing may provide more costs then benefits. In addition, the responsibilities of the borough would be greatly reduced if taxable bonds are issued. Finally, Triple Five explained that the project scope has expanded and anticipated costs have increased. To meet those additional needs Triple Five asked that we increase amount to be bonded to $675 million. We are here today to seek your approval of those bonds. Subject to your approval and the ultimate adoption of the necessary bond ordinance and other resolutions by the East Rutherford mayor and council we propose to issue not to exceed 675 million in redevelopment non-recourse bonds. Those bond may be taxable or tax except depending on market condition. Although, our preference is for taxable bonds. If
taxable, it is proposed that the bond will be purchased
by the underwriter, Goldman Sachs, and held in its
account. If tax exempt, it is proposed that the bonds
are to be purchased by the Bergen County Improvement
Authority if this Board so authorizes. Goldman Sachs
will be required to sign in acknowledgment that it's
not relying on the borough for repayment nor on any
disclosures of the borough but rather on Triple Five.
I am told that this is called a "big boy letter" which
I have no idea where these terms come from, but that's
what they tell me. That will assist the borough by
reducing future concerns in the event of future
problems with the RABs.

These bonds as I mentioned would be
non-recourse. And has been mentioned over and over
again, we would not have to repay them out of tax
revenues. Instead, these bonds will be repaid by
payments in lieu of taxes by Triple Five. Only those
payments are used for repayments. East Rutherford
taxpayers have no obligation. No payment obligation.
In exchange for East Rutherford's issuance of this
large bond the borough will receive a number of
benefits. First, the performance obligations East
Rutherford under the old agreement are cancelled. The
old Xanadu deal was a gross deal where we must pay the
cost of various services. The new American Dream deal
is a net deal. The revenues to the borough are net of
any services. This is significantly more valuable to
the borough. We built a new police station and
municipal court to meet the anticipated service demands
from Xanadu. We borrowed 17 million from BCIA to pay
for that building. Under the new American Dream deal
the BCIA alone will be repaid through the non-recourse
bond issued at closing. That removes the debt from the
borough's financial statement. But more importantly,
it removes the cash expense in the East Rutherford's
budget support that borrowing. That saves the borough
about 1 million per year in debt service of expenses
over the next 30 plus years.

The borough will receive a portion of
the PILOT payments to be paid by Triple Five. Those
PILOT payments result in millions of dollars to East
Rutherford over the next 33 years. This is described
in the borough's application. The borough will also
receive another set of PILOTs relating to other
properties adjacent to the Ancillary Parcels. Under
the old Xanadu deal these properties would not generate
revenue to the borough until they were developed.
Under this new American Dream deal the borough gets its
cash flow from once the project opens but without
regard to whether development on these other parcels actually happen. The borough will also receive about $2.5 million in sewer connection fees. This reimburses the borough for expenses incurred in the borough's sewer system. Some of these payments represent payments originally owed by Mills but now in default.

East Rutherford expects to receive approximately 21 million at closing and about 2.5 million in sewer connection fees prior to closing. That's guaranteed money. The borough keeps this money whether or not the American Dream Project ever opens. East Rutherford is able to remove about 1 million from its future annual budget. East Rutherford's taxpayers keep the benefits of this saving whether or not the American Dream Project ever opens. East Rutherford will receive the PILOT payments. East Rutherford is free of the obligation to provide services to the project. Other ancillary benefits to East Rutherford are under discussion. For example, we seek clarification that any hotel development on the site will result in additional revenue to East Rutherford under our occupancy tax.

Why the new deal is better for East Rutherford from a financial matter? Our team has identified the long-term value of this deal as equal to
or superior in value to the old Xanadu deal. More important than financial projections, however, is the real savings that East Rutherford will receive in the short term at least $1 million per year. The increase in bond amount has no effect on the benefits East Rutherford will receive. The use of taxable bonds will reduce the borough's future concerns that come from the restrictions governing tax except bonds which is why we certainly favor the taxable bonds. We have been careful to avoid the problems that affected some of our neighbors arising out of the infamous Encap Project. We had concerns that arise from a project of this type. We worked to focus these concerns and develop solutions to minimize or even eliminate them. The first concern with bonds is that payments will not be made, that the bonds will default and the borough will need to pay the bonds. At first we considered the creation of a redevelopment agency to shield the bond from this payment liability. In fact, this Board granted its permission to the borough to create such an agency. After consideration and heeding the advice and comments of former Chairman Tom Neff delivered at an earlier meeting of this matter, the borough as decided to forego the redevelopment agency route. As Mr. Neff correctly pointed out the last time we were here, the
bonds themselves are not recourse to the borough. They
not payable by the borough in any event. Only the
PILOT payments made by Triple Five are obligated to the
bonds.

The second major concern for the borough
arises from future errors in the administration of the
bonds after they're issued. I'm speaking specifically
of the tax exempt bonds. The so-called post liability
issues could expose the borough to damage claims and
possibly the loss of bond tax exemptions. Having
recognize these concerns we anticipate two major steps
to avoid that second risk. First is the borough will
retain a recognized professional bond administration
firm to perform the borough's post issuance
responsibilities. The borough's own staff is too small
and not properly trained or experienced to handle jobs.
Plus, over a course of 30 years, 35 years that those
people change and we could not take the chance.
Consistent with our policy of no cost, the cost of this
will be paid by Triple Five.

Second, the borough will obtain
insurance or other acceptable security to cover the
post issuance concerns. We are no negotiations for a
$100 million coverage with no risk retention. That
$100 million, again, refers to only if they're tax

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except bonds. Triple Five has offered to assist in evaluating the policy coverage, et cetera, but the ultimate choices relating to this insurance will be made by the borough. Again, consistent with the no cost policy Triple Five will pay the premium for this insurance at closing.

We believe that these steps together with the non-recourse nature of the bond protect the borough from the identified concerns. There has been much discussion in East Rutherford regarding this project. The issue has been raised in various forums at nearly every council meeting and numerous special meetings. If the Board approves East Rutherford's current application there must still be a public hearing on the required ordinances and financial agreement. Both the Record, a daily newspaper, and the South Bergenite, a weekly, have been all over this project. The Record even pictured the project in a number of page features stories including one focusing on East Rutherford Mayor and council as the decision maker in this redevelopment project. The fact is every day thousands of our fellow citizens are reminded of this project as they pass it on Route 3 and Route 20. There is no doubt that the public is aware of this project and its application.
We believe that the amended RABs, which ask permission to issue, are financially beneficial to the borough. We also believe that the benefits of the revenues received by the borough far outweigh the potential benefit the borough could receive if the old Xanadu deal ever comes to fruition. We also believe that the concerns of the borough have been identified and the borough will be protected against those concerns. In light of that, we ask that the Board approve the borough's application and hopefully and we respectfully request that it does. At this point we'll be happy to answer any questions. Of course if it's legal, Mr. Allen is here. Mr. Bond is here. Over here. And if financial we have Mr. Hoffman. And obviously, Triple Five people are here, too.

MR. CUNNINGHAM: Mayor, thank you very much for that.

MAYOR CASSELLA: And I'm sorry for the length of that, but when you get attorneys involved and you to say this and you got to say that, this is what you get.

MR. CUNNINGHAM: So the first thing I wanted to do was just make sure that I understand and make sure the Board understands the specific actions that are in front of the Board today, what this
application's really achieving. Then I have a couple questions and some of my colleagues may have questions as well. As I understand the application, the borough's requesting modification of the original Board approval from the October '13 and it would allow for an increase in the maximum issuance of the RAB from $550 to $675 million. Secondly, it would consolidate the two financial agreements contemplated. ERC was one you had mentioned and then the amusement and water park parcels. So they would be consolidated into one, the financial agreement.

MAYOR CASSELLA: Right.

MR. CUNNINGHAM: And then thirdly, the flexibility is still being sought to issue the RABs on a taxable basis which if that was the case the borough would be the issuer. And as I heard you say, clearly there will be non-recourse debt to the borough. And if it was to go tax exempt then BCI would be the issuer?

MR. ALLEN: No, the borough would be the issuer. The original issuer either instance. The sale of the bond is -- sale of the borough's instrument depends upon which method is picked. If it's taxable it's anticipated to be directly sold. If it's exempt it would go at this point as far as I understand go to the Improvement Authority.
MAYOR CASSELLA: We would issue them to the BCIA and then BCIA sells them.

MR. CUNNINGHAM: Okay. Thank you for that clarification. So a couple questions. Is there any negative impact to the borough having only one financial agreement?

MR. ALLEN: We couldn't identify any. In fact, we thought it was going to be a superior enforcement mechanism because the way it was originally structured each of those two financial agreements stood on their own. So a default on one, for example, God forbid there should be, would not constitute a cross default on the other. As a result of the application before the Board now, there would be no such need for that because there would only be one. So there would be one stream of revenue. One agreement to administer. And we did not see any negative impact to the combination.

MR. CUNNINGHAM: Okay. Thank you.

What's driving the decision between taxable and tax exempt?

MR. ALLEN: That really is going to be a decision made by Triple Five or their subsidiary affiliate. That might be a question we could ask if you would allow us. Perhaps Mr. Scotland, Mr. Armlin...
could contribute to that.

MR. CUNNINGHAM: I realize you're not
testifying in front of the Board as a applicant, but to
the extent you can provide any clarity on that it would
be greatly appreciated.

MAYOR CASSELLA: Could I just add that
for us it just as we talked about it's really less
involved. Especially the post issuance issues for us.
And that's -- and less costly.

MR. CUNNINGHAM: And that's your
preference?

MAYOR CASSELLA: Yes, and that's our
preference. It's a lot smoother. And we don't have to
do the filings that you would need with the taxable.

Tax exempt.

MR. ARMLIN: Chairman Cunningham, Tony
Armlin. We concur with the mayor's description of one
of the primary benefits which is the simplicity -- of
we concur with the mayor's description of the benefits.
The net benefits to us is the simplicity of the
transaction. It also has in this current market this
is an option that wasn't available to us in 2013. It
really wasn't a market for a taxable bond at that time.
Working with Goldman Sachs we've determined that there
is and remains to be a viable market. That allows us
to get significantly improved net proceeds to assist
the capital stack and has been pointed out. There has
been a growth in the size of the project investment and
this would be a significant benefit to that overall
capital stack.

MR. CUNNINGHAM: Thank you. So again,
if you don't mind, maybe through the applicant to Mr.
Armlin, can you discuss a little bit about the increase
and what the increase is being used for? I'm not --
personally I hadn't been involved -- I haven't been to
the property, but I understand there's a connector
building. If you could just speak to that I think it
would just help frame the conversation for the Board.

MR. ARMLIN: For the benefit of yourself
and the Board and others who have not been involved in
the project in the past or maybe have a memory that
needs clarifying. The project itself as the mayor
described was originally a regional shopping center.
The ERC component which we are at Triple Five
completely renovating both the interior and exterior.
Additionally, in our original introduction to the
project in 2011 we proposed the expansion of the
project to include a fully inclosed amusement part and
water park project. That went through an extensive
review process through the NJSEA which is the landlord

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and the overseeing group responsible from master plan administration. We made that application. The SEA ultimately approved that application to incorporate that master plan revision in May of 2013.

Subsequent to that application and through the process of further design evolution, we saw a need to integrate the two facilities into one and to merge them and we created a decision that added a connecter building, a three-story structure that bridges over the south connecter roads that separates the two parcels. It integrates the two buildings together for a unified visitor experience. It added about 330,000 square feet of gross leasable area into the project and associated other building components. The combination of those things as well as additional enhancements in the design to the amusement/part water, the other entertainment attraction features, the finishes inside the building, and the tenancy in the building have all been able to be developed to a higher standard than we originally made our submission on.

Over the past several years we've in fact attracted greater tenant interest. The net result of that added about $795 million to the overall cost of the project. About a 43 percent increase in our total project cost. The RAB we're asking for increase on
today will play a partial role in achieving sources of funds necessary to cover that increased capital cost.

MR. CUNNINGHAM: Is the PILOT affected by the -- is there a change to the PILOT amount being received by the municipality for its increase?

MR. ALLEN: If I could address that first then maybe Tony can. The expected PILOT to the borough should not change. The borough's PILOT comes off -- the way this is structured the borough's PILOT is the first dollar out of payment. It's not a shared PILOT in a sense that there's proportionality to it.

The benefit to the taxable versus tax exempt structure, and again, I think Mr. Armlin can expand on this in greater detail, is that the taxable structure allows them to basically calculate that debt service cost on a more fixed basis. Thus, providing more stability to both their project or the project, excuse me, and to the borough's cash flow stream because under the rules as I understand them for tax exempt in order for this to flow there has to be a yearly assessment. There has to be a yearly calculation. The amount of the PILOT could change every year. The amount of the PILOT available to the bond holders would change. Although, the borough's share would not change every year unless, of course, entire revenue stream fell apart in which
case that would be a much more difficult proposition to explain to people. So as result of that we think that the factual structure -- yes, it has an impact on the total PILOT but it should not have an impact on the borough's PILOT itself but it does have a positive on administration. And perhaps Mr. Armlin can help with that.

MR. ARMLIN: Chairman Cunningham, Mr. Allen is a hundred percent correct. The payment to the borough is a guaranteed flow from the PILOT structure and it would be unchanged. The benefit of going to a taxable structure allows us to fix the PILOT payment. And in essence, the debt service component. Debt stability is obviously a great benefit for us in financial planning and management over the course of the life of the bond. If a tax exempt option is the only option that we can exercise, then, again, Mr. Allen's absolutely correct that that floats with the appraised real estate value that the assessor assessed on the annual basis or regular periodic basis so it mirrors our taxes.

MAYOR CASSELLA: I guess simply put, our share that we will receive will never be less than what it is. And there are some escalation provisions in the agreement that it will escalate over a number of years,
but it should never be less.

MR. CUNNINGHAM: Thank you, Mayor. I would ask current timeline?

MR. ARMLIN: We are currently under construction. We've been under significant construction since July of last year. For those who have driven past the site there are significant number of cranes, tower cranes and other drill machinery on site. Our primary focus has been on the development of the amusement park/water park. It's the longest duration to build. Very significant. In fact, because of the nature of the site, it being a marsh land area, we have to support the entire project on drilled foundation piles. Over 7,000 piles have to be placed. We're about two-thirds of the way through that process. Over a hundred million dollars in investment in construction -- hard construction cost literally is below grade to get the slab on grade before we start erecting steel. Steel will arrive on site in September. Our construction timeline takes us into the Summer of 2017. We have been vigorously increasing the level of construction on the site. Our desire is to have the shortest duration of construction activities but it is a confined site. We are in the process of completely buying out the project. It's been awarded a
construction contract to PLC Construction Services, a firm that we've used on our two other sister facilities, the West Edmonton Mall and the Mall of America. Over the past 30 years they're assisting us in building. All of your local contracting labor comes from the Bergen County trades. Construction's going very well. And we're very pleased with the productivity on site and hope to continue to increase the level of production. Shortly you'll see not only hundreds of people on the site but thousands as we get the rest of the building set up and enclosed.

MR. CUNNINGHAM: Thank you.

MAYOR CASSELLA: Should mention, too, that the exterior is being worked on. Infamous exterior.

MR. LIGHT: Is the water park an enclosed all season water park?

MR. ARMLIN: Yes, both the amusement park and water park are fully enclosed, fully climate controlled and together are about 15 acres worth of building structure.

MR. CUNNINGHAM: So maybe I can just ask if anyone in the audience wanted to make public comment before I -- so if no one's going to make public comment then obviously I won't excuse the applicant. We'll

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keep the applicant up here. Any other questions from the Board?

Something else I just wanted to note on the record is that the Division received the requisite memos from both the EDA and the Office of Planning Advocacy. So from our perspective the application's complete. I think at this point -- I appreciate, Mayor, your comments and as those of your colleagues in terms of helping the Board understand the application before it. I will make a motion to approve the application.

MR. BLEE: Second.

MR. LIGHT: Before we take a vote I just want to say that they made an excellent presentation. Did an awful lot of work on preparing for the presentation. Big application and explanation to the Chairman and the Board.

MAYOR CASSELLA: Thank you.

MR. CUNNINGHAM: Take roll call.

MS McNAMARA: Mr. Cunningham?

MR. CUNNINGHAM: Yes.

MS McNAMARA: Mr. Blee?

MR. BLEE: Yes.

MS McNAMARA: Mr. Light?

MR. LIGHT: Yes.
MR. CUNNINGHAM: Take a motion to adjourn.

MR. BLEE: Motion.

MR. CUNNINGHAM: I'll second that one.

(Matter is adjourned at 1:00 p.m.)
CERTIFICATE

I, CARMEN WOLFE, a Certified Court Reporter and Registered Professional Reporter and Notary Public of the State of New Jersey hereby certify the foregoing to be a true and accurate transcript of the proceedings as taken stenographically by me on the date and place hereinbefore set forth.

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CARMEN WOLFE, C.C.R., R.P.R.

Dated: June 23, 2015
License No. 30X100192200
Notary Commission Expiration Date: July 29, 2016

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