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STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL FINANCE BOARD

101 South Broad Street
Trenton, New Jersey
AUGUST 13, 2015

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

ALSO PRESENT: PATRICIA PARKIN McNAMARA,
 Executive Secretary
 EMMA SALAY,
 Deputy Executive Secretary

A P P E A R A N C E S:

JOHN HOFFMAN, ACTING ATTORNEY GENERAL
BY: MELANIE WALTER,
Deputy Attorney General
For the Board

STATE SHORTHAND REPORTING SERVICES, INC.

STATE SHORTHAND REPORTING SERVICE, INC.

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1 CHAIRMAN CUNNINGHAM: Good morning,
2 we'll start today's meeting. This meeting was
3 previously open to the public upstairs, so we need
4 not do any formal action. I do want to just make
5 a statement prior to the start of today's meeting,
6 which is to say that the Governor signed Senate
7 Bill 2454, which is commonly known as the DLGS
8 clean up bill. That bill will affect some actions
9 that the board currently takes. The division will
10 be sending out a local finance notice or a series
11 of local finance notices going forward.

12 But as an example, the board will no
13 longer have to consider matters involving the
14 environmental infrastructure trust on the agenda,
15 adoptions of Port Authority budgets, those things
16 we have on the agenda today. Out of an abundance
17 of caution and considering that the applications
18 before the board came in prior to the legislation
19 being signed, we're going to leave the agenda the
20 way it is. But going forward, as I said, certain
21 matters won't have to come in front of the board
22 anymore and will hopefully speed up the agenda and
23 the operations of the division. So I think that's
24 good news for all involved. And I thank the staff
25 who worked very, very hard to get that bill in a

1 form that could make its way through the
2 legislature and ultimately be signed by the
3 governor.

4 So as that being a perfect segue, moving
5 into matters on the consent agenda. First matter
6 in front of the board is an EIT program regarding
7 the Old Bridge Municipal Utilities Authority.
8 It's a proposed financing, so we would need to
9 take a vote on that as a board. And I would ask
10 for a motion and a second.

11 We're doing them separately. He has to
12 recuse on Middlesex, but he doesn't have to on?
13 So Old Bridge, I would ask for a motion and a second.

14 MR. LIGHT: Motion.

15 MS. RODRIGUEZ: Second.

16 CHAIRMAN CUNNINGHAM: Thank you. Roll
17 call.

18 MS. McNAMARA: Mr. Cunningham.

19 CHAIRMAN CUNNINGHAM: Yes.

20 MS. McNAMARA: Ms. Rodriguez.

21 MS. RODRIGUEZ: Yes.

22 MS. McNAMARA: Mr. Blee.

23 MR. BLEE: Yes.

24 MS. McNAMARA: Mr. Light.

25 MR. LIGHT: Yes.

1 CHAIRMAN CUNNINGHAM: Okay. On the next
2 matter, similarly is proposed project financing
3 for the Middlesex County Utilities Authority. I
4 know Mr. Light has to recuse on that matter, so I
5 would ask for a motion.

6 MS. RODRIGUEZ: I make a motion.

7 MR. BLEE: Second.

8 CHAIRMAN CUNNINGHAM: Thank you. Roll
9 call.

10 MS. McNAMARA: Mr. Cunningham.

11 CHAIRMAN CUNNINGHAM: Yes.

12 MS. McNAMARA: Ms. Rodriguez.

13 MS. RODRIGUEZ: Yes.

14 MS. McNAMARA: Mr. Blee.

15 MR. BLEE: Yes.

16 MS. McNAMARA: Mr. Light.

17 MR. LIGHT: I recuse myself on that one.

18 I'm one of the commissioners on that board.

19 CHAIRMAN CUNNINGHAM: Thank you, Mr.
20 Light.

21 The next three applications are also
22 considered on consent agenda, they're all fire
23 districts that are seeking to purchase new
24 equipment. They all undertook the appropriate
25 public process and shopped for competitive

1 financing. Board staff had no issues with the
2 applications as submitted, so we moved them to the
3 consent agenda. Pat, you want three separate
4 votes or one? One vote for the matters. I'll
5 read them off, Little Egg Harbor Township Fire
6 District Number 2, Lambertville City Fire District
7 Number 1, Moorestown Township Fire District Number
8 2. May I have a motion and a second?

9 MR. BLEE: Motion.

10 MR. LIGHT: Second.

11 CHAIRMAN CUNNINGHAM: Thank you very
12 much. Roll call.

13 MS. McNAMARA: Mr. Cunningham.

14 CHAIRMAN CUNNINGHAM: Yes.

15 MS. McNAMARA: Ms. Rodriguez.

16 MS. RODRIGUEZ: Yes.

17 MS. McNAMARA: Mr. Blee.

18 MR. BLEE: Yes.

19 MS. McNAMARA: Mr. Light.

20 MR. LIGHT: Yes.

21 CHAIRMAN CUNNINGHAM: Also on consent
22 agenda today is a matter arising out of the City
23 of Plainfield. This is a \$2 million proposed
24 adoption of a bond ordinance pursuant to the
25 qualified bond program. Because they're a

1 qualified bond program town, they have to come in
2 front of the board. But they may not and likely
3 will not issue the debt on a QVA basis, given that
4 the City has a very advantageous bond rating. So
5 we moved this to the consent agenda. And I would
6 ask for a motion and a second.

7 MR. BLEE: So moved.

8 MS. RODRIGUEZ: Second.

9 CHAIRMAN CUNNINGHAM: We have a motion
10 and a second for Plainfield City. I would ask for
11 roll call on that matter.

12 MS. McNAMARA: Mr. Cunningham.

13 CHAIRMAN CUNNINGHAM: Yes.

14 MS. McNAMARA: Ms. Rodriguez.

15 MS. RODRIGUEZ: Yes.

16 MS. McNAMARA: Mr. Blee.

17 MR. BLEE: Yes.

18 MS. McNAMARA: Mr. Light.

19 MR. LIGHT: Yes.

20 CHAIRMAN CUNNINGHAM: And the last
21 matter, which is again being considered on a
22 consent basis today, is the Woodstown Sewerage
23 Authority. This is a proposed project financing
24 through the USDA. Because of their requirements,
25 their maturity schedules, and payment schedules,

1 we understand why that comes in front of the
2 board, but had no issues with the application. So
3 I would ask a for a motion and second on that as
4 well.

5 MS. RODRIGUEZ: Motion.

6 MR. LIGHT: Second.

7 CHAIRMAN CUNNINGHAM: Roll call.

8 MS. McNAMARA: Mr. Cunningham.

9 CHAIRMAN CUNNINGHAM: Yes.

10 MS. McNAMARA: Ms. Rodriguez.

11 MS. RODRIGUEZ: Yes.

12 MS. McNAMARA: Mr. Blee.

13 MR. BLEE: Yes.

14 MS. McNAMARA: Mr. Light.

15 MR. LIGHT: Yes.

16 CHAIRMAN CUNNINGHAM: Okay. And I
17 realize we could have taken them in one vote, but
18 we did it separately, no big deal. That brings us
19 to the Westville Fire District Number 1. Good
20 morning. Would you kindly identify yourself for
21 the court reporter?

22 MR. PAUL: Edward F. Paul, Junior, RMA,
23 representing Westville Fire District and Ball,
24 Buckley and Seher.

25

1 E D W A R D P A U L , after having been duly
2 sworn, did testify as follows:

3

4 MR. PAUL: Good morning, gentlemen.

5 This application is for the acquisition of a
6 replacement piece of fire apparatus which was

7 approved by the voters by an 89.18 percent rate.

8 It calls for a total cost of the apparatus not to

9 exceed \$850,000, with 845,000 of that to be

10 financed by a capital lease.

11 The application was originally submitted

12 for capital lease for the \$548,000. I apologize

13 to this board, but it should have been amended. I

14 was not informed until a week ago that they had

15 found that one valve had been omitted from the

16 truck, which was a very important valve. And it

17 caused a \$1,950 increase in the cost of the truck.

18 And therefore, the lease went from 848 to

19 \$849,500.

20 CHAIRMAN CUNNINGHAM: Okay.

21 MR. PAUL: Still within the limits of

22 what they voters approved.

23 CHAIRMAN CUNNINGHAM: As I read the

24 application, a significant amount of cash down is

25 being utilized?

1 MR. PAUL: Yes.

2 CHAIRMAN CUNNINGHAM: The district is
3 using a recognized co-op for the purchase and
4 shopped around for a competitive rate, that being
5 3.39 percent. And the public referendum was
6 passed 89 in favor, 8 opposed.

7 The only issue I have, we would have
8 moved this to the consent, but we still have not
9 received, as a division, the district's 2014
10 audit.

11 MR. PAUL: The audit was filed shortly
12 after the application was filed.

13 CHAIRMAN CUNNINGHAM: Okay. We'll take
14 that, as long as we have it in, we'll take that.
15 And then I know it's a minor issue, but just to
16 make the district aware, there was, I believe, a
17 typo on the website regarding the fire district
18 email. And I think that was brought to the
19 attention of the district for a correction.
20 Again, that was just a minor technicality we
21 noticed while reviewing the application.

22 Do any of the board members have any
23 questions regarding this matter?

24 MR. LIGHT: Do you want the motion to be
25 made contingent on receipt of the audit or do you

1 accept that it's coming in?

2 CHAIRMAN CUNNINGHAM: We have it now.

3 MR. LIGHT: Okay.

4 CHAIRMAN CUNNINGHAM: So I'll take a
5 motion.

6 MR. LIGHT: Make a motion.

7 MS. RODRIGUEZ: I'll second.

8 CHAIRMAN CUNNINGHAM: Take roll call,
9 please.

10 MS. McNAMARA: Mr. Cunningham.

11 CHAIRMAN CUNNINGHAM: Yes.

12 MS. McNAMARA: Ms. Rodriguez.

13 MS. RODRIGUEZ: Yes.

14 MS. McNAMARA: Mr. Blee.

15 MR. BLEE: Yes.

16 MS. McNAMARA: Mr. Light.

17 MR. LIGHT: Yes.

18 CHAIRMAN CUNNINGHAM: Thank you very
19 much.

20 MR. PAUL: Thank you very much.

21 CHAIRMAN CUNNINGHAM: Next matter before
22 the board is Pennington Borough Fire District
23 Number 1. Good morning.

24 MR. BLACKWELL: Good morning. My name
25 is Mark Blackwell, Pennington Borough Board of

1 Fire Commissioners, chairman of the board,
2 representing the board here today.

3

4 M A R K B L A C K W E L L , after having been
5 duly sworn, did testify as follows:

6

7 CHAIRMAN CUNNINGHAM: Mr. Blackwell, I
8 know we spoke on the phone, it's a pleasure to
9 meet you in person, we certainly appreciate your
10 appearance today. The board had had some
11 questions regarding this application, I'm just
12 going to address one, then I'm going to ask you to
13 speak to the other. Primarily, this is a shared
14 service agreement between Pennington and Hopewell.
15 We had had concerns that at the time the
16 application had been received that Hopewell hadn't
17 adopted or hadn't undertaken a public referendum.
18 We spoke on the phone the other day and you
19 connected us with Hopewell. And we did receive
20 all requisite documentation, so that stated that
21 one concern.

22 The other concern that we talked about
23 that I would like to go on the record with today
24 was the fact that the application seeks not to use
25 the lowest interest rate that was provided in the

1 application. It's proposing to use a slightly
2 higher interest rate from another bank, the
3 interest rate still being very competitive at 3.47
4 percent. And I would just ask you to state for
5 the record why that decision is being made by the
6 district.

7 MR. BLACKWELL: Well, when the bank
8 gave -- I think they called it a preferred rate.
9 So we have to open up an account at that bank and
10 actually transfer money into that account in order
11 to get that rate and put the value into the bank
12 account to get the rate that they offer. I just
13 don't think that's a fair way to do it. I mean I
14 got to give them money in order to borrow money
15 from them, I just didn't --

16 CHAIRMAN CUNNINGHAM: So it's going to
17 tie up additional capital of the district?

18 MR. BLACKWELL: Yes.

19 CHAIRMAN CUNNINGHAM: -- you have the
20 bank accounts --

21 MR. BLACKWELL: They said it's standard
22 practice, but I don't think it's the right kind of
23 practice. I think it's better to go the other
24 way. We've had experience with the other company
25 that -- the other company has already loaned us

1 money before and we never had an issue. So we
2 thought for tenth of a --

3 CHAIRMAN CUNNINGHAM: Two tenths of a
4 percent, it was a difference between a three and a
5 quarter and 3.47.

6 MR. BLACKWELL: And we're putting that
7 money in another account and keeping an eye on
8 another account and just having more money all
9 over, we decided it was best to go this way and a
10 better deal for everybody.

11 CHAIRMAN CUNNINGHAM: Thank you very
12 much. The other thing I would just point out to
13 my colleagues on the board is that the district is
14 using \$300,000 of capital reserve funds as a down
15 payment. Once again, they're using a recognized
16 cooperative for the purchase, the referendum
17 passed by a vote o 37 to 1, the referendum in
18 Hopewell was significantly tighter, but I actually
19 like to see that because it means the public
20 process is working and people are showing up and
21 voting.

22 So they were my observations on the
23 application. If any of my colleagues on the board
24 have additional questions or comments, please feel
25 free to ask. If not, I would entertain a motion

1 and a second.

2 MR. LIGHT: Motion.

3 MR. BLEE: Second.

4 CHAIRMAN CUNNINGHAM: Second from Mr.
5 Blee. Roll call, please.

6 MS. McNAMARA: Mr. Cunningham.

7 CHAIRMAN CUNNINGHAM: Yes.

8 MS. McNAMARA: Ms. Rodriguez.

9 MS. RODRIGUEZ: Yes.

10 MS. McNAMARA: Mr. Blee.

11 MR. BLEE: Yes.

12 MS. McNAMARA: Mr. Light.

13 MR. LIGHT: Yes.

14 CHAIRMAN CUNNINGHAM: Thank you very
15 much.

16 MR. BLACKWELL: Have a great day.

17 CHAIRMAN CUNNINGHAM: Next matter is
18 Lower Township Fire District Number 3. Jeff,
19 could you kindly introduce yourself and your
20 colleague to the reporter. And then counsel
21 doesn't need to be sworn, but non-counsel does
22 need to be sworn in, please.

23 MR. WINITSKY: Jeffrey Winitzky from
24 Parker McCay, bond counsel for the fire district.

25 MR. DOUGLAS: Gary Douglas, Fire

1 Commissioner, District 3, Lower Township.

2

3 G A R Y D O U G L A S , after having been duly
4 sworn, did testify as follows:

5

6 MR. WINITSKY: Good morning. A little
7 bit of a circuitous route to get here today. Our
8 original application, as you know, was for the
9 issuance of bonds in the amount of a million
10 dollars. Subsequent to that application, we've
11 had several discussions with your office with
12 respect to the better way to finance this. We
13 have subsequently determined and decided and filed
14 with your office materials in lieu of doing bonds.
15 We're going to do a lease for a seven year term,
16 which is more custom for these kinds of projects.

17 Specifically, the project, for the board
18 members, is the acquisition of a new piece of fire
19 equipment, specifically a heavy duty pumper truck.
20 The cost of the apparatus is \$771,900. We're
21 looking to do a seven year lease with the vehicle
22 manufacturer's financing arm, which is Osh Kosh
23 Financial, at a very competitive rate of 2.98
24 percent.

25 We had several other offers. This is

1 clearly the best. It's an extremely competitive
2 rate. And we agree that this is the better way to
3 finance at a lower rate, presumably, and a lesser
4 amount of money, including using the fire
5 district's capital reserves for equipment for the
6 vehicle.

7 So any questions that you may have, I
8 know we've spoken about this quite a bit, but
9 we're happy to answer.

10 CHAIRMAN CUNNINGHAM: Well, first of
11 all, I certainly appreciate cooperation of the
12 district and your office in resolving this. I
13 think it's a better arrangement for Lower Fire
14 District. Jeff, maybe if you would just address
15 what the revised issuance cost would be or
16 professional fees, I should say, considering that
17 you're not doing bonds? Just because the package
18 that the board members have in front of them still
19 show what would have been had the deal gone as
20 initially contemplated.

21 MR. WINITSKY: Yeah, I mean they're not
22 significantly lower, they are lower, obviously
23 it's a lot simpler, more streamline, to do a lease
24 in lieu of bonds. Obviously, our fee will be
25 lower, the auditor fee is already lower. Pretty

1 much everything you see there will drop at least
2 10, 15 percent across the board.

3 CHAIRMAN CUNNINGHAM: And then the other
4 miscellaneous would come out?

5 MR. WINITSKY: Completely.

6 CHAIRMAN CUNNINGHAM: As we saw in the
7 email as well?

8 MR. WINITSKY: That is correct.

9 CHAIRMAN CUNNINGHAM: Okay. So to my
10 colleagues on the board, you know, we worked on
11 this quite a bit, it's appearing different today
12 than originally in the package. So if there's
13 additional questions or comments that you would
14 like to discuss, certainly we would want to get
15 you comfortable with this application. If not,
16 then I would ask for a motion.

17 MR. BLEE: Motion.

18 MS. RODRIGUEZ: Second.

19 CHAIRMAN CUNNINGHAM: Take a roll call,
20 please.

21 MS. McNAMARA: Mr. Cunningham.

22 CHAIRMAN CUNNINGHAM: Yes.

23 MS. McNAMARA: Ms. Rodriguez.

24 MS. RODRIGUEZ: Yes.

25 MS. McNAMARA: Mr. Blee.

1 MR. BLEE: Yes.

2 MS. McNAMARA: Mr. Light.

3 MR. LIGHT: Yes.

4 MR. WINITSKY: Thank you.

5 MR. DOUGLAS: Thank you.

6 CHAIRMAN CUNNINGHAM: We'll move to
7 Township of Plumsted.

8 MR. EICHENBAUM: Good morning. Howard
9 Eichenbaum from Gluck Walrath, bond counsel to the
10 township. Next to me is Peter Ylvisaker,
11 executive director of the MUA, who's involved with
12 financing.

13

14 P E T E R Y L V I S A K E R, after having been
15 duly sworn, did testify as follows:

16

17 CHAIRMAN CUNNINGHAM: Hello, Howard.
18 So, similarly to the last applicant, we've had
19 meetings and discussions regarding this
20 application. Did you just want to give the board
21 a preliminary description of what's being
22 requested today?

23 MR. EICHENBAUM: I'll be happy to. Good
24 morning. This is the first of probably several
25 applications the board may be getting with respect

1 to this project. The Township of Plumsted has
2 been planning a -- has been trying to add sewer
3 infrastructure to the township for a number of
4 years. They're planning, at this point, to have a
5 redevelopment project done in areas of the
6 township that will now enable them to add a sewer
7 treatment plant and sewer facilities throughout
8 various areas of the township.

9 The first aspect of the project is to do
10 planning and design work in order to confirm the
11 costs and what is needed to do this. Ultimately,
12 it's expected that the larger project will be done
13 through the N.J. EIT, it's probably going to be
14 several years before we ultimately get to the EIT
15 for true construction costs. But we're at the
16 phase where planning and design work have to be
17 done and the township decided rather than go out
18 for a large ordinance for the entire project, not
19 being totally sure what the costs are, that they
20 would come in for a small ordinance relating
21 primarily to planning and design, and various
22 other legal and financial costs that will be
23 associated with the front end of the project.

24 CHAIRMAN CUNNINGHAM: Thank you. And
25 that -- because it was being done in that regard,

1 there had been question about whether the
2 propriety of just doing the soft costs was
3 appropriate under local bond law. Your firm
4 issued an opinion to the board, which we shared by
5 the Attorney General's office to the propriety of
6 that. The AG's office has reviewed that, but
7 rather than kind of get into that, we think that
8 when we looked at the application again, realizing
9 that the matter coming before the board is really
10 the waiver of the down payment, we're going to
11 limit our conversation and our vote to that.

12 So with that said, looking at that issue
13 in front of the board, the staff, you know, didn't
14 have any issues with that. We understand the
15 township's desire to try to go kind of
16 conservative with the amount of the ordinance
17 that's being presented as opposed to I think 18
18 million was the other figure, as I recall. So I
19 think we're in a place where the staff was
20 satisfied with the application in front us.

21 So I would ask my colleagues on the
22 board whether they had any additional questions
23 about this project, which could be fairly
24 transformative for Plumsted Township.

25 MR. LIGHT: Is this going to be a

1 collection system or collection and treatment?

2 MR. YLVISAKER: Collection and
3 treatment.

4 CHAIRMAN CUNNINGHAM: Then if there's no
5 other questions from the board, we'll entertain a
6 motion and a second, please.

7 MS. RODRIGUEZ: Make a motion.

8 MR. LIGHT: I'll second.

9 CHAIRMAN CUNNINGHAM: Thank you. We'll
10 take roll call, please.

11 MS. McNAMARA: Mr. Cunningham.

12 CHAIRMAN CUNNINGHAM: Yes.

13 MS. McNAMARA: Ms. Rodriguez.

14 MS. RODRIGUEZ: Yes.

15 MS. McNAMARA: Mr. Blee.

16 MR. BLEE: Yes.

17 MS. McNAMARA: Mr. Light.

18 MR. LIGHT: Yes.

19 MR. YLVISAKER: Thank you.

20 MR. EICHENBAUM: Thank you.

21 CHAIRMAN CUNNINGHAM: The next matter
22 listed on the agenda was the Town of Kearny, they
23 have deferred this application, so we will not be
24 hearing it today. We will then move to the City
25 of Camden, proposed adoption of a bond ordinance

1 pursuant to Qualified Bond Act and a waiver of the
2 down payment.

3 MR. CAPIZZI: Good morning, Mr.
4 Chairman. Good morning, board members. My name
5 is Jason Capizzi and my firm, Kraft and Capizzi,
6 is bond counsel to the City of Camden. With me
7 this morning is the City's director of finance,
8 Glynn Jones, in support of their application for
9 approval of a supplemental bond ordinance. The
10 city has issued qualified bonds previously, and as
11 a condition of that, is seeking your approval of
12 this project.

13 CHAIRMAN CUNNINGHAM: Thank you, Jason.
14 Before we go further, to the extent that Glynn's
15 going to offer testimony, I want to get him sworn
16 in.

17
18 G L Y N N J O N E S , after having been duly
19 sworn, did testify as follows:

20
21 CHAIRMAN CUNNINGHAM: Please continue.

22 MR. CAPIZZI: Forgive me. As I was
23 saying, this bond ordinance supplements a project
24 previously approved by the board and for
25 demolition project. And we're ready for any

1 questions you may have.

2 CHAIRMAN CUNNINGHAM: Well, I think what
3 I would ask and maybe, Glynn, if you would be in a
4 position to do this, can you just remind the board
5 of what the demolition program is, what it's
6 seeking to do and maybe give an updated status
7 from the last time you were here?

8 MR. JONES: Yes, sir. 2014, the City
9 got approval from the board for an \$8 million bond
10 ordinance to demolish 500 properties in the City
11 of Camden. Since that point, we've gone out to
12 bid several times. The first time we went out to
13 bid, we came in at \$1.2 million under the \$8
14 million request. For some reason, that contractor
15 pulled out.

16 We went out to bid a second time. And
17 that 500 properties was broken out into five
18 contractors, say, a hundred properties each. We
19 went out to bid a second time and one of those
20 five contracts was awarded and that contractor
21 pulled out. When we originally requested the \$8
22 million, the average cost of demo in the city was
23 about 15,000. For some reason now the market is
24 changing, now it's coming in at 20,000 plus. So
25 we are requesting additional funds so we can

1 complete the project. We've since gone out a
2 third time. When one of the contracts was
3 awarded, it came in at 22,000 per structure. So
4 this is to help supplement the other four
5 contracts that went out to bid last Friday.

6 CHAIRMAN CUNNINGHAM: Thank you. And
7 just at a very, very high level, this is scattered
8 site demolition that's being done as part of the
9 administration's initiative to redevelop areas of
10 the city?

11 MR. JONES: It's to redevelop Camden to
12 improve public safety. A lot of these structures
13 are used for illegal activities, we're just trying
14 to get them pulled down.

15 CHAIRMAN CUNNINGHAM: Thank you. I just
16 would like to note for my colleagues on the board
17 that the City of Camden, being under the MIRA act,
18 and being a transitional aid town, our fiscal
19 monitor that's assigned to the City of Camden,
20 Rick Ricardella, had reviewed this application.
21 And in the package of materials that was left for
22 you today, we have his review and recommendation
23 as well.

24 So are there any questions from the
25 board on this particular application? Okay.

1 So, Glynn, I mean I'm supportive of the
2 application. I know that this is one of the big
3 priorities of the mayor and the administration to
4 try to reduce some of the scattered site blight
5 that I'm well aware of, having toured the city
6 with the mayor, which hopefully will improve
7 public safety and as you said increase the
8 redevelopment aspects.

9 So I will actually make a motion to
10 adopt this application. And I would ask for a
11 second.

12 MR. BLEE: Second.

13 CHAIRMAN CUNNINGHAM: Mr. Blee, thank
14 you. And take roll call, please.

15 MS. McNAMARA: Mr. Cunningham.

16 CHAIRMAN CUNNINGHAM: Yes.

17 MS. McNAMARA: Ms. Rodriguez.

18 MS. RODRIGUEZ: Yes.

19 MS. McNAMARA: Mr. Blee.

20 MR. BLEE: Yes.

21 MS. McNAMARA: Mr. Light.

22 MR. LIGHT: Yes.

23 CHAIRMAN CUNNINGHAM: Thank you very
24 much.

25 MR. JONES: Thank you.

1 MR. CAPIZZI: Thank you.

2 CHAIRMAN CUNNINGHAM: Next matter before
3 the board is Borough of Penns Grove.

4 MR. WINITSKY: Jeffrey Winitzky.

5 CHAIRMAN CUNNINGHAM: Good morning,
6 again, Jeff. Do you want to introduce your
7 colleagues and those that are not counsel be sworn
8 in.

9 MR. WINITSKY: Jeff Winitzky, Parker
10 McCay, bond counsel to the borough. To my right
11 is Steve Labb, CFO of the borough. To his right,
12 Mike Welding, the Borough auditor.

13

14 S T E P H E N L A B B , after having been duly
15 sworn, did testify as follows:

16

17 M I C H A E L W E L D I N G , after having been
18 duly sworn, did testify as follows:

19

20 MR. LABB: Good morning.

21 CHAIRMAN CUNNINGHAM: Take the lead,
22 Jeff?

23 MR. WINITSKY: Yes. We're here today
24 seeking approval for the final adoption of a
25 refunding bond ordinance in the amount of

1 \$535,000. The refunding bond ordinance is being
2 adopted to refund and finance the cost of a
3 temporary emergency appropriation that the
4 borough -- that had been to be made very quickly
5 at the end of last month, beginning of this month
6 in connection with the borough's redevelopment
7 agency HUD loan. The borough serves as guarantor
8 of that loan. They were unaware that the borough
9 was -- excuse me, that the redevelopment agency
10 was unable to make the final payment of that HUD
11 loan. So the borough stepped in, a temporary
12 emergency appropriation obviously, at half a
13 million dollars, that's quite a bit of money to do
14 any one single fiscal year. They're looking to
15 finance it by operation of a refunding notes over
16 a period of ten years, if deemed proper by the
17 local finance board.

18 So we're here to answer any questions
19 you may have.

20 CHAIRMAN CUNNINGHAM: Well, I think the
21 board would like to hear a little bit, maybe Mr.
22 Labb can speak to it, how was it that the borough
23 didn't know that the redevelopment agency was not
24 in a position to pay this?

25 MR. LABB: The agency currently is

1 pretty much defunct. The governing body is
2 looking forward to dissolving the agency and
3 taking over all the functions. But working with
4 bond counsel, given the pertinent information to
5 start that proceeding, I'm sure we have to go
6 through the local finance board again.

7 Basically, it's my responsibility as
8 CFO, so I take the onus of this.

9 CHAIRMAN CUNNINGHAM: And, again, I
10 appreciate that, Mr. Labb, I really do. And I
11 guess the issue is that when things like that
12 happen, it's a chain events and there was --
13 because it went into technically default, the EDA
14 wound up having to make a payment. And now they
15 have to get that money back from HUD. So it's
16 just a series of issues that arise when these
17 types of things happen. Again, I'm not laying the
18 blame at your feet. I understand that's the
19 redevelopment agency, its members and
20 commissioners, and potentially professionals, as
21 well.

22 So now, we're at the position where the
23 Borough of Penns Grove had to make a significant
24 payment in a very short amount of time, had to
25 undertake the notes to do that. And you're in

1 front of the board and I know my colleagues on the
2 board have the application in front of them. But
3 we have a couple options in front of us, which is
4 if we were to approve the deferral of this debt,
5 you know, anywhere from 3 years to 10 years, the
6 impact to the average assessed home varies
7 anywhere from \$114 to \$37. Typically, this board
8 tries to keep the amount somewhere in the \$50
9 range, which would put us at seven years. If that
10 was to happen, the impact of the average assessed
11 home is \$51 which is typically where we like to
12 be.

13 The only thing that I would say is that
14 the borough was recently apprised of the amount of
15 transitional aid that it will be receiving and
16 that amount of transitional aid is resulting in an
17 increase of \$102 to the average assessed home
18 owner. So because of that, I'm a little bit
19 leery, given some of the conditions of some of the
20 properties and how people are on relatively tight
21 margins and tight incomes. I don't want to pile
22 on the taxpayer too much.

23 So while my initial recommendation would
24 have been to go seven years at \$51, I think I am
25 inclined, somewhat reluctantly, to go 10 years at

1 \$37 because when that's added to the \$100 increase
2 that's being felt as a result of the adopted
3 budget, given the amount of transitional aid
4 that's been provided to the borough, I think
5 that's where we have to land.

6 But I continue to caution the borough
7 and advise the borough that the division, through
8 our transitional oversight monitors, have a lot of
9 expectations for matters we talked about,
10 consolidation of dispatch service, continued
11 redevelopment of certain parcels that, Mr. Labb, I
12 know that I spoke to the mayor about, if not
13 directly with you. But we have a lot of work to
14 do in the Borough of Penns Grove to reduce the
15 amount of transitional aid being sought to restore
16 structural budgetary solvency to the borough.

17 So my recommendation to my colleagues on
18 the board is that we approve the application in
19 front of us today, with the understanding that the
20 repayment schedule would be 10 years. Are there
21 any other questions or comments from the board in
22 light -- in terms of what happened or where we're
23 going from here, anything to that effect?

24 MR. LIGHT: I was originally going to
25 try to go for five years, but you made a very

1 compelling argument.

2 MS. RODRIGUEZ: Me, too.

3 CHAIRMAN CUNNINGHAM: Sometimes I wonder
4 if it's against my better judgment, but I'll leave
5 my recommendation.

6 MR. WINITSKY: We do appreciate it.
7 Thank you.

8 CHAIRMAN CUNNINGHAM: So with that said,
9 I would ask for a motion.

10 MS. RODRIGUEZ: Make a motion.

11 MR. BLEE: Second.

12 CHAIRMAN CUNNINGHAM: Ms. Rodriguez.
13 Second by Mr. Blee. We'll take roll call, please.

14 MS. McNAMARA: Mr. Cunningham.

15 CHAIRMAN CUNNINGHAM: Yes.

16 MS. McNAMARA: Ms. Rodriguez.

17 MS. RODRIGUEZ: Yes.

18 MS. McNAMARA: Mr. Blee.

19 MR. BLEE: Yes.

20 MS. McNAMARA: Mr. Light.

21 MR. LIGHT: Yes.

22 CHAIRMAN CUNNINGHAM: Okay.

23 MR. WINITSKY: Thank you very much.

24 MR. LABB: Thank you.

25 CHAIRMAN CUNNINGHAM: Next matter before

1 the board is the Cumberland County Improvement
2 Authority. Tired of sitting in that seat, Jeff?

3 Again, Jeff, would you kindly introduce
4 yourself for the reporter and those that are not
5 counsel need to be sworn in.

6 MR. VELAZQUEZ: Gerard Velazquez,
7 Cumberland County Improvement Authority.

8 SPEAKER: Anthony Inverso, Phoenix
9 Advisors.

10 MR. WINITSKY: Jeff Winitzsky.

11

12 G E R A R D V E L A Z Q U E Z , after having
13 been duly sworn, did testify as follows:

14

15

16 A N T H O N Y I N V E R S O , after having been
17 duly sworn, did testify as follows:

18

19 CHAIRMAN CUNNINGHAM: Thank you for the
20 appearance today. You're seeking positive
21 findings for proposed project financing of \$2.5
22 million and it's to be used for the lease revenue
23 bonds associated with an arts and innovation
24 center project. So I would ask for you to
25 introduce that concept to the board, please?

1 MR. WINITSKY: Sure. As you had stated,
2 we're here seeking approval for \$2.5 million for
3 lease revenue bonds, those proceeds together with
4 a contribution from the county by issuance of
5 their own county college bonds a few weeks ago,
6 and a contribution from the Millville Urban
7 Redevelopment Corp will be used to construct a two
8 story, approximately 20,000 square foot facility
9 to serve as the Cumberland County College's arts
10 and business innovation campus in the City of
11 Millville.

12 As the director had mentioned, it would
13 be a lease financing, the facility will be
14 constructed and owned by the improvement authority
15 and leased back to the county college. Lease
16 payments will be used to amortize the debt over a
17 period of 25 years. At the conclusion of the
18 lease, the facility goes back to the county
19 college, free and clear. This is a collaborative
20 effort of various county agencies, including the
21 county itself. The county college is very excited
22 at its completion. So if you have any questions,
23 please feel free to ask.

24 CHAIRMAN CUNNINGHAM: Any members of the
25 board have questions about what the actual project

1 is? What the art innovation center project is or
2 can we move to some other just --

3 MR. LIGHT: This is a completely new
4 area, they don't have any of this type of program
5 in any other building at this time or is it an
6 expansion of the building?

7 MR. VELAZQUEZ: They have arts programs
8 located on campus. And they have a small clay
9 college that's located in Millville currently.
10 But it's too small, so we're going to take all
11 the arts classes in the entire college and move
12 them to the downtown, Millville is an arts
13 district. So they want to enhance the arts
14 district by placing the arts programs and have
15 some business programs to enhance that curriculum.

16 MS. RODRIGUEZ: I think I find it
17 interesting, you know, I mean that the improvement
18 authority is going to be basically the owner,
19 right, the landlord of the property for 25 years?
20 And I guess my question, because I don't know, is
21 this something new for the improvement authority
22 or is this common practice?

23 MR. WINITSKY: This is pretty common
24 practice. What we do is a triple net lease, we're
25 the technical owner, it is leased to the college,

1 they operate, maintain, and the like. We're just
2 title owner for purposes of finances.

3 MS. RODRIGUEZ: Makes sense.

4 CHAIRMAN CUNNINGHAM: So to Idida's
5 point, the college would rent from the improvement
6 authority for a period of 30 years and the bonds
7 would be a period of 25 to 30 years. Jeff, as you
8 already said, the triple net lease and a dollar
9 buy out at the end of the lease?

10 MR. WINITSKY: That's correct.

11 CHAIRMAN CUNNINGHAM: What I wanted to
12 talk about was the fees a little bit. I just
13 wanted to note for the record, and correct me if
14 I'm wrong, that the Camden -- the Cumberland
15 County Improvement Authority is not charging a
16 flat fee in this particular arrangement? I don't
17 see it listed on the proposed costs of issuance
18 presented to the board; is that accurate?

19 MR. INVERSO: Right, that's correct.
20 It's not in the cost issuance list because it's
21 something that's going to be paid over time.

22 CHAIRMAN CUNNINGHAM: Through the rent?

23 MR. INVERSO: Exactly, exactly. It's
24 going to -- as opposed to having up front and
25 being financed as part of the bond issue, it's

1 going to be paid back over time.

2 CHAIRMAN CUNNINGHAM: And the other
3 thing, I know we did a call to discuss this
4 project, but for benefit of the other board
5 members, I'll make a statement, and please correct
6 me if I'm wrong, that the real properties being
7 purchased from the Millville redevelopment entity
8 or its an urban renewal entity?

9 MR. WINITSKY: That's correct.

10 CHAIRMAN CUNNINGHAM: And the purchase
11 price was ascertained using the assessed value of
12 the property, which I believe was \$600,000?

13 MR. INVERSO: Correct.

14 MR. WINITSKY: That's true.

15 MR. VELAZQUEZ: The actual sales price
16 is much less than 600,000, yes.

17 CHAIRMAN CUNNINGHAM: The actual value
18 or the actual --

19 MR. VELAZQUEZ: What we're paying for
20 it.

21 CHAIRMAN CUNNINGHAM: Okay. I didn't
22 realize that.

23 MR. WINITSKY: It was assessed higher
24 than what we're actually paying.

25 CHAIRMAN CUNNINGHAM: Thank you for that

1 clarification.

2 MR. WINITSKY: If that was not
3 understood previously, we apologize.

4 CHAIRMAN CUNNINGHAM: No problems. So
5 the total cost of the project exceeds \$6 million,
6 this application is for 2.5, the application talks
7 about the neighborhood revitalization tax credit,
8 the county contribution, what else do we have, the
9 authority. So it's a, you know, relatively
10 significant capital stack, of which \$2.5 million
11 is being sought from this board for financing.

12 MR. INVERSO: That's correct.

13 CHAIRMAN CUNNINGHAM: Okay. Any other
14 members have questions or comments they would like
15 to make about the application? Hearing none, I
16 would ask for a motion and a second.

17 MR. BLEE: Motion.

18 MS. RODRIGUEZ: Second.

19 CHAIRMAN CUNNINGHAM: Mr. Blee, second
20 Ms. Rodriguez. Roll call, please.

21 MS. McNAMARA: Mr. Cunningham.

22 CHAIRMAN CUNNINGHAM: Yes.

23 MS. McNAMARA: Ms. Rodriguez.

24 MS. RODRIGUEZ: Yes.

25 MS. McNAMARA: Mr. Blee.

1 MR. BLEE: Yes.

2 MS. McNAMARA: Mr. Light.

3 MR. LIGHT: Yes.

4 CHAIRMAN CUNNINGHAM: Okay.

5 MR. WINITSKY: Thank you.

6 MR. INVERSO: Thank you.

7 MR. VELAZQUEZ: Thank you.

8 CHAIRMAN CUNNINGHAM: Middlesex County
9 Improvement Authority? Good morning. Would you
10 please introduce yourself and those that aren't
11 counsel be sworn.

12 MR. PANNELLA: Tony Pannella, Wilentz,
13 Goldman, and Spitzer.

14 CHAIRMAN CUNNINGHAM: Gerry is already
15 sworn, so we don't have to swear him in. Mr.
16 Pannella is counsel, so no issues there. Thanks
17 for your appearance today. Would you kindly
18 introduce this application to the board?

19 MR. PANNELLA: Hi, Tony Pannella,
20 Wilentz, Goldman, Spitzer, bond counsel to the
21 Middlesex County Improvement Authority. This
22 application relates to the authority's 2015
23 capital equipment and improvements financing.
24 This years program entails -- includes five towns
25 and the county itself, not exceeding the amount of

1 \$9 million. There's a mixture of five and ten
2 year loan items in the application and several
3 five year passenger and police vehicle items in
4 the program, which is customarily -- this program
5 has been done for the last 21 years, eight years
6 under the new program where we've separated it so
7 that the vehicles, passenger and police, are in a
8 lease program and all the capital equipment and
9 improvement items are in a separate loan program.
10 But we meld them for financing purposes, even
11 though the documentation is separate. And we're
12 happy to answer any questions.

13 MR. VELAZQUEZ: I want to correct one
14 statement, they're not to exceed the amount of
15 9,500,000.

16 CHAIRMAN CUNNINGHAM: Secured by
17 guarantee of the County of Middlesex?

18 MR. PANNELLA: Yes, secured by guarantee
19 of the county government.

20 CHAIRMAN CUNNINGHAM: Again, as Mr.
21 Pannella said, the program has been in existence
22 for quite some time, seems to be working well for
23 the participants in Middlesex County. So I don't
24 really have many questions, but I would ask if any
25 members of the board do? If there's none, before

1 we take a vote, the only thing I would say -- and
2 I've said this is from the dais before, but we're
3 probably going to be launching within the next two
4 to three weeks a questionnaire for improvement
5 authorities on the fee structures. So your client
6 will be getting a spread sheet from us asking them
7 to fill it in. I've said before, the purpose of
8 that is to try to identify outliers on the high
9 side, so we can identify why they're charging more
10 than some of the other improvements authorities.

11 But all in all, this project has been
12 successful and working well for its participants,
13 so I don't have any issues with it. And I don't
14 believe I heard any of my colleagues do. So with
15 that said, I would seek a motion and a second on
16 this proposed project financing.

17 MR. BLEE: Motion.

18 MS. RODRIGUEZ: Second.

19 CHAIRMAN CUNNINGHAM: Mr. Blee. Second,
20 Ms. Rodriguez.

21 MR. LIGHT: Before we vote, I have a
22 question. Five years, one of these things is
23 listed as a shredder, it's not a lot of money, but
24 it's a five year loan or are these all of these
25 items all within the criteria that's necessary for

1 funding them on every --

2 MR. PANNELLA: Yes. We have a process
3 we go through with every borough where we vet out
4 every item, assign useful life to it, determine
5 whether it's financeable under the local bond law
6 or whether it should be financed separately as a
7 lease item.

8 MR. LIGHT: Okay. I'm sorry.

9 CHAIRMAN CUNNINGHAM: No, I appreciate
10 the question. Thank you very much.

11 MR. PANNELLA: That's why you'll notice
12 so many of the loan items in this program are
13 assigned five year useful lives because they're
14 short. They're permitted to be bond financed
15 under local bond law, but have a short useful
16 life.

17 CHAIRMAN CUNNINGHAM: So we have a
18 motion and a second, we'll then take a roll call.

19 MS. McNAMARA: Mr. Cunningham.

20 CHAIRMAN CUNNINGHAM: Yes.

21 MS. McNAMARA: Ms. Rodriguez.

22 MS. RODRIGUEZ: Yes.

23 MS. McNAMARA: Mr. Blee.

24 MR. BLEE: Yes.

25 MS. McNAMARA: Mr. Light.

1 MR. LIGHT: Yes.

2 MS. McNAMARA: Mr. Cunningham.

3 CHAIRMAN CUNNINGHAM: Yes.

4 MS. McNAMARA: Ms. Rodriguez.

5 MS. RODRIGUEZ: Yes.

6 MS. McNAMARA: Mr. Blee.

7 MR. BLEE: Yes.

8 MS. McNAMARA: Mr. Light.

9 MR. LIGHT: Yes.

10 MR. VELAZQUEZ: Thank you.

11 MR. PANNELLA: Thank you.

12 CHAIRMAN CUNNINGHAM: Thank you very
13 much. Next matter before the board is Monmouth
14 County Improvement Authority, the 2015 pool
15 capital equipment lease program.

16 MR. DRAIKIWICZ: Good morning, John
17 Draikiwicz, Gibbons.

18 MR. BACHER: Doug Bacher, B-A-C-H-E-R,
19 NW Financial Group.

20

21 D O U G B A C H E R , after having been duly
22 sworn, did testify as follows:

23

24 CHAIRMAN CUNNINGHAM: Good morning, Mr.
25 Draikiwicz, Mr. Bacher. Either one of you want to

1 introduce the program or reintroduce the program
2 to the board? It was by far the thickest
3 application we had in the package. My reading
4 power for the weekend, so thank you for that.

5 MR. BACHER: No problem.

6 MR. DRAIKIWICZ: Thank you. The
7 Monmouth County Improvement Authority proposes to
8 issue its bonds in an amount not to exceed \$30
9 million to be sold to the public, the proceeds of
10 which would be used to acquire, not to exceed \$30
11 million of its local unit bonds. The proceeds of
12 which would be used to finance various items of
13 capital equipment for 13 municipalities and 5
14 school boards in the county. Each piece of
15 equipment will be amortized over it's useful life,
16 but not to exceed 10 years.

17 MR. BACHER: School is five.

18 MR. DRAIKIWICZ: And the school is not
19 to exceed five years. So the Monmouth County
20 Improvement Authority local unit bonds will be six
21 years by lease agreements between the authority
22 and each municipality and school board. In
23 addition, the authority's local unit bonds will be
24 secured -- certain of them will be secured by
25 guarantees from the various municipalities. And

1 there will also be a county guarantee on each
2 local unit bond by the County of Monmouth.

3 We would respectfully request the
4 positive findings in connection to project
5 financing, as well as the municipal and county
6 guarantees. Any questions, we'll be happy to
7 answer them at this time.

8 CHAIRMAN CUNNINGHAM: Not the first time
9 you've done this?

10 MR. BACHER: Since '91.

11 MR. DRAIKIWICZ: Every other year.

12 CHAIRMAN CUNNINGHAM: So similar to the
13 application before us, this is a program that's
14 been long standing that the Monmouth County
15 Improvement Authority does and the participant
16 towns seem to benefit very greatly from. So I
17 don't really have any issues. My only statement
18 would be similar to what I said in the prior
19 application, that in very short order we're going
20 to be sending out the fee questionnaire. So I
21 just again want to remind our improvement
22 authority applicants that that will be coming out.

23 Any other questions from the board on
24 this application?

25 MR. LIGHT: If you don't mind, the

1 Township of Howell has 7,900,000 is that one
2 project or is that a conglomerate of a number of
3 things? Are they doing a major structure for
4 that?

5 MR. DRAIKIWICZ: It's multiple.

6 MR. BACHER: It's multiple, a list for
7 each of them was submitted with the application.

8 MR. DRAIKIWICZ: Under tab C.

9 MR. LIGHT: So it's a lot of much
10 smaller items that total 7,900,000?

11 MR. BACHER: It's all limited to
12 equipment, there's no project, per se, just
13 equipment.

14 MR. LIGHT: No roofs?

15 MR. BACHER: No roofs or windows.

16 MR. LIGHT: Automatic coffee makers?

17 MR. DRAIKIWICZ: Right.

18 CHAIRMAN CUNNINGHAM: Any other
19 questions?

20 MR. BLEE: Motion to approve.

21 CHAIRMAN CUNNINGHAM: Motion from Mr.
22 Blee, I'll take a second.

23 MR. LIGHT: I'll second.

24 CHAIRMAN CUNNINGHAM: Mr. Light. Roll
25 call, please.

1 MS. McNAMARA: Mr. Cunningham.

2 CHAIRMAN CUNNINGHAM: Yes.

3 MS. McNAMARA: Ms. Rodriguez.

4 MS. RODRIGUEZ: Yes.

5 MS. McNAMARA: Mr. Blee.

6 MR. BLEE: Yes.

7 MS. McNAMARA: Mr. Light.

8 MR. LIGHT: Yes.

9 MR. BACHER: Thank you.

10 MR. DRAIKIWICZ: Much appreciated.

11 CHAIRMAN CUNNINGHAM: Next matter before

12 the board today is Jersey City Redevelopment

13 Agency, a motion for positive findings on a

14 project financing permit to issue sell bonds by

15 redevelopment entity and approving issuance of

16 nonrecourse RAB bonds.

17 Would you please make sure your

18 colleagues are introduced to the reporter. And

19 those that aren't counsel be sworn in.

20 MS. ROO: Patricia Roo with Baumann and

21 Miranda, counsel to the developer.

22 MR. GERDMAN: Jonathan Gerdman with

23 Forest City, I represent the developer.

24 MR. ELLINGTON: Duke Ellington for the

25 redevelopment agency.

1 MR. CANTALUPO: John Cantalupo, bond
2 attorney for the City of Jersey City.

3 CHAIRMAN CUNNINGHAM: Thank you. So
4 those that aren't counsel, please be sworn in.

5

6 J O N A T H A N G E R D M A N , after having
7 been duly sworn, did testify as follows:

8

9 D U K E E L L I N G T O N , after having been
10 duly sworn, did testify as follows:

11

12 MR. CANTALUPO: Okay. Want me to go.

13 CHAIRMAN CUNNINGHAM: Yes, please.

14 MR. CANTALUPO: We're here before you
15 today for approval of \$20 million in redevelopment
16 area bonds, that would be undertaken in connection
17 with a Forest City Residential Group development
18 in Jersey City. They're two projects, mixed use
19 projects, with affordable housing projects in each
20 of them. Roughly, ones a 35 story mixed use
21 development, the other one is a 36 story. They
22 have 421 residential units in one of them, with 85
23 being affordable. 432 residential units in the
24 other with 87 affordable housing units.

25 The project's being undertaken in the

1 Harsimus Cove Station Redevelopment area in the
2 city. It complies with a number of the state's
3 objectives in terms of being in a transit hub,
4 having an affordable housing component, and has
5 receive an ERG award of \$40 million from the State
6 of New Jersey. I can turn it over to one of --
7 our finance person for the redeveloper to talk
8 about the stack of the financing exactly the
9 different aspects of private capital that are
10 going into the project to construct it.

11 CHAIRMAN CUNNINGHAM: I think it would
12 be helpful.

13 MR. GERDMAN: Sure. So I'll speak
14 specifically to the first phase, which we're
15 looking to break ground on in September, although
16 of course we're here before you for approval for
17 bonding for both phases. There's \$128 million
18 first loan from Insurance Life Company. We're
19 seeking a commitment for a second eb5, the
20 international foreign investor program for a
21 second loan. Then our development team will make
22 a significant equity contribution of about 25
23 percent of the total development costs. We're
24 looking for this RAB to fill that remaining gap,
25 which will fund primarily the infrastructure work

1 that we're doing in the streets and underground
2 utility work and infrastructure work around the
3 site and to contribute to the construction of the
4 affordable housing.

5 MR. CANTALUPO: Additionally, the bonds
6 are going to be sold on a taxable basis because
7 the developer felt given the difference between
8 the tax exempt rates and the taxable rates that
9 the compliance issues in dealing with the tax
10 exempt rates, it was far easier for them to go
11 taxable route.

12 The ordinances for the PILOT and the RAB
13 were introduced by the city council and passed on
14 introduction. And they're being considered next
15 Wednesday evening. There was also a caucus
16 meeting last night to further discuss the
17 ordinances. And it looks like it will go forward
18 on Wednesday evening.

19 CHAIRMAN CUNNINGHAM: Thank you. Before
20 we dive a little deeper on some of the aspects of
21 the application, I want to see if any board
22 members have any additional questions, perhaps for
23 the redeveloper in terms of what the project is or
24 are you comfortable with that component?

25 MR. LIGHT: If I understand correctly,

1 one -- the redevelopment of an existing building
2 and the second phase is the building of a new
3 building in an area that's either open or will be
4 clear; is that correct?

5 MR. GERDMAN: They're both new
6 construction buildings of similar size and
7 composition.

8 MR. LIGHT: What's on the land now
9 though?

10 MR. ELLINGTON: Let me. So this area of
11 the Harsimus Cove has kind of had literally
12 temporary buildings on it, I would say, for the
13 past 35 years when --

14 MS. RODRIGUEZ: Where exactly is this in
15 Jersey City?

16 MR. ELLINGTON: So it's down on the
17 waterfront, literally right behind the Kosciusko
18 light rail station. Presently there is a BJ's, a
19 Shop Rite, a Pep Boys and a Bed Bath and Beyond
20 right next to the Newport Mall. This is an open
21 area parking lot. This parking lot was never
22 meant to be there for 35 years. But, as way leads
23 to way, so the idea -- so the original zoning and
24 the original redevelopment plan eventually wanted
25 these uses on this property. So we've kind of

1 been waiting for these 35 years to make this
2 happen.

3 The other thing that's important about
4 this project, quite simply is that we haven't had
5 affordable housing built in downtown Jersey City
6 since the LeFraks did it back in the early 80's.
7 So that's so important to this area to have that
8 diverse socioeconomic community in that area, and
9 that's why --

10 CHAIRMAN CUNNINGHAM: But that's a
11 component of the project, it's not the entire --

12 MR. ELLINGTON: It's a component of the
13 project, yes. And it's so important to this
14 project. And that's why it's important to
15 actually have this done.

16 MS. RODRIGUEZ: I agree with you because
17 everything we read about redevelopment in Jersey
18 City, there is a cry from the community at large
19 to provide housing, affordable housing, and be
20 inclusive.

21 MR. CANTALUPO: More particularly this
22 is affordable housing that's on the waterfront
23 area.

24 MS. RODRIGUEZ: My point exactly.

25 MR. ELLINGTON: Which is really a nice

1 mix for the community. So it's been a big focal
2 point of the city and the JCRA to get this done.

3 CHAIRMAN CUNNINGHAM: So the financial
4 agreements will require that the redeveloper pay
5 an annual service charge. And the annual service
6 charge will be based, which is the city's portion,
7 the county's portion and then the pledge amount to
8 repay the bonds, correct?

9 MR. CANTALUPO: That's correct.

10 CHAIRMAN CUNNINGHAM: Okay. And I know
11 the numbers were included in the application, kind
12 of, as I said when you were walking up, and you
13 said it's taxable, but just to reiterate this is
14 nonrecoursable --

15 MR. CANTALUPO: That's correct.

16 CHAIRMAN CUNNINGHAM: -- debt amortized
17 over 23 years after a two year construction period
18 level debt service?

19 MR. CANTALUPO: That's correct.

20 CHAIRMAN CUNNINGHAM: Okay. And I
21 should mention to my colleagues on the board that
22 Forest Hill, along with council, came in to
23 discuss this with division staff. So we knew to
24 expect this. And we had representatives from our
25 staff review the application along the way, so we

1 were prepared to analyze it and present it in
2 front of board. Staff is recommending that this
3 application be approved for the reason that it
4 will allow development of a vacant and
5 unproductive site into productive use that will
6 create jobs. Again, as I've already said, no
7 recourse to the city. And I also wanted to just
8 make sure it was noted on the record that because
9 it's a RAB financing, both the economic
10 development authority and the office of planning
11 advocacy, which is in the secretary of state's
12 office are required to weigh in. Both of them
13 submitted reports with positive findings to the
14 division. So we have all of that on the file and
15 we have their approvals noted. Any other
16 questions before we take a vote?

17 MS. RODRIGUEZ: Make a motion.

18 CHAIRMAN CUNNINGHAM: Motion from Ms.
19 Rodriguez, thank you.

20 MR. BLEE: Second.

21 CHAIRMAN CUNNINGHAM: Second, Mr. Blee.
22 Pat, would you please take roll call.

23 MS. McNAMARA: Mr. Cunningham.

24 CHAIRMAN CUNNINGHAM: Yes.

25 MS. McNAMARA: Ms. Rodriguez.

1 MS. RODRIGUEZ: Yes.

2 MS. McNAMARA: Mr. Blee.

3 MR. BLEE: Yes.

4 MS. McNAMARA: Mr. Light.

5 MR. LIGHT: Yes.

6 CHAIRMAN CUNNINGHAM: Thank you so much,
7 we wish you luck with this project.

8 MR. GERDMAN: Thank you.

9 MR. CANTALUPO: Thank you.

10 CHAIRMAN CUNNINGHAM: Next matter in
11 front of the board is the dissolution of the
12 Seaside Heights Redevelopment Agency. Welcome
13 back, Mr. Vaz.

14 MR. OLIIWA: Robert Oliwa, auditor for
15 the borough of Seaside Heights.

16 CHAIRMAN CUNNINGHAM: Chris, would you
17 introduce yourself to the reporter, please.

18 MR. VAZ: Christopher Vaz V-A-Z, Seaside
19 Heights Borough Administrator.

20

21 R O B E R T O L I W A , after having been duly
22 sworn, did testify as follows:

23

24 C H R I S T O P H E R V A Z , after having been
25 duly sworn, did testify as follows:

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CHAIRMAN CUNNINGHAM: I'll leave to one of you if you like to introduce the application to the board?

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MR. OLIVA: Yes, thank you. The purpose of the application is the dissolution of an inactive redevelopment agency. Since inception, the redevelopment agency in the Borough of Seaside Heights has not been active in any redevelopment activities. The borough basically has supported the agency with miscellaneous bills through its annual budget. Currently, as the application states, there's no outstanding bills of the redevelopment agency. And the agency is currently inactive. The effect on the borough's budget will be nil, essentially. So there wouldn't be an effect on any tax rates, municipal budgets, or service fees.

CHAIRMAN CUNNINGHAM: When was the redevelopment agency formed, do you recall?

MR. OLIVA: 2000, that was the initial ordinance to -- for inception.

CHAIRMAN CUNNINGHAM: Okay. And had it done everything during its tenure or kind of set up and never --

1 MR. OLIWA: From my understanding and
2 inquiry of borough officials, Chris, you might
3 want to elaborate on that, it's essentially been
4 inactive.

5 CHAIRMAN CUNNINGHAM: Okay. So we know
6 that under the 48:5(a)20 act, provision has been
7 made for creditors by telling the board that there
8 are no creditors in this instance. The only fees
9 for dissolution would be the borough attorney and
10 the auditor, which are not to exceed \$3,000. So
11 this seems to be a rather cut and dry matter
12 before the board. So unless any board members
13 have any questions or concerns, we'll seek a
14 motion and a second.

15 MR. BLEE: Motion to approve.

16 MR. LIGHT: Second.

17 CHAIRMAN CUNNINGHAM: Mr. Light, you
18 seconded?

19 MR. LIGHT: Yes.

20 CHAIRMAN CUNNINGHAM: Roll call, please.

21 MS. McNAMARA: Mr. Cunningham.

22 CHAIRMAN CUNNINGHAM: Yes.

23 MS. McNAMARA: Ms. Rodriguez.

24 MS. RODRIGUEZ: Yes.

25 MS. McNAMARA: Mr. Blee.

1 MR. BLEE: Yes.

2 MS. McNAMARA: Mr. Light.

3 MR. LIGHT: Yes.

4 CHAIRMAN CUNNINGHAM: Thank you.

5 MR. VAZ: Thank you.

6 CHAIRMAN CUNNINGHAM: Most of the time,
7 we're forcing people to dissolve. So this is a
8 matter of first impression for me, someone came in
9 of their own volition.

10 Okay. We have a matter in front of the
11 board, which is a petition for rule making. And
12 that was submitted by Mr. Cancro, who is the
13 business administrator in Springfield Township.
14 He's requesting that the division undertake a
15 change to its rules under 5:30-17 that would
16 address the proposed electronic disbursement
17 controls for payment purposes. And, for the board
18 members, included in your package was a report
19 outlining -- it included the letter from Mr.
20 Cancro and a public notice that this notice for
21 rule making was received.

22 The recommendation before you at this
23 time is to refer this to division staff and we
24 would have Jason Martucci, who's our very able
25 administrative practice officer who handles all

1 the legislative and regulatory matters for the
2 board, we would ask him to look into this and to
3 move the rules forward as appropriate. So I think
4 the only thing we're seeking from the board today
5 is a vote that would refer this to staff. Pat, do
6 I have that correct?

7 MS. McNAMARA: Yes.

8 CHAIRMAN CUNNINGHAM: Okay.

9 MR. BLEE: Motion.

10 CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.

11 MS. RODRIGUEZ: Second.

12 CHAIRMAN CUNNINGHAM: Second, Ms.

13 Rodriguez. Roll call please.

14 MS. McNAMARA: Mr. Cunningham.

15 CHAIRMAN CUNNINGHAM: Yes.

16 MS. McNAMARA: Ms. Rodriguez.

17 MS. RODRIGUEZ: Yes.

18 MS. McNAMARA: Mr. Blee.

19 MR. BLEE: Yes.

20 MS. McNAMARA: Mr. Light.

21 MR. LIGHT: Yes.

22 CHAIRMAN CUNNINGHAM: Might have been
23 the easiest one, even easier than the last one.
24 The next matter is the adoption of Salem City
25 Municipal Port Authority's budget. Good morning.

1 MR. WELDING: Good morning.

2 MR. CALTABIANO: Good morning. Fred
3 Caltabiano with Bowman and Company, LLP,
4 representing the Salem City Municipal Port
5 Authority. We're here to get approval of their
6 proposed 15-16 budget. It's a \$58,000 budget
7 loan, lone source of revenue is from the South
8 Jersey Port Corporation.

9 CHAIRMAN CUNNINGHAM: We just need to
10 swear them in.

11

12 M I C H A E L W E L D I N G , after having been
13 duly sworn, did testify as follows:

14

15 F R E D C A L T A B I A N O , after having been
16 duly sworn, did testify as follows:

17

18 CHAIRMAN CUNNINGHAM: So, gentlemen,
19 this is one of those matters where going forward,
20 the director -- maybe you weren't here when I
21 started the meeting, but I said the DLGS bill has
22 been signed. As a result port authority budgets
23 will be approved at the director level and won't
24 require board action. But we wanted to keep --
25 because the agenda had been set, we wanted to keep

1 for maybe an abundance of caution, this matter on
2 the agenda.

3 So I know that you have submitted the
4 annual budget, I know Melissa Ford from our
5 financial team has taken a look at it. Is there
6 anything that you wanted to address that is in the
7 audit?

8 MR. CALTABIANO: Just like I said, it's
9 a \$58,000 operating budget and it's funded solely
10 from the South Jersey Port Corporation. They have
11 one employee who oversees the three or four
12 vendors that still use the Port of Salem.

13 CHAIRMAN CUNNINGHAM: Okay. I really
14 don't have anything to add or question on this.
15 So I think continuing with our streak of quick
16 reviews and approvals.

17 MR. BLEE: Motion to approve.

18 CHAIRMAN CUNNINGHAM: We'll take Mr.
19 Blee's motion. Take a second, please?

20 MR. LIGHT: I'll second.

21 CHAIRMAN CUNNINGHAM: Mr. Light. We'll
22 take roll call.

23 MS. McNAMARA: Mr. Cunningham.

24 CHAIRMAN CUNNINGHAM: Yes.

25 MS. McNAMARA: Ms. Rodriguez.

1 MS. RODRIGUEZ: Yes.

2 MS. McNAMARA: Mr. Blee.

3 MR. BLEE: Yes.

4 MS. McNAMARA: Mr. Light.

5 MR. LIGHT: Yes.

6 CHAIRMAN CUNNINGHAM: Gentlemen, thank
7 you.

8 MR. CALTABIANO: Thank you.

9 MR. WELDING: Thank you.

10 CHAIRMAN CUNNINGHAM: Last two matters
11 in front of the board both originate out of the
12 Township of Weehawken. So I would ask you to
13 please come up, identify yourself to the court
14 reporter, and then we'll have those who are not
15 counsel be sworn in.

16 MS. TOSCANO: Lisa Toscano, chief
17 financial officer.

18 MR. CAPIZZI: Jason Capizzi.

19 MR. MORRIS: Brian Morris.

20 MR. BARSА: Richard Barsa, B-A-R-S-A,
21 finance director.

22

23 L I S A T O S C A N O , after having been duly
24 sworn, did testify as follows:

25

1 R I C H A R D B A R S A , after having been
2 duly sworn, did testify as follows:

3

4 B R I A N M O R R I S , after having been duly
5 sworn, did testify as follows:

6

7 MR. CAPIZZI: Hello again, Jason Capizzi
8 of Kraft and Capizzi, we are bond counsel to the
9 Township of Weehawken. With us here today is the
10 finance director, Rich Barsa; municipal advisor,
11 Brian Morris; and CFO, Lisa Toscano.

12 The first application which we are
13 asking for your approval of is a maturity schedule
14 relating to the issuance of -- proposed issuance
15 of qualified bonds. Should at the time of sale,
16 the municipal advisor deem that that is the
17 preferred way to go, rather than issuing bonds
18 without the qualified bond act.

19 CHAIRMAN CUNNINGHAM: As I understand,
20 despite recent challenges in the municipal
21 marketplace, Weehawken's bond rating has generally
22 been left stable?

23 MS. TOSCANO: Yes, that's correct.

24 MR. MORRIS: Yes.

25 CHAIRMAN CUNNINGHAM: Do you know the

1 rating?

2 MR. MORRIS: It's a BAA-3, it was just
3 affirmed in May 2015.

4 CHAIRMAN CUNNINGHAM: And this would
5 permanently finance short-term notes that are
6 currently outstanding, correct?

7 MR. MORRIS: Yes.

8 MS. TOSCANO: Yes.

9 MR. CAPIZZI: Correct.

10 CHAIRMAN CUNNINGHAM: So just talking
11 about what the notes had done, the ordinance had
12 originally funded the purchase of the Woodrow
13 Wilson school?

14 MR. BARSА: Yes.

15 CHAIRMAN CUNNINGHAM: And they also
16 renovated some water assets, if I'm correct, and
17 there were some other various capital
18 improvements?

19 MS. TOSCANO: Yes.

20 MR. BARSА: That's correct.

21 CHAIRMAN CUNNINGHAM: Any of the board
22 members have any questions about this component of
23 application?

24 MS. RODRIGUEZ: Just want to advise that
25 I think the mayor should show up -- he's sending

1 these folks.

2 MR. BARSА: Actually the mayor sends his
3 apologies.

4 MS. TOSCANO: He's with the congressman.

5 MR. BARSА: He sent his apologies.

6 MR. BLEE: If the mayor showed up, I
7 would have voted no.

8 (Whereupon there was laughter.)

9 CHAIRMAN CUNNINGHAM: Staff have
10 reviewed this application, prepared a report for
11 us, and I really didn't have any questions about
12 this particular issue. So I'd like to move onto
13 the next matter. So if we could have a motion and
14 a second on this particular --

15 MR. BLEE: Motion.

16 MS. RODRIGUEZ: Second.

17 CHAIRMAN CUNNINGHAM: Roll call, please.

18 MS. McNAMARA: Mr. Cunningham.

19 CHAIRMAN CUNNINGHAM: Yes.

20 MS. McNAMARA: Ms. Rodriguez.

21 MS. RODRIGUEZ: Yes.

22 MS. McNAMARA: Mr. Blee.

23 MR. BLEE: Yes.

24 MS. McNAMARA: Mr. Light.

25 MR. LIGHT: Yes.

1 CHAIRMAN CUNNINGHAM: Okay. So that
2 leaves us with the second matter in front of us,
3 which is motion to approve refunding bond
4 ordinance to permanent the issuance of tax appeal
5 refunding notes. Jason, if either you or any of
6 your colleagues, if you would just explain the
7 application for the board?

8 MR. CAPIZZI: It's to refund amounts
9 owing to others resulting from tax appeal
10 judgments. The township is requesting a nine year
11 maturity schedule to repay these notes, which
12 makes the impact around \$83 per taxpayer.

13 CHAIRMAN CUNNINGHAM: So you have 146
14 total settlements being covered by this
15 application? 51 stipulations have been received and
16 additional 95 were expected by this time, mid
17 August, correct?

18 MR. CAPIZZI: Yes. So we've provided
19 the board with all judgments except for two. We
20 have two stipulations relating to the other two
21 properties. But at this time you have judgments
22 for everything else.

23 CHAIRMAN CUNNINGHAM: I think the issue
24 we have in front of us though is that the tax
25 appeals really haven't been adjudicated -- a large

1 portion of them -- and because of that it's
2 difficult for the board to --

3 MR. CAPIZZI: Excuse me, Chairman, if I
4 may? At the time we submitted a majority of them,
5 we did not have the judgments. Since then,
6 earlier this week, we received the judgments from
7 the tax court. I believe they're all dated last
8 Friday.

9 CHAIRMAN CUNNINGHAM: The numbers are
10 consistent with what was provided in the application?

11 MR. CAPIZZI: Yes. So what you have as
12 of today are judgments for every single property
13 referenced on the sheet on the tax collector
14 certificate except for the remaining two, for
15 which you have executed stipulations.

16 CHAIRMAN CUNNINGHAM: Okay. I just want
17 to note for the record that you know Weehawken
18 hasn't done a reval since '93. I think that's
19 concerning to the board.

20 MS. TOSCANO: Actually if I may? We
21 introduced last night at a council meeting an
22 ordinance for special emergency for a tax map.
23 We're also making application to the local finance
24 board for next month's meeting. It's going to
25 start the process of the revaluation.

1 MR. BARSA: Of a reval.

2 CHAIRMAN CUNNINGHAM: I'm happy to hear
3 that and I thank you for that. As we stated with
4 an earlier applicant, when we try to identify the
5 right time frame to allow the repayment on these,
6 we try to get to a \$50 number. Here the applicant
7 is actually -- the number nine years would be
8 actually 83 million. So I don't see a reason --

9 MR. BARSA: \$83.

10 CHAIRMAN CUNNINGHAM: I'm sorry.
11 Thankfully I don't live in Weehawken if that tax
12 bill went out. Just to reiterate, the application
13 is for a period of nine years at \$83.04 for the
14 average assessed home. So, again, when we try
15 normally to get people to work, it's at least 50,
16 you're ahead of that, so I don't think that -- at
17 least speaking for myself -- I don't have an issue
18 with the nine year payment on that.

19 So I think that the two big issues that
20 I had have been addressed. Number one, the reval
21 since '93 and number two, the fact that the
22 settlements hadn't been fully adjudicated. Both
23 of those appear to have been resolved. So I have
24 no additional questions or comments. I would just
25 ask any of my colleagues on the board whether they

1 have anything that they would like to ask?

2 Otherwise we shall vote on the matter.

3 MR. LIGHT: I'll make a motion that we
4 approve.

5 CHAIRMAN CUNNINGHAM: Motion, Mr. Light.

6 MS. RODRIGUEZ: Second.

7 CHAIRMAN CUNNINGHAM: Ms. Rodriguez
8 seconds. Roll call.

9 MS. McNAMARA: Mr. Cunningham.

10 CHAIRMAN CUNNINGHAM: Yes.

11 MS. McNAMARA: Ms. Rodriguez.

12 MS. RODRIGUEZ: Yes.

13 MS. McNAMARA: Mr. Blee.

14 MR. BLEE: Yes.

15 MS. McNAMARA: Mr. Light.

16 MR. LIGHT: Yes.

17 CHAIRMAN CUNNINGHAM: Thank you very much.

18 MR. MORRIS: Thank you.

19 MR. CAPIZZI: Thank you.

20 CHAIRMAN CUNNINGHAM: Which leaves only
21 one matter before the board, which is a motion to
22 adjourn and I'll happily make that motion.

23 MS. RODRIGUEZ: Second.

24 CHAIRMAN CUNNINGHAM: All in favor.

25 (Whereupon the matter was concluded.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing is a true and accurate transcript of the testimony and proceedings as taken stenographically by me at the time, place, and on the date hereinbefore set forth.

C:\TINYTRAN\Susan Bischoff.bmp

SUSAN BISCHOFF, CCR, RPR
LICENSE NO. 30XI00233700

DATED: August 28, 2015

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