STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL FINANCE BOARD

101 South Broad Street
Trenton, New Jersey
OCTOBER 14, 2015

BEFORE: TIMOTHY J. CUNNINGHAM, CHAIRMAN
IDIDA RODRIGUEZ
TED LIGHT
FRANCIS BLEE
ALAN AVERY

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

APPEARANCES:

JOHN HOFFMAN, ACTING ATTORNEY GENERAL
BY: PATRICIA STERN,
Deputy Attorney General
For the Board

STATE SHORTHAND REPORTING SERVICE, INC.
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STATE SHORTHAND REPORTING SERVICE, INC.
CHAIRMAN CUNNINGHAM: Good morning.

This meeting has already been opened to the public in a different session, so no need to deal with any of those formalities. Before we move into the actual applications, we do have one matter before us the board. The members were given copies of the 2016 meeting dates, and unless there's any conflicts with them, I would look for a motion and a second to adopt the calendar for the 2016 Local Finance Board meetings.

MR. BLEE: Motion to approve.

CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.

MS. RODRIGUEZ: Second.

CHAIRMAN CUNNINGHAM: Second, Ms. Rodriguez. Roll call, please.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.
CHAIRMAN CUNNINGHAM: Okay. Thank you.

MR. LIGHT: These all look they're all Wednesdays --

CHAIRMAN CUNNINGHAM: Couple tweaks around the holidays, but yes, other than that it would be the same.

MR. LIGHT: Okay.

CHAIRMAN CUNNINGHAM: The board is considering the first matter on a consent agenda. It deals with East Brunswick Township. The Township of East Brunswick has requested approval to enter into a public-private partnership with utility service group to operate, maintain, and restore three storage vessels. And I note that the municipality would retain a notice to terminate clause. So it's the responsibility of the Local Finance Board to review the application for completeness and compliance. Staff has reviewed that, they looked at the documents, the award of the contract, the minutes of the public hearing, and letter of bond counsel, which all are in the record and appear to be in order. So, again, dealing with this on a consent matter, I'll make the motion to approve the public private contract.
MR. BLEE: Second.

CHAIRMAN CUNNINGHAM: Second, Mr. Blee.

Roll call, please.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: I know Mr. Nealy is here, but thank you for submitting the documents. I think everything is in order and we wish you luck with the project.

AUDIENCE MEMBER: Thank you.

CHAIRMAN CUNNINGHAM: First appearance today in front of the board, Florence Township Fire District Number 1. I'm sorry, Manalapan was the first. Florence, please. Would you please introduce yourself to the reporter and be sworn in.

MR. MULLEN: My name is Kevin Mullen,
Fire Chief, M-U-L-L-E-N.

KEVIN MULLEN, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: Chief, thank you for your appearance today. It's my understanding that the Fire District Number 1 in Florence is looking to acquire 30 self contained breathing apparatus?

MR. MULLEN: Yes.

CHAIRMAN CUNNINGHAM: Further, those are pieces of equipment that expire, they need to be --

MR. MULLEN: Yes, per OSHA, POSHA regulations, the cylinders expire in 15 years, and that expiration date is July of next year.

CHAIRMAN CUNNINGHAM: Okay. So you're purchasing these at a cost of $220,000, using a national co-op?

MR. MULLEN: Yes.

CHAIRMAN CUNNINGHAM: I note that the district is not putting cash down on this, but there's no impact on the tax rate?

MR. MULLEN: Correct.

STATE SHORTHAND REPORTING SERVICE, INC.
CHAIRMAN CUNNINGHAM: And your debt does not appear to be -- with the exception of fire house instruction, outstanding debts, you know, relatively reasonable for the town, under four million dollars. And you would be doing a six year lease purchase?

MR. MULLEN: It would be actually a five year.

CHAIRMAN CUNNINGHAM: And do you recall the rate of 2.4 percent?

MR. MULLEN: 2.4 percent, yes.

CHAIRMAN CUNNINGHAM: And you sought proposals for financing and the bank that you're going with, who I think is --

MR. MULLEN: National Penn.

CHAIRMAN CUNNINGHAM: National Penn, thank you. That was a low bidder, correct?

MR. MULLEN: That is correct.

CHAIRMAN CUNNINGHAM: Okay. I guess the only question I had is I saw that the measure, the referendum passed by a vote of 109 in favor, 20 opposed. I was wondering do you happen to know how many voters are in the fire district?

MR. MULLEN: That I do not.

CHAIRMAN CUNNINGHAM: I'm going to guess
it's probably more than 129.

MR. MULLEN: Yes. But that was held at our annual election, and not a special election.

CHAIRMAN CUNNINGHAM: I understand. Do the board members have any additional questions or concerns that they would like to address the chief?

MR. LIGHT: Move that we approve it.

CHAIRMAN CUNNINGHAM: Motion, Mr. Light?

MR. BLEE: Second.

CHAIRMAN CUNNINGHAM: Second, Mr. Blee.

Roll call, please.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Chief, thanks for your appearance. Hope you guys never have to use these.
MR. MULLEN: Thank you.

CHAIRMAN CUNNINGHAM: Next matter is Bordentown Fire District Number 2.

MR. MacFARLAND: Good morning, Robert MacFarland, chief.

ROBERT MACFARLAND, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: Chief, thank you for your appearance today in front of the board. It's the board's understanding that you're seeking to finance the purchase of a fire pumper truck and a four-by-four crew cab?

MR. MacFARLAND: Yes.

CHAIRMAN CUNNINGHAM: So breaking these down one by one, the pumper truck is about $481,000 and you're purchasing that off a national co-op?

MR. MacFARLAND: Yes.

CHAIRMAN CUNNINGHAM: And then the truck, the pickup truck is 37,000 and change and that's being purchased from a dealership on New Jersey state contract?

MR. MacFARLAND: Yes.
CHAIRMAN CUNNINGHAM: So you would do them through a lease purchase agreement with PNC Equipment Finance, which for the board's benefit, I guess Oshkosh changed their name.

As I asked Florence right before you, I note that the measure passed by a vote of 37 in favor and 8 opposed. I would ask you if you happen to know how many voters are --

MR. MacFARLAND: I don't know the number, no.

CHAIRMAN CUNNINGHAM: Likely more than 45?

MR. MacFARLAND: Oh, yeah. Typically we get around 100 to 150 at a normal election.

CHAIRMAN CUNNINGHAM: But this is was a normal election, this was not a --

MR. MacFARLAND: It was a special election.

CHAIRMAN CUNNINGHAM: This was a special election?

THE WITNESS: Yes.

CHAIRMAN CUNNINGHAM: Okay. I guess the other question I had is a lot of times when we see applicants come before us with this, they put some money down as opposed to financing the whole
freight. And I was wondering if that's something you and your colleagues in the district thought about?

MR. MacFARLAND: We discussed it, but we were concerned with the finances for this year and how it would impact the budget for this year. So we decided to do the financing across for all the equipment.

CHAIRMAN CUNNINGHAM: But this purchase would have no effect on the tax rate?

MR. MacFARLAND: No.

CHAIRMAN CUNNINGHAM: And that's because you had, prior -- I guess in 2014, the district made it's final payment on a previous capital acquisition?

MR. MacFARLAND: Yes.

CHAIRMAN CUNNINGHAM: Last question I had. And then I'll obviously see if any other board members have questions, but the pickup truck, I mean as it's written up here, it's a pretty significant, you know, vehicle. Is this going to be a take home vehicle?

MR. MacFARLAND: No, it's going to be in motor pool within the building.

CHAIRMAN CUNNINGHAM: Okay. Those are
the questions I had. Any other members have
questions or concerns with the application?
Hearing none, then I would ask for a motion and a
second.

MR. BLEE: Second.

MS. RODRIGUEZ: Second.

CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.
Second, Ms. Rodriguez. Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Thanks, chief,
appreciate it.

MR. MacFARLAND: Thank you.

CHAIRMAN CUNNINGHAM: Borough of
Englewood Cliffs. Would you introduce yourself to
the reporter and those that aren't counsel be
sworn in.
MR. WIELKOTZ: Steve Wielkotz, I'm the auditor for the Borough of Englewood Cliffs.


MR. BATTAGLIA: Chris Battaglia, CFO.

STEVE WIELKOTZ, after having been duly sworn, did testify as follows:

CHRISS BATTAGLIA, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: So you're looking to do taxpayer refunding bonds. I don't know, Steve, if you or your colleagues want to introduce the application to the board.

MR. WIELKOTZ: I wasn't in the room and they voted me to do it.

CHAIRMAN CUNNINGHAM: The system works.

MR. WIELKOTZ: It does at this point.

This application is requesting the approval of a $1,460,000 refunding bond ordinance to refund tax appeals in Englewood Cliffs that date from 2008 to 2014. The impact on these appeals to be raised in

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one year would be $551 on the average taxpayer.
We are requesting a six year repayment schedule,
which equates to about $92 to the average
taxpayer, which is still above what the board has
considered the annual minimum in terms of tax
appeal refunding bond issues.

The good news is, according to our tax
appeal attorney, there's only one significant
appeal left to deal with in Englewood Cliffs and
hopefully that will be dealt with next year.
Otherwise, all the large appeals -- and again
Englewood Cliffs is a small municipality in
northern Bergen County. It used to be Route 9W,
Sylvan Avenue used to be characterized as the
million dollar mile, it's now the billion dollar
mile. But what comes with large commercial
taxpayers are large commercial tax appeals.

So there's, you know, over the last few
years, there's been a number of appeals. The
Borough has been to the board a number of times.
At present, in the 2015 budget, we're repaying
over $800,000 of previous refunding bond ordinance
that were approved. This structure gets us so
next year we're still around $800,000 in the 2016
budget. If there are any questions, we'll try to
answer them.

CHAIRMAN CUNNINGHAM: Are they all commercial?

MR. WIELKOTZ: Generally -- there's some small residential, but the biggest one in this is Unilever, which was one, two, three, four, five, six, seven years to the tune of about 1.1 million dollars.

CHAIRMAN CUNNINGHAM: So, you know, you've indicated that it's a bit of an ongoing issue. And I guess I would ask why no reserve? Why wasn't a reserve set up to deal with this?

MR. WIELKOTZ: I'll take because Chris is new, he just started in January, he replaced a CFO that was there for a long time that retired. Everything involves the budget and taxes. And Englewood Cliffs has been in this continuum of refunding bond ordinances as evidenced by what's being raised in the budget. There's $800,000 in this year's budget and there will be $800,000 in next year's budget to deal with repaying these refunds.

Notwithstanding that, in 2015, Englewood Cliffs had its largest municipal tax increase in the last -- maybe forever, close to $400 on the
average home owner just for municipal taxes. So,
again, it's always a weighing what can the
taxpayer afford. Having been in this methodology
for a number of years, it was felt that this is
really the best way to deal with the issue. And
notwithstanding the fact that, again, there's only
one large appeal that's still outstanding. We're
being told it should be settled at some point next
year. And then every commercial property that had
the ability to appeal would have appealed, it
would have been settled. And, again, the ratio is
still near 100 percent.

CHAIRMAN CUNNINGHAM: So you would
envision that you would pay these notes off over
the six year period, if approved, then that would
obviate any tax appeal issues for the Borough?

MR. WIELKOTZ: Again, nobody has a
crystal ball. But having dealt with all the major
corporations on Route 9W over the last five or six
years, again, we're being advised by tax appeal
counsel there's only one left, it's somewhere --
could be five or six hundred thousand dollars,
depending on where that ends up, will depend on
how they deal with it in next year's budget.

CHAIRMAN CUNNINGHAM: I understand your
point that taxes have gone up, in this particular municipality's case, it is a very affluent community, the average assessed home is significant --

MR. WIELKOTZ: Which is why the impact to the average home owner because the tax point is $336,000. So a million 460 is a $550, you know, impact on the average home. Again, it's all about --

CHAIRMAN CUNNINGHAM: Okay. Well, I mean as you've indicated -- and I should just put on the record that the board typically requires a $50 minimum. We try to get the payment period to land right there. In this case, the Borough's asking for a repayment schedule that's at $92. So I think it's certainly within the guidelines we previously established.

So they were the questions I had. Any other questions from board members? Okay.

MR. AVERY: Motion to approve.

CHAIRMAN CUNNINGHAM: Motion, Mr. Avery.

MS. RODRIGUEZ: Second.

CHAIRMAN CUNNINGHAM: Second, Ms. Rodriguez. Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.
CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Thank you, gentlemen. Continue with tax appeal refunding bonds, City of Newark.

Would you please introduce yourself and those that are not counsel be sworn in.

MR. EISMEIER: Tim Eismeier, NW Financial, we're the financial advisor for the City of Newark.

MS. SMITH: Danielle Smith, acting finance director.

MR. GUZMAN: Benjamin Guzman, City of Newark.

MR. MAYER: Bill Mayer, DeCotiis, FitzPatrick and Cole, bond counsel for the City of Newark.

STATE SHORTHAND REPORTING SERVICE, INC.
TIMOTHY EISMEIER, after having been duly sworn, did testify as follows:

DANIELLE SMITH, after having been duly sworn, did testify as follows:

BENJAMIN G U Z M A N, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: So the City's contemplating tax appeal refunding bonds. And are these QBA or you're seeking?

MR. MAYER: Yes. We are seeking approval under the qualified bond act.

CHAIRMAN CUNNINGHAM: But not necessarily intending to issue as QBA?

MR. MAYER: We would intend -to the extent, we do convert these to long-term bonds, we are doing QBA. I think right now, the plan is to keep them as notes.

CHAIRMAN CUNNINGHAM: Okay. So did you want to kind of introduce the concept of the appeals to the board?

MR. EISMEIER: Sure. The City's seeking approval of a refunding bond ordinance in the

STATE SHORTHAND REPORTING SERVICE, INC.
not-to-exceed amount of 6,225,000. The purpose of
the ordinance is to fund tax appeal refunds based
either on stipulations of settlement or judgments
of the New Jersey Tax Court or the Essex County
Board of Taxation. City's requesting a seven year
pay down on the notes. The impact of a one
tyear -- of paying these in one year would be
approximately $160 per taxpayer. Seven years,
it's about $27 per taxpayer. Obviously, as we
just discussed with the last applicant, that's
below the $50 amount that is typically required by
Local Finance Board.

Obviously, as you know, the City is
under state supervision, a transitional aid
recipient, and recently had two years of cash
deficits. Given it's fiscal situation, that's the
amount we're requesting to give us as much
financial flexibility as possible as we seek to
reduce our structural deficit.

CHAIRMAN CUNNINGHAM: Tim, I understand
the impact on the average assessed home, but how
does the extension of term to seven years, how
does that give the City more financial
flexibility?

MR. EISMEIER: I think it's
approximately -- let me get the amount in front of me. The amount we would have to include in our budget, as a required principal pay down each year, would be approximately $400,000 less than a five year pay down in each year. A three year pay down, which would be a $59 impact per taxpayer, would be almost a million dollars more in the City's budget that they would have to fund during that time.

CHAIRMAN CUNNINGHAM: Give me those numbers one more time, for three, five, seven?

MR. EISMEIER: Sure. For three years, the annual payment is projected to be approximately 2.2 million, for a five year pay down, it would be approximately 1.3 million. And for the requested seven year, it's approximately one million.

CHAIRMAN CUNNINGHAM: Any questions from the board?

MR. LIGHT: Not a question, but a comment. I normally don't like to go out seven years. I would be more favorable with the five. I understand what he's saying. I'm just throwing out to the rest of the board, I would probably lean toward the five year instead of seven.
CHAIRMAN CUNNINGHAM: I don't disagree.
And I am cognizant of the City's, you know, budget position, but part of the balancing act that we have, especially as a municipality under state supervision, is trying to help you, as you said, Tim, to get the structural balance back in order, but at the same time not extending things out too far, where we're prolonging issues. I'd be comfortable with five years at an annual payment of 1.3 and the impact on the home of 36.

MR. EISMEIER: That's fine. If that's the board's position, we understand the issue.
And we would be okay with that.

CHAIRMAN CUNNINGHAM: All right. I'll make the motion then to approve this application, as discussed, under five year repayment schedule. Year one payment approximately 1.3 million dollars, impact on the average assessed home of $36.82.

MR. LIGHT: I'll second.

CHAIRMAN CUNNINGHAM: We have a second from Mr. Light. Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.
MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: I also just want to put on the record that the state's assigned monitor has reviewed this application. And the only other thing I would ask the City to do is something that came up during the review is that we still have a significant number of City of Newark officials and appointees who have not filed their 2014 financial disclosure statements. We are sending notices of violation out. But the best course of action would be to have non-filers submit their disclosure statements, get off the list. And it would make their lives and our lives easier. So I wanted to note that as well, but thank you very much for your appearance today. And we'll continue to work together.

MR. EISMEIER: Thank you.

MR. MAYER: Thank you.

CHAIRMAN CUNNINGHAM: Borough of
Moonachie.

MR. MAYER: Bill Mayer with DeCotiis, FitzPatrick and Cole, bond counsel to the Borough of Moonachie. With me is Tony Ciannnamea, the administrator CFO for the Borough. Tony, you'll need to be sworn in.

TONY CIANNNAMEA, after having been duly sworn, did testify as follows:

MR. CIANNNAMEA: My mayor asked me to apologize for not being here today. He had commitments at his regular full time job. He tried reaching out to you yesterday, but I guess you were in meetings all day. So he expresses his apologies to the board.

CHAIRMAN CUNNINGHAM: Not an issue.

MR. CIANNNAMEA: Thank you.

MR. MAYER: As part of their Sandy capital bond ordinance back in 2013, they included an appropriation for $4.9 million for a new municipal building. They've been going around and around with FEMA on the building, on contributions and what we should do. Tony, could give you a pretty long detailed story on that, if you like.
But they've decided what they would like to do rather than build -- rather than repair the building with only three walls covered and not feel safe, they want to build a new municipal building.

They are asking, what you have in front of you a $4 million supplemental appropriation bond ordinance supplementing the prior Sandy approved bond ordinance. They're requesting waiver of the $200,000 down payment. Total project cost comes in a little bit under $9 million, the expected FEMA reimbursement, $4.5 million. They're cost estimate, they expect to get back about 3.7 million with the 5.3 million balance. I did that too fast.

At the end of the day, they're asking for $4 million addition to the prior bond for the municipal building. There is substantial FEMA aid coming in, but it hasn't been increased for this --

CHAIRMAN CUNNINGHAM: So I guess the question I have is -- and you should know that I have previously worked with your mayor on this topic. I've done a lot of Sandy recover work on a prior job. And I was there through a lot of the
conversations with FEMA. And I did understand and empathize with, frankly, the situation that the Borough found itself in. And the dispute over contactually how much water was in the municipal building, was it 12 inches or was it four feet. I know there was strong opinions on both sides.

I think, you know, my fundamental question is, I've stepped out of that world. Where did that ultimately land? What did FEMA ultimately --

MR. CIANNIEA: What ended up happening was they gave us an offer of 4.5 million to fix the building with the three five foot walls. At that stage, we were told -- we were told we could appeal it because we had been appealing all the way along. Their first offer to us was $50,000 and we have been appealing. But it was almost like a tax appeal, you appeal, you either get more money or you stay where you are. We are now at the stage where they said the next appeal, you can get more money or we could take money away from you, it would be a complete rehearing. So now you're putting what was in the 4.5 million, you were now putting that at risk. And the appeal process could take up to a year and a half. And
we reached the stage where we really need to go forward. And the risk was too great, so we kind of hit an agreement there -- and then they agreed whereas the 4.5 million is to repair the building, they agreed we could use 4.5 million as we see fit.

CHAIRMAN CUNNINGHAM: So, not an ideal result by the Borough's viewpoint, but nevertheless one that you could accept and move on and using another capital funds, put your municipal operations in a place where they're more resilient from a future storm?

MR. CIANNOME: Right. And the catch-22 was when we came forward with our plan to rebuild the building, FEMA says that's nice, but now that you are -- you know they held us at like 40 percent damage. Now you're going to rebuild the building, there are new codes and standards because you're going to rebuild the building. And it's a critical facility because the police are there. They're holding us to the 500-year flood. So they didn't come to the plate. And then they said, oh, yeah, by the way.

CHAIRMAN CUNNINGHAM: So I mean the only thing the Borough is really looking for from the
board is the approval to waive the down payment?

MR. CIANNAMEA: Correct.

CHAIRMAN CUNNINGHAM: I guess I first want to ask if any of my colleagues have any questions on the application? So I think what I want to say though is, you know, I've been pretty close to this at one point. As I said, I didn't just sympathize, I empathize with what you're going through. I was dealing with it in my own home. I think the Borough, you know, worked very hard to the benefit of its taxpayers to push back against FEMA, not that we don't, as a state, have good relationship with them. But this clearly was an issue of dispute. And I think your mayor and other elected officials worked very, very hard to get that number up.

I mean the pictures I saw of the municipal building seemed to indicate there was significant water in there. So I do -- I'm happy to see that you're getting to the point where you'll have a new municipal building that's resilient. I think it's certainly something that you can withstand budgetarily. And I have no problem in assisting in that by waiving the down payment. So I'll make the motion to waiver the
down payment for this application. I would ask
for a second.

MR. BLEE: Second.

CHAIRMAN CUNNINGHAM: Thank you, Mr.
Blee. Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

MR. CIANNAMEA: Thank you.

MR. MAYER: Thank you.

CHAIRMAN CUNNINGHAM: Good luck.

Next matter before the board is City of
Asbury Park.

MR. GARTZ: Ricky Gartz, CFO.

G-A-R-T-Z.

MR. CANTALUPO: John Cantalupo, bond
attorney.
RICKY GARTEZ, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: Good morning, gentlemen. How are you? So you're appearing before the board today looking for the issuance -- approval to issue qualified bonds, as it relates to your roadway and sewer improvement program?

MR. CANTALUPO: Yes, sir.

CHAIRMAN CUNNINGHAM: So, Ricky, I don't know if you or John want to kind of just introduce the application or some of the project.

MR. CANTALUPO: We're here today for the City of Asbury Park John Cantalupo from Archer and Greiner, for $2,850,000 issuance of bonds or notes under the qualified bond program. The City anticipates issuing notes for this, but also in the application, we have a conforming debt service schedule for 20 years, with approximately $200,000 in debt service. The impact on the average resident for this is $37.20 per year on the average home of $226,000.

The program is a road and sewer program, that I think is sorely needed in the Borough.

There are a number of streets outlined in the bond

STATE SHORTHAND REPORTING SERVICE, INC.
ordinance that's in the application. And we're
happy to have any other questions answered at this
time.

CHAIRMAN CUNNINGHAM: Thank you. I just
note for the record that the City of Asbury Park
is a transitional aid municipality. In my other
capacity as director of the division, we work very
closely with the administration there. There have
been a lot of good progress on a lot of the
redevelopment projects, which I think are going to
improve the ratable base. I understand, Ricky,
that your fees, the collection of fees have been
significant, I think it was a pretty good summer
for the City of Asbury Park in terms of parking
and the beach fees?

MR. GARTZ: That is correct.

CHAIRMAN CUNNINGHAM: Now, John, I saw
in the application that you may wind up not
issuing these as qualified bond debt, if the
finances were such, you might go through the
improvement authority?

MR. CANTALUPO: That's correct. That's
typically how the City issues the bonds, but we
want to, obviously, preserve our right to issue
through the program.
CHAIRMAN CUNNINGHAM: Any questions from the board? Okay. I have no issue with this, you know. I appreciate the cooperation we've had with the City in terms of, you know, restoring structural balance. I think the City of Asbury Park could be out of the TA program in relatively short order, thanks to, like I said, a lot of redevelopment projects coming online and other increased revenues.

So I'll make a motion to approve this application and I would ask for a second.

MS. RODRIGUEZ: Second.

CHAIRMAN CUNNINGHAM: Second, Ms. Rodriguez. Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Ricky, the only
other thing I wanted mention is similar to what I said to Newark. We're going through the 2014 FDS filings. And we noticed that for Asbury Park, there's a significant amount of non-filers. If you could communicate that back to, perhaps the clerk or the mayor for me.

MR. GARTZ: Sure.

CHAIRMAN CUNNINGHAM: We're going to be sending notices of violation out. The best way to obviate that is to have people file their forms and go from there.

MR. GARTZ: Okay. Thank you.

CHAIRMAN CUNNINGHAM: Thank you.

The board will move to the City of Union City.

MS. COLDITZ: Susan Colditz, CFO for the City, C-O-L-D-I-T-Z.

MR. TANGO: Ralph Tango, municipal engineer for the City.

MS. STIEFEL: Jeanne Stiefel, Parker McCay, we're bond counsel to the City of Union City.

S U S A N C O L D I T Z , after having been duly sworn, did testify as follows:

STATE SHORTHAND REPORTING SERVICE, INC.
RALPH TANGO, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: Okay. So I had a conversation with the mayor about this application. But perhaps you want to introduce the concept to the board?

MS. COLDITZ: The City had a bond ordinance approved last October. We'd like to reallocate some of those funds to be able to rehabilitate an old fire house for transitional housing. We find that there's a strong need for it because all the fires the City's been having, they seem to be getting worse and worse. And it's overpopulated. We find that we're paying for hotels after we go through the Red Cross and whatever agencies we can get to help us. The only problem is we're finding it's very small amounts. And we have a lot, a lot of constituents that need transitional housing. So we'd like to do the fire house. I don't know much about the construction, but our engineer does.

MR. TANGO: I can give you a brief. As Susan mentioned, the issue here is after
emergencies and fires, relocating families that
are displaced. Historically, we housed the people
outside the city limits, besides the cost issue,
it's become a burden with children trying to get
back to the city to attend school. So the concept
was to convert an existing 4,000 square foot fire
house, two stories, 2,000 square feet on each
floor, approximately nine, I'll call them bedroom
units. On each floor, there will be common
kitchen, restroom facilities, in addition to a
common living space.

The outside of the building will receive
some cosmetic treatments to give it more of a
residential look. There are issues that need to
be addressed because of the age of the building,
like the replacement of the roof and some
environmental considerations. It's an older
building with asbestos wrapped around the boiler
system piping, that has to be remediated. But
most of the cost and construction is associated
with the interior conversion and improvements.

CHAIRMAN CUNNINGHAM: Okay. And it's
also my understanding from the mayor that the
municipality will go out for an RFP and hire an
operator to actually run the transitional --
MS. COLDITZ: Yes.

CHAIRMAN CUNNINGHAM: -- housing, okay.

So what you're really in front of the board today for is shifting, if you will, a previous allocation under bond ordinance and saying, instead of this, we want to do that?

MS. COLDITZ: Yes.

CHAIRMAN CUNNINGHAM: And in addition to that transitional housing piece, Susan, I think there's a re-appropriation of 110,500, that's for a police precinct as well?

MS. COLDITZ: Yes. Actually the total is for the fire house. We're going to be taking the funds the roads and from the precinct. Because the precinct is done and we find that we have a little bit of extra that we can use to move for the fire house.

CHAIRMAN CUNNINGHAM: Okay, I misunderstood.

MS. COLDITZ: We're taking from two --

CHAIRMAN CUNNINGHAM: Taking two line items and putting, okay.

MS. STIEFEL: Two projects, correct.

Roads and reconstruction. And then the precinct building.
CHAIRMAN CUNNINGHAM: So, again, I've had the benefit of having a conversation with the mayor about this, but other members of the board haven't. So I just wanted to see if any of the members had questions on this application?

MS. RODRIGUEZ: I have a question. This fire house currently is not being used?

MS. COLDITZ: It's an old fire house.

MR. TANGO: That's correct.

MS. RODRIGUEZ: Not being used. So you're looking to rehabilitate it into an apartment?

MS. COLDITZ: Transitional housing.

MS. RODRIGUEZ: So how does this get sustained, though? I guess my question is -- I understand the density and population in Union City is probably the most densely populated city in -- one in the country rather. But I mean, I guess my question is it's okay to, you know, rehabilitate it, renovate it, redevelop it, but then --

CHAIRMAN CUNNINGHAM: I think -- and I'm sure it's really for the applicant, but correct me if I'm wrong. The application, as I understand it, is there will actually be cost savings to the

STATE SHORTHAND REPORTING SERVICE, INC.
municipality?

MS. COLDITZ: Yes.

CHAIRMAN CUNNINGHAM: Susan, can --

MS. COLDITZ: Over time. Right now, it's getting worse and worse, you know, the amounts, the hotel that we have to put these people in. The hotel is not the greatest and it's costing us $100 a night sometimes after we get help from the social agencies.

CHAIRMAN CUNNINGHAM: Where is it?

MS. COLDITZ: I think it's in North Bergen, because Union City, we don't have --

MS. RODRIGUEZ: It's 1&9.

MS. COLDITZ: And putting the kids in there, it's hard because now we have to take the school busses and have a special trip for the school to pick up the kids to bring them to school. So that's costing us more money, too. But I think over time, we're going to save close to a hundred thousand a year, easy. If it gets worse and worse, at least now we have somewhere to put them until we can relocate them and/or until there's a fire and the landlord or the insurance makes the repairs that need to be made before they can live back in the house.
CHAIRMAN CUNNINGHAM: And then there's also the -- although I know the municipality certainly tries to prevent this, but there's a proliferation of basement apartments?

MS. COLDITZ: Yes.

CHAIRMAN CUNNINGHAM: That compounds the issue.

MS. COLDITZ: Yes, that compounds it, yes, it does.

MR. LIGHT: I became confused. You're putting some of the people from Union City to North Bergen?

MS. COLDITZ: We don't have a choice, we have no hotels in Union City to put them in. And we have no place to put them --

MR. LIGHT: Once they're in North Bergen, aren't they part of that community?

MS. COLDITZ: No, they live in Union City. We have to locate them somewhere until we can get the housing ready to put them back to where it's --

MR. LIGHT: Okay, I see. The housing is dilapidated and needs repairs, so they live there and you're putting them temporarily in North Bergen.
MS. COLDITZ: Yes.

MS. STIEFEL: It's a fire.

MR. TANGO: It's fire damaged building.

MS. STIEFEL: Displacements due to housing fires.

MS. COLDITZ: We don't -- in Union City, we don't --

MR. LIGHT: So they still own the property, they're coming back at some point, it's temporary --

MS. COLDITZ: Yes, it's only transitional.

MR. TANGO: Excuse me, they may not own the property. These may be tenants in multifamily buildings.

MR. LIGHT: Residents, I should say.

CHAIRMAN CUNNINGHAM: That's largely the issue, Mr. Light, is that they are tenants. And until they find either that location or another location to move back to. And I think the engineer made the point, and the mayor made the point to me as well, that it's not just the per diem cost of the hotel, which is significant, it's adding significant bussing costs to bring children back to --
MR. LIGHT: That's why I was wondering why they weren't part of North Bergen, but I think I understand.

MS. RODRIGUEZ: I have to commend Mayor Stack because I live in a city where there's fires, it's the City of Paterson and I never heard of such a program. So I tip my hat, if you guys can afford it and sustain it.

MS. COLDITZ: I really think it's going to help the City's budget.

MS. RODRIGUEZ: I think it's revolutionary and visionary. And I commend them because I'm here in awe because I've never heard of such a thing.

MS. COLDITZ: Thank you.

MS. RODRIGUEZ: If you can afford it.

CHAIRMAN CUNNINGHAM: Yeah, I would add that, again, Union City being a transitional aid city, the state monitor has been involved in these conversations, as have I, the deputy division director. But I would then ask for -- unless there's any other questions, I would ask for --

MR. LIGHT: Just one other, I don't mean to delay it, but I see that the debt ratio is 3.165, which is a little bit over the limit. And
I know that this does not affect that --

MS. COLDITZ: No, it doesn't.

MR. LIGHT: What do you see for the future? Is the future going to get the township or the city back under that 3.0 debt --

MS. COLDITZ: Yes. I don't believe the City's going to be going out to debt in the near future at all. I think we're at a point where we just did the bond ordinance and we won't be doing that for a long time.

MR. LIGHT: In a year or two --

MS. COLDITZ: If I know the mayor, he's not going to want to.

MR. LIGHT: What do you foresee, two, three years?

MS. COLDITZ: I hope, yes. I don't know for sure, but I don't believe that there's going to be a bond ordinance that we have to go out for any time soon.

MR. LIGHT: You should have some debt retiring.

MS. COLDITZ: Yes, we do.

MR. LIGHT: I'll move the application.

CHAIRMAN CUNNINGHAM: We have a motion from Mr. Light.
MR. BLEE: Second.

CHAIRMAN CUNNINGHAM: Second, Mr. Blee.

Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Thank you very much. I know you'll work with the monitor going forward, but keep us posted on this and let us know how it's going.

MS. COLDITZ: We definitely will.

CHAIRMAN CUNNINGHAM: I think we as a board are all interested to see how this works out.

MS. COLDITZ: No problem. We'll be working closely with Eileen, so she'll know.

MS. STIEFEL: I'm on the next one, too.

CHAIRMAN CUNNINGHAM: Then we'll move to

STATE SHORTHAND REPORTING SERVICE, INC.
Bloomfield Township Parking Authority.

MR. EISMEIER: Tim Eismeier, NW Financial.

MR. WIELKOTZ: Steve Wielkotz the auditor.

MR. K. McMANIMON: Kevin McManimon, bond counsel.

MR. DOMENICK: Glenn Domenick, Executive Director of the Parking Authority.

GLENN DOMENICK, after having been duly sworn, did testify as follows:

STEVE WIELKOTZ, previously sworn.

TIM EISMEIER, previously sworn.

CHAIRMAN CUNNINGHAM: Gentlemen, good morning. Thanks for your appearance today.

So I know that the Authority is looking to hold notes as it relates to a parking garage. What I was hoping you could do or someone among you, could you just introduce the concept to the board because I know the garage had been under construction, I think it's constructed now. But would you please bring the board up to date on
what the latest status of the project is?

MR. K. McMANIMON: Sure, Director.

Kevin McManimon from McManimon, Scotland and Baumann, bond counsel to the Parking Authority.

The original project that was issued the finance the construction of the parking garage, which was part of a larger mixed use redevelopment project.

The parking garage was completed in 2013.

However, the residential and retail components of the project were only completed a few weeks ago.

The Township issued a certificate of occupancy for the remaining components of the project on September 22nd, I think. So the Township provided a tax exemption for those improvements, the residential and retail improvements. The Township pledged the annual service charge that will be realized from the tax exemption to the payment of debt service on bonds issued by the Parking Authority. So once that revenue stream stabilizes, which will happen in 2016, that will be the first full year that we receive the annual service charge revenues. The Parking Authority, I think, will be in a position at that time to permanently finance the notes, that's our plan.

So our request at this time is to pay
down $80,000 of the outstanding principal amount
of the project notes and renew the balance for
another year. We think that under these
circumstances the renewal of the note is
reasonable and the $80,000 proposed pay down is
reasonable. And we ask the board to approve the
application.

CHAIRMAN CUNNINGHAM: Thank you,
counselor. As far as you said it was a
residential component and retail?

MR. McMANIMON: There are apartments and
retail space.

CHAIRMAN CUNNINGHAM: Do you have a
sense of now that it's constructed what the
occupancies are looking like.

MR. DOMENICK: The retail component --
Glenn Domenick on behalf of the Parking Authority,
Director. Retail component is about 80 percent
leased, the residential is close to a hundred
percent.

CHAIRMAN CUNNINGHAM: Great.

MR. K. McMANIMON: If I could note,
Director, the receipt of the annual service charge
revenues does not depend upon the occupancy. The
annual service charge is due regardless of whether
the units are actually occupied. They're going to be --

CHAIRMAN CUNNINGHAM: Always makes life easier when somebody is getting the money in.

MR. K. McMANIMON: No doubt about it.

CHAIRMAN CUNNINGHAM: So I just want to note for the record especially for the benefit of my colleagues, the application, as it came in originally, did not have the $80,000 pay down. That was something that staff and I discussed with folks from the Authority and their professionals and agreed that while the rolling of the note was prudent, so was a pay down. And I'm still not sure how we landed at the $80,000. You want to touch that one again, Steve?

MR. WIELKOTZ: Sure. Even though the Parking Authority is not under the local bond law in terms of statutory pay downs, we did the calculation, NW did the calculation. And if we were, then $80,000 was the magic number that would be required by statute if we had to comply with the local bond law.

CHAIRMAN CUNNINGHAM: I think our math might have been slightly off, but it's really irrelevant at this point. I think the $80,000 pay

STATE SHORTHAND REPORTING SERVICE, INC.
down is something we agreed on and I think, as I said, is prudent. Any board members have questions or concerns about the application?

    MS. RODRIGUEZ: Nice to see this project finally completed.

    MR. K. McMANIMON: Transforming Bloomfield.

    MS. RODRIGUEZ: Yes, beautiful.

    CHAIRMAN CUNNINGHAM: Just the one year renewal?

    MR. K. McMANIMON: Yes.

    CHAIRMAN CUNNINGHAM: And the other thing that I did appreciate, we did get the cash flow analysis, which is something we asked you for. And we did take a look at that. So we have that in the package as well. Any other questions for the applicant? So I will -- considering my involvement in this, I'll make the motion to approve this application. And I would ask for a second?

    MS. RODRIGUEZ: Second.

    CHAIRMAN CUNNINGHAM: Thank you. Roll call, please, Pat.

    MS. McNAMARA: Mr. Cunningham.

    CHAIRMAN CUNNINGHAM: Yes.
MS. McNAMARA: Mr. Avery.
MR. AVERY: Yes.
MS. McNAMARA: Ms. Rodriguez.
MS. RODRIGUEZ: Yes.
MS. McNAMARA: Mr. Blee.
MR. BLEE: Yes.
MS. McNAMARA: Mr. Light.
MR. LIGHT: Yes.
CHAIRMAN CUNNINGHAM: Camden County Improvement Authority. Kindly introduce yourself and those that aren't counsel be sworn in.

MR. BLAND: Jim Bland, director of the Improvement Authority.
MS. STIEFEL: Jeanne Stiefel, Parker McCay, bond counsel to Camden County.
MR. McPEAK: Dave McPeak, Chief Financial Officer for Camden County.

JENNIFER EDWARDS, after having been duly sworn, did testify as follows:

JIM BLAND, after having been duly sworn, did testify as follows:

STATE SHORTHAND REPORTING SERVICE, INC.
DAVE Mckeak, after having been duly sworn, did testify as follows:

CHAIRMAN CUNNINGHAM: Good morning. Please?

MS. STIEFEL: Thank you. The application before the board this morning is seeking approval pursuant to N.J.S.A. 40A:5A-6 for project financing for the Camden County Improvement Authority to issue -- not to exceed 65.5 hundred million of county guaranteed loan revenue bonds in two series. The first series is a not to exceed 45,500,000 county guaranteed loan revenue bonds, series A, of 2015, to fund the cost of the County of Camden's annual capital and equipment improvement program. The second series is a not to exceed 19 million of county guaranteed loan revenue refunding bonds, series B, of 2015, to currently refund approximately 18,305,000 of outstanding county guaranteed lease revenue refunding bonds.

The application is also seeking approval pursuant to 40:37A-80 for a county guarantee to secure payment, principal and interest, on both
series of the bonds.

We're here and happy to answer any questions that may pertain to either the county's capital program or the refunding project.

CHAIRMAN CUNNINGHAM: I think it would be helpful to hear from either the Improvement Authority or the county in terms of some of the types of projects that would be contemplated by the financing. Gentleman?

MR. McPEAK: Sure. These are annual projects, they include road projects, purchase of property for relocation of -- potential relocation of our Board of Social Services operations at some point. Includes funding for dredging of Cooper River, parts of various parks improvements, building renovations, things like that. Those are the types of projects.

CHAIRMAN CUNNINGHAM: And these are in addition to the municipal utilities authority PILOT, which the division has already --

MR. McPEAK: That is correct, yes.

CHAIRMAN CUNNINGHAM: Okay. So the deal is structured to generate level annual debt service and I believe on the series B bonds, there's significant -- I think almost a million
dollars in present value savings that's contemplated?

MS. STIEFEL: Clearly well in excess of currently the three percent minimum.

MS. EDWARDS: Approximately 5.5 percent.

CHAIRMAN CUNNINGHAM: Thank you. And you would do the bonds as negotiated sale?

MS. EDWARDS: Yes. As a negotiated sale. And we did get the responses back from the underwriter and they were below what was estimated in the application.

CHAIRMAN CUNNINGHAM: Great. Now, I know there was -- there had been an issue that I talked with the Executive Director about regarding the fee. And I believe that you've sent over a revised cost of issuance. I don't know that I have it in front of me, I know it had come in.

MR. BLAND: For the record, we did amend our fee to the director of the agency and the new law passed, I guess it was in August, to equate to .125 percent for the financing fee. So I think you have those numbers, if you don't, we could send them over to you.

CHAIRMAN CUNNINGHAM: I think we have them, Jim. They just didn't make their way to my
desk in the time I got in and out.

MR. LIGHT: You don't want to look at them, trust me.

MR. AVERY: Mr. Chairman, it's less than $966,000, cost of issuance? Am I looking at the right report?

CHAIRMAN CUNNINGHAM: 756 total.

MR. McPEAK: That's in the application.

MR. BLAND: The total cost of issuance has been amended to a little over $756,000.

CHAIRMAN CUNNINGHAM: I can tell there's confusion, maybe you want to walk the board through the cost of issuance so we have it for the record, clearly.

MR. BLAND: Sure. If you have the schedule in front of you, part 2, I guess, the proposed issuance costs. Financial advisor -- each line you want me to walk through?

CHAIRMAN CUNNINGHAM: Well, start with the totals for the two series. And then we can --

MR. BLAND: The total for the new money bonds, money bond 2015 is $529,604. For the refunding bonds $227,348 for a total of $756,952, which is compared to the original application we have in front of you, a little over 966,000.
CHAIRMAN CUNNINGHAM: And the issue had been under the clean up bill that the legislature passed and signed into the law by the governor, it does talk about a -- I don't want to call it a cap on fees, because the board could, upon a two-thirds vote allow an excess. But the number was .125 percent. We spoke to the Improvement Authority yesterday. And the Improvement Authority, as is in front of you, amended their financing fee to comport with that amount.

And that's now why we have a revised schedule of issuance cost in front of us.

MS. STIEFEL: Just for the record, I would just like to point out that the aggregate cost also includes the aggregate underwriters' discount, that's the whole financing and --

MS. EDWARDS: And to that note, what was assumed in the application was $6 a bond, which I believe is now about $3 a bond. So the underwriters' discount will be cut significantly as well, based on the final par amount.

CHAIRMAN CUNNINGHAM: So if we look at the underwriter line item of that schedule, you can see of the 756, you're talking 361,000, so that is a lion's share of the amount.
MS. EDWARDS: That is correct.

MS. STIEFEL: At $6 a bond.

MR. AVERY: Could be a new record.

CHAIRMAN CUNNINGHAM: What are your thoughts, Alan?

MR. AVERY: I assume the staff has looked at this?

CHAIRMAN CUNNINGHAM: That is correct.

MR. AVERY: Go by their recommendation.

CHAIRMAN CUNNINGHAM: So a couple other things I wanted to address. And, Jim, if you don't mind, I'm going to address them to you. I think the audit for the Improvement Authority was a couple months late, but that's since been received.

MR. BLAND: Yes.

CHAIRMAN CUNNINGHAM: We talked yesterday, included in the staff report was a line item for catering expenses. And that was a concern to me, but maybe you want to explain that, so there's no confusion?

MR. BLAND: Sure. It was listed in the -- as far as catering expense line item with a question. But I think we needed additional clarity, which we didn't provide, which is that we
hold an annual summit, the Tri-County Summit, Burlington County, Camden County and Gloucester County. We do it each year and these were the costs that our sponsorships fund. So although we had in our line item, to be clear we should have put a note to say this wasn't dollars we funded out of our budget, it's more of a pass through through the authority for this regional summit that does very well each year. It brings businesses together and promotes business in south Jersey.

CHAIRMAN CUNNINGHAM: When staff originally saw that, we were under the misimpression that it was actually authority funds being used for, you know, lavish purposes. And the sponsors are covering those costs. It's not actually improvement authority money being used.

MR. BLAND: That's correct.

CHAIRMAN CUNNINGHAM: Jim, the only other question I had, which I didn't ask you yesterday was the staff report also notes there's six vehicles, are they take home vehicles?

MR. BLAND: No, no. The vehicles stay at the office. And these are primarily -- we absorb these vehicles through the county running
the community development block program for the
all the towns. We handle all the funding for 37,
not all 37 municipalities, some are entitlements,
but we handle that and we do the inspections and
run the program. So primarily five I think of the
seven vehicles are for that program.

CHAIRMAN CUNNINGHAM: And I'm sure
you've received the improvement authority fee
questionnaire that the division has sent out.
I've referred to that numerous times from the
dais. But I'm not sure the board is aware that we
did send that out. And we will be using that, as
I said in the past, to take a look at improvement
authority fees and identify those outliers that
are on the high side. The spread sheet that
improvement authority are being asked to complete
is relatively detailed. We understand that not
all transactions are the same, whether it's a
conduit financing, whether it's construction
management project, something like that. But we
will get that back in short order and we're going
to be using that as a tool that the staff will
brief out to the board on and utilize that going
forward.

Any other questions from the board
members? So hearing none, I know there is a concern about the fees, but you know my staff has looked at it. And I think we do have a path forward for both understanding what -- we do understand this application and the path forward, how we're going to look at improvement authority applications going forward. So I'm going to make a motion to approve the application as submitted with the revised financing fees submitted by the authority. I would ask for a second?

MR. BLEE: Second.

CHAIRMAN CUNNINGHAM: Second, Mr. Blee, I heard, thank you. And, Pat, I would ask for roll call.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

MR. BLAND: Thank you.

STATE SHORTHAND REPORTING SERVICE, INC.
MR. McPEAK: Thank you very much.

CHAIRMAN CUNNINGHAM: Jen, you're appearing on behalf of Burlington County Bridge Commission?

MS. EDWARDS: Yes. The CFO is running late. I don't know if you want to defer, maybe push it to the end or Tom and I can probably answer most of it. It's up to you how you want to handle.

CHAIRMAN CUNNINGHAM: You know, we have a couple things that are coming up on the agenda that could potentially require a lot of the discussion of the board. So I think it would be better just to have you and Tom address it.

MS. EDWARDS: Okay.

JENNIFER EDWARDS, previously sworn.

MR. HASTIE: Tom Hastie, counsel.

CHAIRMAN CUNNINGHAM: So, Jen, I know you've been sworn in from your prior appearance. Mr. Hastie is counsel, he doesn't need to be sworn in. So, Jen, do you or Tom want to --

MR. HASTIE: Mr. Chairman, the application before you is from the Burlington County Bridge Commission for N.J.S.A. 40A:5A-6. The proposed project is project notes issued by

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the commission and the county guarantee to secure it. The commission is actually looking to finance projects for its own portfolio. They own two bridges -- they actually own four bridges, but two bridges are toll bridges. The Tacony-Palmyra Bridge and the Burlington-Bristol Bridge. They have -- they're older bridges. One was put into service in 1929, the other one in 1931. The commission is quite proud of its record of maintaining it, keeping both of them functional. They're both steel bridges that span the Delaware River and they're mechanical, because the Delaware at the places where the bridges are is navigable, so they have to be able to open and close to allow for traffic.

The projects that are to be funded in the next ten or five year capital program, five to seven to ten, is about $110 million. The lion's share of it are two projects. One are painting both bridges and it has a significant cost to it because they have to take all -- they have to removal all the existing paint down to the metal, repair the metal because the bridges are so old, they have to be contained because there's expectation that there's still at some point
lead-based paint. So you have to essentially wrap
the entire bridge in a bubble wrap. So that
painting of both spans is expected to cost about
$45 million.

The other significant project, also
around $45 million is replacing the road deck, the
things the cars actually travel over on the
Burlington-Bristol bridge. And the existing road
deck is between 25 to 50 years old. And about
five years ago, they did a significant repaving of
the entire span. And it's just breaking down
because the road bed itself is -- you know, needs
to be replaced, kind of from the bottom up, rather
than from the top down.

The other projects are smaller,
thankfully, in nature, they include mechanical
upgrades to the Tacony-Palmyra, the
Burlington-Bristol, and the Riverside Delanco
Bridge. Mechanical means the parts of the bridge
that allow the bridges to move up and down,
function. Warning gates for the Tacony-Palmyra
and the Burlington-Bristol, which will close and
completely stop traffic in place when there are
bridge openings. Electrical infrastructure on the
Tacony-Palmyra. Right now, I found amazing,
there's about six and a half miles of conduit for that bridge, dating back sometimes 40, 50, 60 years. And the engineers are recommending that everything be kind of removed and replaced and rewired. And then finally something called a traveler system, which is below the span, metal attachments that go along the bridges. It allows for a gondola, similar to what you see on window washing crews, be attached there, travels along the bridge, makes, inspections, maintenance, and repairs easier.

And you don't have to -- currently, right now, a lot of times what they'll do is shut down a lane of traffic and put a boom truck out there and swing the boom arm around and under, which is, A, expensive because you have to rent it; B, and not great for the customers because you're now reducing traffic. So a couple years ago, they put one in on the Burlington-Bristol bridge, it's worked very well. They want to put one on the Tacony-Palmyra.

CHAIRMAN CUNNINGHAM: So the proposal right now is the notes that would be subordinate to the existing bonds?

MR. HASTIE: Yes. The bridge commission
right now has a general bond resolution that has
one series of bonds outstanding. Because the
desire of the commission for, kind of debt
management purposes, is to stay in notes to kind
of get all the projects undergoing and paid for,
get a permanent price, because you know when
you're dealing with old bridges and engineering
estimates, sometimes these are everyone's most
educated best guesses on what prices are, but
history will suggest that something will be wrong.
So once the prices are done and locked in, get a
permanent financing. So to do that, because the
general bond resolution does not allow for notes,
you could have done a one year bond, but you then
would have to essentially borrow twice as much to
put in debt service reserve. It does allow for
subordinated notes and that's what we're trying to
do here.

CHAIRMAN CUNNINGHAM: So they would be
tax exempt revenues?

MR. HASTIE: Yes.

CHAIRMAN CUNNINGHAM: And the revenues
are the tolls of the bridges?

MR. HASTIE: Correct.

CHAIRMAN CUNNINGHAM: The staff report

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indicates that tolls have been raised or are going to be raised?

MR. HASTIE: They were raised in August, became effective in September. It's about $12 million a year projected revenue increase. As the CFO would say if she was here, it's $120 million over 10 years to do $110 million worth of projects. So some of it will be done with the note issue because of the size of the two projects. Some of it will be done pay as you go. The commission has a history of doing pay as you go capital and maintenance. Anywhere from 8 to 12 million dollars a year. The revenue model anticipates them continuing to put that type of, you know, annual contribution in. So it's not just borrowing money, it's borrowing money to kind of -- seed money. And then continuing to roll out the project as revenues permit.

CHAIRMAN CUNNINGHAM: And the only other thing that, I'm sure you said already, but I think it's significant that this would be county guaranteed --

MR. HASTIE: Yes. The county guarantee ordinance has been introduced, I believe staff has a copy. And it's scheduled for final adoption
tonight.

CHAIRMAN CUNNINGHAM: Any questions from the board? Then I would seek a motion and a second.

MR. BLEE: Motion.

CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.

MR. LIGHT: Second.

CHAIRMAN CUNNINGHAM: Second, Mr. Light.

Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Thank you. Morris County Improvement Authority.

MS. EDWARDS: Staying again.

CHAIRMAN CUNNINGHAM: So --

MS. EDWARDS: I'll talk.

CHAIRMAN CUNNINGHAM: Jen's been sworn.
Mr. McManimon does not need to be sworn, so, Jen, please start.

MS. EDWARDS: The Morris County Improvement Authority is seeking approval for a current refunding of its outstanding lease revenue bonds series 2004 that was originally issued for the Morris County Educational Services Commission. It is a current refunding in excess of 3 percent present value savings. The County did introduce a county guarantee ordinance, similar to as it did in 2004 to secure the original bonds.

And we're just looking forward to moving forward with the transaction and saving the district or the commission some additional savings.

CHAIRMAN CUNNINGHAM: Did you want to talk about the fee adjustment similar to --

MS. EDWARDS: Sure. Similar to Camden, the Authority sent in a revised cost issuance schedule yesterday which reduced the financing fee to the .125.

CHAIRMAN CUNNINGHAM: Contemplated --

MS. EDWARDS: Contemplated in the new bill, yes.

CHAIRMAN CUNNINGHAM: Again, you know, I
know the client's not here, but on behalf -- I
would ask you as the professionals, the
improvement authority questionnaire is out there.
We are going to be taking a look at the fees
charged. So I do appreciate the revision in this
particular field. Any questions from the board
members on this transaction? I mean I think
they're refunding. The savings are there, it's a
prudent transaction. So I would ask for a motion
and a second?

MR. LIGHT: I'll make a motion.
MS. RODRIGUEZ: Second.
CHAIRMAN CUNNINGHAM: Motion, Mr. Light.
Second, Ms. Rodriguez. Roll call, please.
MS. McNAMARA: Mr. Cunningham.
CHAIRMAN CUNNINGHAM: Yes.
MS. McNAMARA: Mr. Avery.
MR. AVERY: Yes.
MS. McNAMARA: Ms. Rodriguez.
MS. RODRIGUEZ: Yes.
MS. McNAMARA: Mr. Blee.
MR. BLEE: Yes.
MS. McNAMARA: Mr. Light.
MR. LIGHT: Yes.
MS. EDWARDS: Thank you.
CHAIRMAN CUNNINGHAM: The board is next going to hear Mercer County, appeal of a director's decision. Mr. Sypek, I know you're appearing on behalf of the county, but I am going to ask my colleague Mr. Light to assume the chairmanship of the board, as you're appealing a decision that I had made. I do just want to note, before I stand down, that it's my understanding that you're likely to ask the board for -- if you had potentially made a change to the ordinance, whether that would be palatable. So I would ask Mr. Light to lead that discussion and then --

MR. LIGHT: I might get lost if I go there.

(Whereupon Chairman Cunningham leaves the dais.)

MR. SYPEK: Thank you. Mr. Chair, for the record, my name is Arthur Sypek. I'm the counsel for the County of Mercer. I'm here representing county executive, Brian M. Hughes, and the Mercer County Board of Chosen Freeholders. With me?

MR. SCALERA: My name is Ciro Scalera, I'm director of government relations, for the laborers employers cooperation in education trust,
the laborers union, if you will.

MR. SYPEK: Thank you.

CIRO SCALERA, after having been duly sworn, did testify as follows:

MR. SYPEK: Mr. Chair, the board, I think, has previously received a letter memorandum from Raymond Heineman, which I have copies of, which I would request be marked as an exhibit and part of the record for this appeal today.

Mr. Chair and members of the board, the county executive and the board certainly appreciate the board's time here today hearing this appeal. This ordinance was produced after many, many months of deliberation and work. I note, and I believe it's maybe in the director's letter, we're the only government entity in the State of New Jersey who properly followed the statute in trying to have this properly approved by the Department of Community Affairs. We played by the rules, we played by the book, and we certainly believe that the ordinance as crafted does comport with the law.

I note -- I know my time is limited, but
I note that the letter from the director dated September 1, 2015, basically outlines on pages 2 and 3, three areas that -- he calls them three specific areas of concern, which we've reviewed. And I appreciate his concern and certainly the department's concern over these items. And what I would like to address -- I think the ordinance speaks for itself, the letter from Mr. Heinemann's office is very well crafted and the analysis, I would submit is right on point.

But in terms of the areas of concern, if I may, I'm not going to take them in the exact order. The second on the bottom of page 2, there's a concern the division needs a working definition of craft employee, which is not provided in the ordinance. Well, we don't necessarily disagree with that. And we would be amenable to revising the ordinance and/or amending the ordinance to provide that necessary definition.

On the top of page 3, there is also an area of concern dealing with why our ordinance exceeds all other state statutory requirements with regard to specifically the applicable bid limit. I think that takes us to the crux of the
area of concern, which was first item on the top of page 2. We used a value number of $36,000 for the state that this ordinance would kick in. I think there's a concern that that may have a certain chilling effect on some smaller businesses, smaller contractors, and we're aware of that. And I want to preface the rest of my statement on that by saying that, as I stated earlier, the Board of Freeholders and the County Executive did not just willy-nilly at one of our meetings say, let's pass this ordinance. It took about four months to craft this.

The County Executive and I spoke at length and I think there's a concern in Mercer County and it's a concern in all 21 counties that our infrastructure is becoming more and more in need of repair. Certainly, our buildings are becoming more and more in need of repair. Fortunately, we were able to build, you can almost see it from here, the new criminal courthouse, which was built, I will tell you on time and under budget. And that required a lot of skilled craftspeople. If you were to take a walk into our criminal courthouse, it's incredible. The technology that's in there, the amount of work

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that went into that in terms of not just bricks
and mortar and nails and wood, the technology
aspects of it. We have visitors from literally
many states looking at it because it turned out so
well.

We're finding that skilled training in
Mercer County and we have vocational schools -- we
have two vocational schools. We may have to close
one because the skilled training aspect of it, the
attendance is way down. It's unfortunate. So
it's in continuous decline, I believe in our
submittals we have references to that. If
anything, we need to expand the industry
apprenticeship, we feel that that would help not
only the economy, but certainly help with our
ability to have -- we want to build buildings and
improve infrastructure not just for 10 years or 20
years, but for a generation. And that takes time,
that takes money, but it takes skill to do that.

And through this ordinance, we really
believed that we would be able to have that type
of skilled craftsmanship in the county with these
apprenticeship programs. There's evidence in the
submittals that with the apprenticeship programs,
not just in New Jersey, all over the country, that
there's a lesser percentage of voluntary turn
over, absenteeism, you get better work ethic, you
get better worked product.

Now, with regard to the dollar amount,
we realize that that may be a difficult number
that may appear to impede certain smaller
contractors from being able to bid. And certainly
we do not wish to have that situation. We look
for direction, we look for certainly a discussion,
today or whenever, as to a higher dollar amount.
I would indicate that we would certainly entertain
something well above that number, probably
somewhere between 250,000 and above, that may make
this a much more palpable ordinance. And we think
that that would then not have an undue hardship on
the small businesses and small contractors. You
know, that dollar amount certainly would be an
amount that would generate more activity with the
much larger firms that can accomplish the
requirements under the ordinance.

So the county government is certainly
aware of the concerns, we appreciate the concerns,
we appreciate the checks and balances. And this
is really a balancing of the interest type
ordinance, that we look at that. We think
overall, for the taxpayers of Mercer County who work hard for their money and want to see a project that will last, want to see a courthouse that will be here maybe a hundred years from now. We think that the implementation of such an ordinance will enable us to have a better quality product in the areas of whatever infrastructure that may have to be rehabbed or rebuilt in the future. That's basically it in a very brief nutshell, Mr. Chairman.

MR. LIGHT: Let me make sure I understand, there were three sections, I guess, that were areas of concern. Two of the three, you're willing to accept and change?

MR. SYPEK: If I may --

MR. LIGHT: So the only one had to do then with the pre-qualification of the amount of level at which --

MR. SYPEK: And we're willing to adjust that, we're willing to see what a reasonable figure would be. There's no ordinance -- there's no legally approved ordinance in effect, that I'm aware of, in the State of New Jersey. There are ordinances that have been passed and resolutions, without DCA approval -- I'm not going there, I'm
simply indicating there's really no guideline that I could say well, X county or Y municipality has 200 or 300, whatever the number may be.

MR. LIGHT: Do other counties have such a stipulation in their bidding process.

MR. SYPEK: None that have been approved.

MR. LIGHT: This is the first one?

MR. SYPEK: This is the first one I'm aware of.

MR. LIGHT: You're leading the charge.

MR. SYPEK: I guess that's the way to put it.

MR. LIGHT: And we're standing here with the charge coming at us.

MR. SYPEK: So, yes.

MR. LIGHT: What is your proposal that you're asking us, outside of just saying you want us to over turn the director's decision, which is a difficult thing for us to do.

MR. SYPEK: I understand that.

MR. LIGHT: What are you suggesting that we might do to satisfy the situation? Short of just saying we don't agree with you.

MR. SYPEK: I understand that and I
appreciate that. And, you remember, as county
counsel, I always argue the government's position,
so we're -- the government's always right.
MR. LIGHT: Let's not get into that.
MR. SYPEK: But we're looking really for
direction. If the board were to feel that a
higher dollar amount may be more palpable, that
would enable the smaller contractors, smaller
businesses to participate and not be penalized by
these programs, whatever, that is what we're
talking about. In terms of an exact dollar
amount, we look for direction. If 250,000 is
reasonable, if 300,000 is reasonable, you know,
that's something we would certainly -- and
whatever, you know, I don't necessarily have the
authority to say we're going to do X or Y, this
would have go back to the Board of Freeholders and
be approved by them and then would have to be
signed by the County Executive. And that process
would take months. But we're looking --
MR. LIGHT: Well, there's two changes
that are imminent anyway. So you would have to go
through the process, if you're going to agree to
the two sections --
MR. SYPEK: I understand that. I'm just

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saying that this process would have to -- we'd
have to go back and amend and do that. We
understand that. But we're looking to be, you
know, a partner. We're trying to help, we think,
what is an industry that needs this apprenticeship
program. We see when we have our major projects
and we don't have that many anymore, the only
major -- really major one lately has been the
criminal courthouse, which I say came in under
budget and on time.

MR. CUNNINGHAM (from the audience): Mr.
Light, speaking as the director of the division,
not as the chairperson, if you wanted to take
Counselor Sypek's suggestion that maybe an
amendment to a different dollar amount, if you
want to refer that back to staff, we would gladly
accept that suggestion and work with the Attorney
General's office to look to see whether that
changes the legal analysis. And we would bring it
back to the board, or through Mr. Chairman, back
to the --

MR. LIGHT: I appreciate that because I
don't think that, personally, just one member of
the board, I don't think I'm in a position where
I'd be ready to make a decision.
MR. SYPEK: I understand that.

MR. LIGHT: I think -- did you want to say something to the board members?

MR. SCALERA: Yes, I did. It was our union that retained the firm Kroll Heineman and that the letter was written was at our request.
And I think the suggestion -- I would have suggested that perhaps it be tabled for now, that there be further discussion with the director, the county. We're very happy to be able to support Mercer County, they are trying to do the right thing here. They're trying to put in place good procedures. And I understand they're breaking a little ground, perhaps, in terms of the board. But we think it's an important issue. And we commend them for what they've done. And, obviously, if there's some further amendments, we have no problem, personally, our union. I can't speak for all the building trades, with a higher threshold. So I think taking some additional time trying to work this out with the county would be very important.

MR. LIGHT: Okay. Appreciate that.

MR. AVERY: Understanding that in your representation that there might be other public

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bodies that have a similar ordinance, but have not completely followed all of the rules, do you have a feeling for what some of the other dollar amounts would be in those incomplete ordinances?

MR. SYPEK: Off the top of my head, I think they're all in six figures. We really did not --

MR. AVERY: Didn't do any research.

MR. SYPEK: We did some research. And I think they go anywhere -- I think the highest I saw was half a million, some were a little below that. I mean I think 250 to 500 was a range. I'm not --

MR. AVERY: I understand that you're trying to recall off the top of your head, but I think the director's suggestion is a good one.

MR. SYPEK: We agree with that. We're here to try to work this out. And if this can be tabled or whatever procedurally you need to do, we certainly would agree to that and work towards a resolution. These other two items, we can certainly address, but the dollar amount I think is the most critical one and one that we would try to work with the director and the division with.

MR. LIGHT: Okay. Did you have
something?

MS. RODRIGUEZ: No, I was going to echo what --

MR. LIGHT: All right. Are you finished then?

MR. SYPEK: I am. If I may, Mr. Chair, this affects many, many people in the county. And if I may, if the board were to allow, with us today is a representative of the county, Assemblyman Wayne DeAngelo. I would appreciate it if the board would afford him a very brief amount of time to address this issue.

MR. LIGHT: Who is that?

MR. SYPEK: Assemblyman Wayne DeAngelo.

MR. LIGHT: Assembly people are usually brief, aren't they?

WAYNE DEANGELO, after having been duly sworn, did testify as follows:

ASSEMBLYMAN DeANGELO: Assemblyman Wayne DeAngelo, District 14, for the record. Thank you very much for a couple brief minutes. You heard testimony on both sides and the length of time and duration that was put into this, a lot of other
public entities out there wanted a mechanism outside of the project labor agreements that was approved by law back in 2003 to do construction work, but it's kind of same parameters.

Throughout the course of the past decade, municipalities, school boards, county governments, have passed a responsible contracting resolution, but not all in the same text, not all in the same language.

Most recently, a couple years ago, Judge Feinberg here in Mercer County saw the one that was a resolution, not an ordinance, and an executive order by the County Executive here in Mercer County. And as she was deciphering it because it was being challenged as legal, she noted -- not a written decision, but she noted that she had concerns mainly with mandating a health plan, mandating a pension requirement. But she was amenable to the apprenticeship training programs. She understands the importance of having registered apprenticeship training programs in the construction industry. And this is something that we have talked about legislatively in New Jersey, you know, where you need a license to cut hair, but you don't need a license to do,
you know, be the individual to put in electrical systems.

So we thought a mechanism of -- with this responsible contracting language, to allow those entities that thought it was important to have these apprenticeship training programs as part of their process to go along with being a safe work site as strong parameters. As we're continuing to go, we discussed, listen, what's the dollar figure that's acceptable. We said, you know, when you put jobs out to public bid for construction, I believe the number's around $36,000, that should be the trigger mark as to being acceptable. A majority of the registered contractors that are in apprenticeship training programs are not unionized individuals, they're anywhere from one and two construction workers, working for the entity, up to hundreds, two hundreds, you know, and larger.

So it's not really something that would exclude small business, minority businesses from participating. So that's why we thought the $36,000 number was a strong number to come into compliance, to partner up with, you know, the project labor agreements in the State of New
Jersey. You know, being a representative with the building trades, we like to see, you know, the investment into education in our -- whether it's higher education in colleges or expanding, you know, our vocational programs.

So hopefully the board is amenable to some sort of parameters there, you know, that would benefit everybody dealing with higher education and we're including vocational as higher education. Thank you for your time.

MR. LIGHT: Thank you. It sounds to me then, unless somebody else has something to offer, we all seem to be on board that we need to go back and discuss this, table it for at least this point, and to see if we can come to a resolution, both the director's talking that way and so are you --

MR. SYPEK: We're amenable.

MR. LIGHT: I don't think we need a motion to that extent.

MS. STERN: I think a motion is --

MR. LIGHT: You would be more comfortable with a motion.

MR. BLEE: Motion to table.

MS. RODRIGUEZ: Second.
MR. LIGHT: Is there any comments, questions from the board member? Please call the roll.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

MR. SYPEK: Thank you very much.

MR. LIGHT: See you again then.

(Chairman Cunningham returns to the dais.)

CHAIRMAN CUNNINGHAM: The board is going to take a five minutes recess, it's 12:10, we'll reconvene at 12:15.

(Whereupon a short recess was taken.)

CHAIRMAN CUNNINGHAM: We're going to reconvene. The next matter in front of the board as listed on the agenda is the proposed dissolution of the Bridgeton Municipality Port

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Authority. And I'll give the parties an
opportunity to speak, but I first wanted to put my
reaction as a director and on behalf of the board
on the record.

So this matter, the discussion of the
municipality port authority, has been brought
before the board numerous times. And at the last
meeting, I asked for submissions from both the
authority represented by Mr. McManimon and Ren
River Development represented by Mr. Bonchi and I
did get significant and compelling submissions
from both of them. And I do thank you for that,
it certainly helps my and the board's
understanding. The one thing that was clear from
the submissions is that the Bridgeton Municipality
Port Authority is facing financial difficulty, the
assets as listed were less than the -- the
liabilities were more than the assets. I think
it's also notable that right now the Bridgeton
Municipal Port Authority is not in a productive
phase. It's not really undertaking redevelopment
and let alone there's not a port in Bridgeton.

But I think that we've heard plenty of
testimony on the matter. I do want to acknowledge
that there is significant pending litigation
between the parties. And I personally think and
my official position would be that the Bridgeton
Municipal Port Authority should be dissolved. I'm
not necessarily taking a position on all of the
facets of the litigation that are between the
parties. But I do think it's incumbent and I
would recommend to my colleagues on the board that
we move the Bridgeton Municipal Port Authority to
dissolution under Section 21, which is the forced
provision of the local authorities control law,
fiscal authorities law.

In a moment, I'll make a motion to that end. And the only thing I want to say is that I
will circulate a courtesy copy of a Local Finance
Board resolution that memorializes the action the
board takes today. That's a courtesy copy, not
necessarily an invitation to significantly mark
the document up, but if the parties do feel
there's something glaringly absent from the
resolution, I would obviously entertain that.

So I would assume that Mr. McManimon or
you and Mr. Marmerro, appearing on behalf of the
authority would just like to go on record. I'll
allow to you do that, then I'll give Mr. Bonchi
and his clients the same opportunity.
MR. MARMERRO: Al Marmerro, counsel for Bridgeton Municipal Port Authority.

MR. SUREMENTY: Jack Surrency, Bridgeton City Counsel.

MR. GOODREAU: Dale Goodreau, business administrator, City of Bridgeton.

MR. E. McMANIMON: Mr. Ed McManimon, McManimon, Scotland and Baumann, the bond counsel to the City of Bridgeton.

CHAIRMAN CUNNINGHAM: Ed, before you go, those that aren't counsel should be sworn if they're going to present testimony.

JACK SUREMENTY, after having been duly sworn, did testify as follows:

DALE GOODREAU, after having been duly sworn, did testify as follows:

MR. McMANIMON: I'll violate my personal constitution and try to be brief.

CHAIRMAN CUNNINGHAM: The ire in both you and me.

MR. McMANIMON: There's been much submitted. I don't know whether the board members
had a chance to review all of it. We've been here many times. I think that the issues are pretty clear, whether they're clear in terms of resolution, I don't know because I don't have the benefit of the draft resolution that you propose.

Under Section 21 of the local Authorities Fiscal Control, under which you propose to act, it does provide that order must determine whether adequate provision has been made for the payment of the obligations. That is the obvious dispute that exists between the Martins and the Port Authority and the City because there is a significant effort being undertaken to take this debt of the Port Authority and have it imposed on the City, either because the view of the statute requires that or because the view is that municipalities that create authorities, it's not to pay the debt the authority. Of course, that's not the case throughout New Jersey.

So I don't know whether the plan, I think you are proposing that the City, along with the Port, submit a plan in terms of how that will ultimately result in the final dissolution because I don't know if the action you take today is to dissolve the authority or subject to a
determination about --

CHAIRMAN CUNNINGHAM: So let me -- and
again I'll just answer that point because I'm sure
when Mr. Bonchi speaks, he's going to, you know,
have some of the same questions. So just letting
me be more clear, what I would -- the motion that
I likely will introduce today and ask for my
colleagues on the board support with, is that the
City of Bridgeton, the Port Authority, either
separately, combined, I don't really care, submit
a plan, assuming the board forces dissolution
under 21, for what the dissolution would look
like. And then we will, at a future meeting, have
to determine whether or not adequate provision has
been made in accordance with Section 21 of the
statute. I would envision that that report should
come sometime, like, say in the next 30 days or
so, maybe setting a deadline of the next Local
Finance Board meeting, although I'm not sure it
has to be that date. And then I would endeavor to
try to ultimately have the matter wrapped up in
some way, shape, or form by the end of the year.
So that was the timing I was looking for, that
would be the report that I would be looking for
from your client.

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MR. McMANIMON: So the actual action
that you would take today is to initiate the
dissolution, not necessarily to approve it, until
there's a determination made consistent with the
statute --

CHAIRMAN CUNNINGHAM: I don't think we
would be able to go further.

MR. McMANIMON: That's what I was trying
to find out. I just think it's important because
obviously this record winds up in court or not,
that as I stated there's both legal and factual
matters. And the legal ones are basically this
authority is a separate entity from the city, like
all the authorities that are formed, the statutes
make that very clear. The port authority statute
does not permit the port to provide that the debt
it incurs becomes part of the city. It's stated
in two different places that that's the case.

The city did not involve itself in this
debt, they didn't guarantee the debt. And when it
was incurred, there was no action taken by the
city in connection with that, the port didn't
present it that way. The obligation that was
acquired that's at dispute here, was bought at a
deep discount. And whether that matters in the

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context of legality, it does matter in the sense of equities, in the sense that this was not the original lender, who lost the money because it wasn't able to be paid back. It was an investment that was purchased for $250,000. And there's an effort being made here, notwithstanding the likelihood of a substantial return on that investment regardless, to try to have that paid by the city.

So we will abide by whatever your resolution says. I believe that the submission that we made, which was comprehensive and an effort to comply with what you asked for, is the plan. The only thing that is not in the documents we submitted is an ordinance, a bond ordinance, to acquire the warehouse property, which is intended to be sold to the redeveloper. But his financing has been problematic. And as I pointed out in this submission if that isn't able to be closed by the time you seek to have this dissolution become effective, the City will, by adoption of a bond ordinance, be prepared to buy that property from the port and hold it with their own risk and have it go to the developer or some other developer it's an important project for the city to have
that area redeveloped pursuant to redevelopment plan.

So we will have that ordinance adopted before you call us again. But I believe that the statute's pretty straightforward, I think the facts are pretty clear. I don't want to say clearly anything because we wouldn't be in dispute if everything was clear. I was told a long time ago, never use the word clearly in court because you wouldn't be there. But nevertheless, it's our view, as we stated in here, that the plan we would submit, if it's something more than this or this again with that ordinance, will not involve assuming the obligation on the part of the city for the debt that's involved.

We believe that the referenced adequate provision for the payment under Section 21 does not require that. And it doesn't make sense legally or responsibilities of the city to do that. So I don't need to add more because I think I'd be repeating what's in here. And if you're going to be back, hopefully the people who will be making the decision have a chance to read this thoroughly.

We will submit the additional ordinance.
I think that's the only additional part of this plan that would be involved, but I'll make it subject to the resolution that we see here. Thank you.

CHAIRMAN CUNNINGHAM: Thank you very much.

MR. McMANIMON: Thank you.

MR. BONCHI: Keith Bonchi.

CHAIRMAN CUNNINGHAM: Would you have your clients introduce themselves and then be sworn.

MR. W. MARTIN: Will Martin.

MR. T. MARTIN: Thomas Martin.

WILLIAM M. MARTIN, after having been duly sworn, did testify as follows:

THOMAS M. MARTIN, after having been duly sworn, did testify as follows:

MR. BONCHI: Thank you. As you all know me by now, my name is Keith Bonchi and probably know me better than you want, on numerous times. Obviously, we're happy to see the initiation, but as a judge has said, the devil's always in the
details. We have a significant difference of opinion. My client wants actually the City of Bridgeton to follow the law. There's a statute that my adversary has forgotten to cite to you that I've cited to the submission and to Miss Walters when I -- and that's obviously N.J.S.A. 40:68A-38, which is dissolution of a municipal port authority.

And when we talk about statutes being clear, it says, you know, the governing body when it dissolves it, if such authority has any debts other than the bonds outstanding, the municipality shall appropriate the monies required to enable all such debts to be discharged in full. I don't think there's any mystery to what the legislature intended here. The law's clearly been passed, the law's clearly effected. And you cannot effectuate a dissolution without applying the very statute that applies to port authorities that makes it clear that all public debt should be paid.

Here, I'm sure the city doesn't want to pay the debt. But as a matter of equity, the city appoints everyone on the port authority. The city has members on the port authority. The mayor is ex officio. It's not that the port authority went
out and did something that the city didn't know
about. They argue equitable -- no, it's actually
one in the same, they always have been one in the
same. It's not my clients' fault that they didn't
submit budgets to you.

And, again, we're the ones who pointed
out to you that this non-functioning debt-ridden
port authority was not complying with the law.
All we're asking here is that the law says very
clearly the legislature never contemplated that a
public entity would not pay their debts. And they
said if this entity did not have money, the city
has to pay it.

I don't think there's any room for any
discretion here. All we're saying is the statute
is very clear in its face. You're forcing the
issue because they'll never do it. They never
addressed the issue, they never acted financially
responsible when it comes to this entity. Here,
we're not getting a debate, they're going to come
with a plan to say we're limited to the assets of
the port authority, and therefore -- they've
invented, now they say they want to pay their
counsel, Mr. McManimon, Miss Bertram, who are
representing the city. There's no resolution of
appointing her for the port authority. But I don't want to fight over what's left over because that's not what the statute says. The statute clearly indicates, I just read it to you, in full, other than the bonds.

We're not -- it's not a situation and I believe even the other statutes that apply say the same thing. The legislature never envisioned a situation where a public entity within New Jersey would not be paying its debts. And I've come here and I have to say I was never to the Local Finance Board before this first application. I watch you every meeting trying to make sure everyone pays their debts. I watch you at every meeting going one by one, do you have the money, trying to make them act fiscally responsible. And I'd be stunned to see -- there's no precedent in New Jersey where a public entity doesn't have to pay their debt.

Now, this authority, as you indicated, has never functioned. It was failed from day one. We have a judgment, the judgment doesn't say -- and this judgment came back from an appellate division remand, saying that the mortgage on the property wasn't valid. But they said go file an action in lieu of prerogative writ to get a
mandamus to compel payment, which we've done.

It's just that the way the case has come down, the judge doesn't have the authority -- this body has the authority to compel the payment.

So to me any -- obviously the devil's in the details and the wording. But when we come back, whether it be this month or next month, whatever you determine, short time frame we're very happy with that, to get this done, for you not to decide the issue of whether we get paid or not, it's your responsibility. You don't have a choice because you've got to approve the ordinance by the city, so the city has to come back with a proposed ordinance to you.

It's my opinion you have to approve the ordinances as to whether it's within the law, which I assume you go to your Attorney General's office to decide whether that complies or not. And that becomes whether -- the issue here. And it's not a matter, I'm sure the citizens of Bridgeton, but it's not like they didn't get the money, they got the money here. They're argument is with those people and the way they spent it. And ironically, I'm not putting blame on this board, but the original mortgage was actually
approved years ago by the Local Finance Board, the
one the court said was invalid.

So it's not a situation where, you know,
we're coming in, asking for anything that's not
contemplated by the law, but we're asking that
you've got to set forth the next hearing what the
details are because one party is going to within,
one party is going to lose. And if there's an
appeal, it has to be clear on the record what the
decision was and why. I believe when you look at
the statute I gave you and other ones, you have to
come in with the proposed resolution and they have
to come in with their submission, what their
resolution dissolving the port authority is going
to look like, and how they're going to
contemplate. Then you have to determine whether
to approve it or not because again it goes back to
your approval. Your statute says you got to
approve that. So ultimately you are in charge of
the fiscal integrity and financial responsibility
of the City of Bridgeton and the local
authorities.

For all those reasons, my colleague is a
very good lawyer, you see him up here all the
time. But I don't think there's much mystery, if
you read the statute, that it's talked about again, N.J.S.A. 40:68A-38 in conjunction with the other one, there's no room for argument here. All the debts have to be paid in full. And that's what has to be done. Thank you.

CHAIRMAN CUNNINGHAM: Okay. Thanks very much.

MR. BONCHI: Yep.

CHAIRMAN CUNNINGHAM: So did you want --

MR. McMANIMON: I would like to just add one brief thing. I think when you decide what you're going to do here, I think it's pretty clear only because I've been here many times, that the dissolution of an authority is controlled not by individual statutes anymore, it's controlled by the Local Authorities Fiscal Control Law. Secondly, your Section 21 refers to a resolution, it doesn't refer to the city adopting anything relative to the dissolution. It as you imposing the dissolution -- you meaning the board -- on the entity. There's no ordinance and the section that Mr. Bonchi cites in the port authority statute assumes an application by the city to dissolve the authority, which is not being done here.

So I don't see an ordinance, I don't see
CHAIRMAN CUNNINGHAM: I understand and I read both submissions. I understand the dispute amongst the parties. We have one party that says Section 21 controls, not an obligation of the parent entity, the city, in this case. We have another party that says there's a different statute that should apply, it's clear on its face, no room for error. Clearly -- I'll use that word, because I think in this case it's very clear that there's a difference in interpretation.

We, as a board, are working that through with the guidance of the Attorney General's office. What I do want though is to provide a courtesy copy of the resolution to the board. The only thing that I'm processing in my head as I'm speaking is I have to think about the time frame here because I need to have enough time to go through the Attorney General's office, so I don't want to promise that I'll have a resolution to you within 24 hours because, you know, we need enough time to review and discuss with counsel.

I think there needs to be some action by the board today, but, Patty, am I hearing --

So I think there has to be some action
by the board today. And I think that action is
I'll introduce and my colleagues on the board can
second, if they choose or not, but I think the
motion is to begin the process of dissolution of
the Bridgeton Municipal Port Authority under
45A-18, actually under 45A-21, forced dissolution,
we don't have a voluntary dissolution in front of
us.

I will give the applicant the option to
submit a plan, in addition to what's in that, if
you are comfortable that your prior submission
should stand as that document and the only thing
you would do is augment with an ordinance and
don't see a need to fully submit another document.
Mr. Bonchi, I don't think we need anything further
from you or your client. I think we have
everything that we need.

I would suspect that we will draft a
resolution, submit it to the parties as a
courtesy. I would endeavor to get to you in a
period of two weeks or so. And then we can have
some conversations, ex parte, as we deal with
issues as to that. And I would imagine the board
would take additional action at either the
November or December meeting, memorializing the
action that's -- and a draft resolution.

MR. McMANIMON: Before you make that motion, I don't think we're an applicant here.

CHAIRMAN CUNNINGHAM: That's true.

MR. McMANIMON: It may matter -- we're not an applicant to this process, which I think matters under both the statute, according to Mr. Bonchi and under Section 20, which is not applicable. We are being --

CHAIRMAN CUNNINGHAM: That's a fair distinction.

MR. McMANIMON: Thank you, I'll leave it at that.

CHAIRMAN CUNNINGHAM: You got it. So again realizing the limitations on that motion today, given, you know, what we have in front of the us and where we're looking to go, I think that's the prudent next step. And I would ask for a second from the board.

MS. RODRIGUEZ: Second.

CHAIRMAN CUNNINGHAM: Second, Ms. Rodriguez. We'll take a roll call on that.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.
MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

MR. McMANIMON: Thank you.

MR. BONCHI: Thank you.

CHAIRMAN CUNNINGHAM: Thank you, gentlemen.

The next matter before the board is the petition for rule making that was sent, it's included in your impacts. And it deals with potential amendments to the Local Government Ethics Law. This was submitted by a citizen. And the recommendation on this would be that it be referred to division staff, who could look into it and come back to the board with the recommendation of whether these changes should be made or not. And, again, that would have to be done in compliance with the time frame associated with the rule making calendar. So I think my recommendation, unless the board has a different opinion, would be to refer this to division staff.
and ask them for analysis and the appropriate
timing to deal with it as prudent. So if that's
okay with you, I'll make a motion to that end.

MR. AVERY: Second.

CHAIRMAN CUNNINGHAM: Second, Mr. Avery.

Roll call, please, Pat.

MS. McNAMARA: Mr. Cunningham.

CHAIRMAN CUNNINGHAM: Yes.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

CHAIRMAN CUNNINGHAM: Okay. Last matter

before the board today is something entitled a
motion for reconsideration. So at a previous
meeting, Mr. Feld, I don't think there's a need to
speak. At a previous meeting, I actually recused
myself as chairman. The board heard an appeal of
a director's decision, did not acquiesce with the
petitioner, they agreed with the director.

We have in front of us a motion for
reconsideration. And I also note that this motion asked that I, in my capacity as chairman, continue to -- or not recuse myself and actually participate in conversations. I took the deliberate step of not participating, both upon advice of counsel and my own personal judgment, that I thought my participation would impact or could impact this decision.

But I do believe that the board has heard this. I don't know that a motion asking us to change our mind is something that's going to be considered at this time. But I want to defer to Mr. Light, in fact, you served as chairman over this matter. I'll ask you do we want to have a conversation? I will not participate, is there a need to have a further dialogue about it?

MR. LIGHT: As far as I can see, I don't see anything new that could be provided to us, any information that would change the situation, particularly if it's a motion to reconsider an action we've already taken. So I would make a motion that we deny the request for reconsideration.

CHAIRMAN CUNNINGHAM: So we have that motion on the table.
MR. BLEE: Second.

CHAIRMAN CUNNINGHAM: I can't vote on it. So I would ask Pat to take the roll call.

MS. McNAMARA: Mr. Avery.

MR. AVERY: Yes.

MS. McNAMARA: Ms. Rodriguez.

MS. RODRIGUEZ: Yes.

MS. McNAMARA: Mr. Blee.

MR. BLEE: Yes.

MS. McNAMARA: Mr. Light.

MR. LIGHT: Yes.

MR. FELD: Can I just, as soon as possible, have a formal document because I need to have appeal --

CHAIRMAN CUNNINGHAM: I understand you have to take.

MR. FELD: Because there's things that happened. I think I need to put something on the record here, as to due process. There are things that are said in the resolution that you adopted that you considered materials -- because you're now sitting in a quasi-judicial position -- materials that you considered were not presented to me. So we'll have an issue with the appellate division whether my rights under the due process

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clause of the United States Constitution and the State Constitution were violated. You got memos from staff that were not shared with me. I just want to make sure that everyone understands we're going up. And I would, as soon as possible --

    CHAIRMAN CUNNINGHAM: We will get that to you and allow you to use that build your record.

    MR. FELD: I just want to make sure that the record is clear that I was really not provided an opportunity to tell you, but these are the issues I need to get brought because materials were provided to me through OPRA, probably an OPRA complaint was filed, that documents are given to you, in a quasi-judicial, why are they put in under legislative-administrative exemptions. That's going to be issues that we're going to be getting, we should be working together rather than fighting each other.

    CHAIRMAN CUNNINGHAM: Thank you.

    MR. FELD: Thank you. Have a good afternoon.

    CHAIRMAN CUNNINGHAM: Seeing no further business in front of the board, I'll make a motion to adjourn.

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MS. RODRIGUEZ: Second.

MS. McNAMARA: All in favor?

(Whereupon the matter was concluded.)
CERTIFICATE

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: October 28, 2015

STATE SHORTHAND REPORTING SERVICE, INC.