

1 STATE OF NEW JERSEY
2 DEPARTMENT OF COMMUNITY AFFAIRS
3 LOCAL FINANCE BOARD

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4 MONTHLY MEETING AGENDA *
5 * *
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7 Conference Room No. 129
8 101 South Broad Street
9 Trenton, New Jersey
10 Wednesday, July 13, 2016

11 B E F O R E : TIMOTHY J. CUNNINGHAM - CHAIRMAN
12 IDINA RODRIGUEZ - MEMBER
13 TED LIGHT - MEMBER
14 FRANCIS BLEE - MEMBER

15 ALSO PRESENT :
16 PATRICIA McNAMARA - EXECUTIVE SECRETARY
17 EMMA SALAY - DEPUTY EXECUTIVE SECRETARY

18 A P P E A R A N C E S :
19 JOHN J. HOFFMAN,
20 ACTING ATTORNEY GENERAL
21 BY: MELANIE WALTER, ESQ.
22 Deputy Attorney General for the Board

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1 (Transcript of Proceedings, July 13,
2 2016, commencing at 10:03 a.m.)

3 MR. CUNNINGHAM: Good morning. We'll
4 begin this Local Finance Board meeting unusually,
5 incredibly on time. There was not a prior session
6 upstairs so I would ask the executive secretary to
7 read the Open Public Meeting Act statement.

8 MS. McNAMARA: We are in compliance with
9 the Open Public Meetings Act. Notice of this meeting
10 was sent to the secretary of state, Star-Ledger, and
11 The Trenton Times.

12 MR. CUNNINGHAM: And, Pat, would you
13 please take roll call.

14 MS. McNAMARA: Mr. Cunningham.

15 MR. CUNNINGHAM: Present.

16 MS. McNAMARA: Mr. Avery is absent.

17 Ms. Rodriguez.

18 MS. RODRIGUEZ: Present.

19 MS. McNAMARA: Mr. Blee.

20 MR. BLEE: Here.

21 MS. McNAMARA: Mr. Light.

22 MR. LIGHT: Here.

23 MR. CUNNINGHAM: Okay. So the first
24 application before the board is the Maurice River
25 Township Fire District #4.

1 Good morning, Mr. McManimon. How are
2 you?

3 MR. McMANIMON: Good. Thank you.

4 MR. CUNNINGHAM: Would you kindly have
5 your clients introduce themselves to the reporter and
6 be sworn in?

7 MR. McMANIMON: I will.

8 It's the secretary to the board, Lillian
9 Johnson, and the chairman of the board, F. Barry
10 Fisher. You can be sworn in.

11 (Lillian Johnson and F. Barry Fisher,
12 first having been duly sworn by the Certified
13 Court Reporter.)

14 MR. McMANIMON: Let me just explain
15 briefly the request, and if you have questions
16 specifically about this firehouse and why they're
17 doing that, I've asked the commissioners to come and
18 explain it. We're asking this board to provide
19 positive findings in connection with a \$575,000
20 issuance of debt that's going to be financed by
21 TD Bank over a 10-year period at 2.84 percent. It's
22 for the construction of an addition to an existing
23 firehouse almost entirely to provide additional space
24 for additional fire equipment. It provides a little
25 bit more space but it's not to provide a hall or

1 anything like that.

2 The total cost is \$975,000; they have
3 \$400,000 in funds that were reserved for this so
4 they're only borrowing the \$575,000.

5 They solicited a number of proposals to
6 finance this. They didn't get any responses other
7 than conversations with a number of entities
8 including Roosevelt & Cross and a couple of other
9 banks, and the only one that responded positively
10 about the proposal was TD. It's a very good rate for
11 this kind of financing.

12 So happy to answer any questions if you
13 have any.

14 MR. CUNNINGHAM: I would ask that the
15 commissioners just explain the need for the
16 renovations and more importantly the expansion. The
17 board has, in very recent meetings, had issues with
18 the construction of -- definitional construction of a
19 firehouse and what constitutes a firehouse, so we
20 just wanted to understand from the commissioners what
21 the added footprint would be and what those -- what
22 those areas would be used for.

23 MS. JOHNSON: We're adding three bays,
24 which is basically doubling the size of the building.
25 The building that we have now has three bays but

1 they're very tight. The building was built, I
2 believe, in the late '50s, early '60s, and it doesn't
3 accommodate the trucks that we have now very well.
4 We literally can't open doors at the same time to get
5 out, like we have to get out one at a time.

6 We have a very, very small meeting room
7 and no offices at all for, you know, the secretary or
8 the commission or the chief or anything. So we're
9 basically adding three bays. The two small -- the
10 two bays where the main trucks are are going to be
11 the new meeting room, and then the smaller bay where
12 our rescue truck is going to be divided into three
13 offices. And then the meeting room that we have is
14 going to be two bathrooms and storage, because we
15 don't have storage, either, at this time.

16 MR. CUNNINGHAM: Just like to note for
17 the record that the applicant did provide us with
18 construction drawings showing what the -- what the
19 footprint of the building would be.

20 The other question that I had on this
21 application was that there was a statement in the
22 application that it was not anticipated that the
23 financing would have any impact upon the tax rate at
24 all, and I was wondering if that could possibly be
25 accurate or --

1 MS. JOHNSON: I believe the way it was
2 set up was that the tax rate was already done for the
3 funds that we have now and we don't anticipate
4 raising taxes for this building any further.
5 That's --

6 MR. McMANIMON: The \$400,000 that was
7 raised was raised through that process and they'll be
8 able to replace that with debt service on these
9 bonds, so it's the same rate --

10 MR. CUNNINGHAM: Okay.

11 MR. McMANIMON: -- that exists now; it
12 wasn't that they raised it previously.

13 MR. CUNNINGHAM: And I do applaud the
14 district for self-financing a large portion of the
15 project without having to go to the market for it.
16 So that was something else that we noticed in the
17 application that we wanted to bring up.

18 The last comment that I had on the
19 application was -- and I think staff from the board
20 reached out, I think there are some issues with
21 the -- with the website in terms of not being
22 compliant with the statutory requirements. Minutes,
23 meeting schedules, and budgets need to be listed.
24 I'm not going to make that a condition of the
25 application should it get approved, but I just wanted

1 to make sure that the district is aware of that and
2 are going to take remedial actions on the website.

3 MS. JOHNSON: Okay. Yes. It will be
4 taken care of.

5 MR. CUNNINGHAM: Okay. Thank you.

6 Do any of the commissioners have any
7 questions about this particular application?

8 Hearing none I'd ask for a motion to
9 approve it.

10 MR. BLEE: Motion.

11 MR. CUNNINGHAM: Mr. Blee with the
12 motion.

13 MS. RODRIGUEZ: Second.

14 MR. CUNNINGHAM: Ms. Rodriguez seconds.

15 Roll call please, Pat.

16 MS. McNAMARA: Mr. Cunningham.

17 MR. CUNNINGHAM: Yes.

18 MS. McNAMARA: Ms. Rodriguez.

19 MS. RODRIGUEZ: Yes.

20 MS. McNAMARA: Mr. Blee.

21 MR. BLEE: Yes.

22 MS. McNAMARA: Mr. Light.

23 MR. LIGHT: Yes.

24 MR. McMANIMON: Thank you very much.

25 MR. CUNNINGHAM: Okay. Good luck with

1 the project.

2 The next application before the board is
3 Piscataway Township Fire District #3. Because of the
4 straight-forward nature of the application, I waived
5 the appearance of the district. I'll just read into
6 the record that the financing is for the acquisition
7 of a new mini pumper. They're purchasing it through
8 the Houston-Galveston co-op in the amount of
9 \$240,400, and they're using \$60,000 of money as a
10 down payment; a five-year finance agreement through
11 Municipal Asset Management, meaning that the total
12 amount of the issuance is \$180,400. The district
13 does not currently any outstanding debt and the
14 financing is being done at a rate of 2.345 percent.
15 There's a one-cent tax increase -- one-cent increase
16 on the tax rate. And there were a couple issues with
17 the website but they've been notified as well.

18 So because of the straight-forward
19 nature, staff recommended approving this application
20 and we didn't see the need to ask the applicant any
21 questions. So we -- as I said, we waived the
22 appearance.

23 So in reviewing the information, do any
24 of the commissioners have or any of the members of
25 the board have any questions about this application

1 before I move?

2 MR. LIGHT: I have a statement I need to
3 make. I'm a resident of Piscataway Township and in
4 the district 4 area, not in district 3 which is the
5 Arbor Hose Company, so I don't have any connections
6 with that and I feel that I can vote on it but I
7 wanted to disclose that.

8 MR. CUNNINGHAM: Thank you, Mr. Light,
9 for that disclosure.

10 So hearing nothing else, I make a motion
11 to approve the application before the board pursuant
12 to 40A:5A-6, motion to approve positive findings for
13 the Township of Piscataway Fire District #3.

14 MS. RODRIGUEZ: I second.

15 MR. CUNNINGHAM: Ms. Rodriguez seconds.

16 Roll call, please, Pat.

17 MS. McNAMARA: Mr. Cunningham.

18 MR. CUNNINGHAM: Yes.

19 MS. McNAMARA: Ms. Rodriguez.

20 MS. RODRIGUEZ: Yes.

21 MS. McNAMARA: Mr. Blee.

22 MR. BLEE: Yes.

23 MS. McNAMARA: Mr. Light.

24 MR. LIGHT: Yes.

25 MR. CUNNINGHAM: The board will now hear

1 from the Borough of Monmouth Beach.

2 (There is a discussion held off the
3 record.)

4 MR. CUNNINGHAM: Good morning.

5 MR. CANTALUPO: Good morning, Director.

6 How are you?

7 MR. CUNNINGHAM: Doing very well.

8 I would ask you to identify yourself for
9 the reporter and those that aren't counsel be sworn
10 in.

11 MR. CANTALUPO: John Cantalupo, bond
12 counsel, Borough of Monmouth Beach.

13 To my right we have Bonnie Heard who is
14 the engineer for the Borough of Monmouth Beach, and
15 Judy Wilson, the administrator and CFO.

16 (There is a discussion held off the
17 record.)

18 MR. CUNNINGHAM: Good morning, John.

19 As I often say when applications come in
20 front of the Local Finance Board, a lot of the heavy
21 lifting is done by staff prior to the actual meeting.
22 I know that we've exchanged various document requests
23 and we received information from the borough which is
24 certainly helped to move the application forward.

25 Did you just want to take a moment to

1 introduce the application to the board?

2 MR. CANTALUPO: Sure, absolutely. Thank
3 you, Director.

4 Today we're here for the Borough of
5 Monmouth Beach. As some of you are aware, Monmouth
6 Beach was one the shore towns that was severely
7 damaged by Superstorm Sandy. The borough is in
8 between Long Branch, the City of Long Branch, and
9 Seabright. There was a large seawall that protects
10 the town from, you know, sea surges and things like
11 that.

12 This application that's before you today
13 is for two particular projects. One is for the
14 seawall which is approximately a \$34 million project
15 that is going to be paid entirely by FEMA and by the
16 State of New Jersey through the HUD grant.

17 MS. HEARD: HUD.

18 MR. CANTALUPO: Correct.

19 So the money that the borough is
20 advancing for this currently, they will get fully
21 reimbursed at 100 percent.

22 Additionally, the borough hall, the
23 library, and the bathing pavilion, all damaged as
24 well by the storm, and some of them have been razed
25 or in the process of being repaired, these are for

1 additional repairs and improvements to those
2 facilities that were also severely damaged by the
3 storm.

4 Pursuant to the Local Finance Notice
5 2012-29, regarding Superstorm Sandy, the borough
6 adopted resolutions on November 8, 2012, and
7 supplemented it on January 8, 2013, for emergency
8 appropriations dealing with some of these projects or
9 most of the projects. So we're here today seeking a
10 down payment waiver pursuant to that Local Finance
11 Notice so that the borough does not have to go
12 forward with a down payment in order to repair itself
13 after the storm certainly for an unforeseen project.
14 If the borough had to put this down payment into its
15 current budget, it would be approximately \$50 for the
16 average assessed home, which is \$618,000-\$619,000.

17 Most likely the borough is not going to
18 have to issue through the MCIA bonds for the seawall
19 project. We will only be issuing for the library the
20 \$765,000 portion because we'll issue notes until FEMA
21 repays us back on all of the costs advanced for the
22 seawall project.

23 The seawall project is a total \$34
24 million project, that includes Seabright and the
25 borough. The borough's portion is approximately \$16

1 million.

2 MS. HEARD: Approximately.

3 MR. CANTALUPO: Approximately \$16
4 million. And, you know, we'd be happy to have any
5 questions. We have our FEMA expert here from the
6 borough, as well as the administrator, to address any
7 questions you might have, Director, or any members.

8 MR. CUNNINGHAM: Thank you.

9 Before we get into any specifics, I just
10 wanted to question you just to make sure I
11 understand.

12 Can we talk about the tax impact again
13 on the average assessed home?

14 MR. CANTALUPO: For the down payment?

15 MR. CUNNINGHAM: For the entirety of
16 the --

17 MR. CANTALUPO: Well, the tax impact, if
18 we had the down payment in the budget, would be
19 \$50 -- \$50 per home this year if we had to include
20 the down payment for these projects.

21 MR. CUNNINGHAM: Okay.

22 MR. CANTALUPO: If we were to finance
23 it, which is the whole thing, in bonds over a 20-year
24 period, which we're not going to do because 1.8 of it
25 is going to be paid for by grants or by FEMA, but if

1 we had to do the whole project it would be
2 approximately \$68 a home.

3 MR. CUNNINGHAM: Okay. And that's what
4 I had had but you're saying you're not going to do
5 the financing likely for any of the seawall
6 project --

7 MR. CANTALUPO: That is correct.

8 MR. CUNNINGHAM: -- because of the
9 timing of the FEMA reimbursement --

10 MR. CANTALUPO: Correct.

11 MR. CUNNINGHAM: -- and the CDBG credit?

12 MR. CANTALUPO: We'll likely just go out
13 for notes and roll them. From what I understand from
14 Bonnie, the project is going to be completed in
15 roughly two to three years, maybe three and a half
16 years at the most, and by that time all the FEMA
17 money will be in and any costs we would advance we
18 would use the FEMA monies. That was something that
19 was not in the application that I learned today from
20 Bonnie, so I felt that was important for you guys --

21 MR. CUNNINGHAM: For clarification, it
22 does bring the tax impact down on the average
23 homeowner.

24 MR. CANTALUPO: Correct. Yes.

25 MR. CUNNINGHAM: I'm going to read just

1 a couple points into the record and if I say anything
2 that's inaccurate, just please correct me, but just
3 going off of my review of the application and the
4 staff report that was prepared. So the seawall has a
5 40-year useful life; and the other components of the
6 project, the library, the bathing pavilion, and
7 borough hall, are 20-year useful life, so the average
8 useful life of the project in bond ordinance is at
9 least 33 years, although we may not be actually
10 financing a large component of that.

11 MR. CANTALUPO: Right.

12 MR. CUNNINGHAM: The annual debt
13 service, for our review, is substantially level as we
14 read the application.

15 And in terms of the net debt, the
16 borough's net debt is very, very low. It would be
17 increasing from 0.667 percent to 0.837 percent.

18 And then we had a series of questions
19 regarding FEMA worksheets, but I believe that all of
20 that was received and reviewed to our satisfaction so
21 there was no questions left there.

22 The only issue that I wanted to bring up
23 to the borough deals with the response to the 6 2015
24 Best Practice checklist because there was a question
25 answered affirmatively that we're not sure should

1 have been answered affirmatively.

2 MS. WILSON: And that was?

3 MR. CUNNINGHAM: It dealt with the
4 website containing prior year budgets and a proposed
5 budget. The reason I bring it up, and I don't
6 believe that it would affect Monmouth Beach's
7 ultimate score, but in order to receive positive
8 credit you need to answer at least 41 of the 50
9 questions in the affirmative, and Monmouth Beach
10 right now is at 43. So if a question was a false
11 positive, if you will, it wouldn't affect the outcome
12 but it gets close to that limit, and we wanted to
13 bring that to your attention and make sure that you
14 go back and look at that question and look at the
15 website to make sure you are in full compliance. And
16 as we know from the governor's line-item veto of the
17 Best Practice language in the budget, the Best
18 Practice questionnaire may take on additional
19 importance in a future year so it's imperative that
20 the borough is accurate in its response and we just
21 wanted to bring that to your attention.

22 MS. WILSON: Thank you.

23 MR. CANTALUPO: Director, one quick
24 thing about the website, and I know this from
25 personal experience with their website, it crashed

1 and they had a new website rebuilt and just went up
2 live about --

3 MS. WILSON: Not long ago, probably
4 about maybe --

5 MR. CANTALUPO: Yeah, about a month -- I
6 would say about a month, two months.

7 MS. WILSON: It's a work in progress but
8 once we received feedback, I talked to my staff and
9 made sure that our webmaster had everything that we
10 possibly have in electronic form, and if we didn't
11 have it we're getting it. We should have links now
12 to all of a minutes and budgets and --

13 MR. CUNNINGHAM: Thank you. I just
14 wanted to make sure you're in statutory compliance.

15 MS. WILSON: Absolutely.

16 MR. CUNNINGHAM: And that we answer the
17 questions correctly.

18 Any questions from other members of the
19 board?

20 MR. LIGHT: No.

21 MR. CUNNINGHAM: I'm personally and
22 professionally very sympathetic to the damage of
23 Sandy. I have been to both the Borough of Monmouth
24 Beach and to Seabright, I've seen the seawall myself,
25 I was involved in a lot of state's recovery efforts

1 early on, and I know the amount of work that's been
2 done there and just how much work needed to be done,
3 so I'm very supportive of the application. I think
4 it's huge to get these -- the communities rebuilt,
5 and I think Monmouth Beach is certainly beyond well
6 on the way, but projects like this will help get back
7 to where things were and make sure that future storms
8 aren't as destructive.

9 So I will make the motion to approve the
10 borough's application and I would ask for a second
11 from one of my colleagues.

12 MR. BLEE: Second.

13 MR. CUNNINGHAM: Second, Mr. Blee.

14 Roll call, please, Pat.

15 MS. McNAMARA: Mr. Cunningham.

16 MR. CUNNINGHAM: Yes.

17 MS. McNAMARA: Ms. Rodriguez.

18 MS. RODRIGUEZ: Yes.

19 MS. McNAMARA: Mr. Blee.

20 MR. BLEE: Yes.

21 MS. McNAMARA: Mr. Light.

22 MR. LIGHT: Yes.

23 MR. CUNNINGHAM: Thank you very much.

24 MR. CANTALUPO: Thank you.

25 MR. CUNNINGHAM: West Cape May Borough.

1 MR. McMANIMON: For the record, Ed
2 McManimon, from McManimon, Scotland, Bauman; bond
3 counsel for the Borough of West Cape May.

4 To my right is Frank Donato who is the
5 chief financial officer, and to his right is Leon
6 Costello, who is the auditor for the borough.

7 If they could be sworn in.

8 (There is a discussion held off the
9 record.)

10 (Frank Donato and Leon Costello, first
11 having been duly sworn by Certified Court
12 Reporter.)

13 MR. McMANIMON: Just briefly, this
14 application is requesting of this board the approval
15 of a re-funding bond ordinance and the issuance of a
16 funding bond in anticipation, that's over a five-year
17 period, to fund an emergency appropriation that was
18 adopted to pay the cost of a settlement/judgment
19 regarding a lawsuit that challenged some actions by
20 borough regarding the approval of expansion of a
21 winery, and the courts concluded, through various
22 mediation sessions, that the actions of the borough
23 obstructed the time frame for what was going on and,
24 as a result, there was an award for lost income or
25 revenue. So the JIF is paying almost half of this as

1 insurance and the other half is being funded by the
2 borough. The funding is through an emergency
3 appropriate and refunding bond ordinance. The impact
4 on the borough taxpayers, if it's five years is \$62,
5 if it's one year, it's one hundred and -- whatever
6 the number is. Two hundred seventy -- \$287 on the
7 tax bill if they paid all this one year. So they're
8 asking for the ability to issue notes over that
9 five-year period or whatever this board will grant.

10 MR. CUNNINGHAM: I think the one
11 question I would have is the obvious one: The
12 borough has known since the lawsuit was initially
13 filed in October '12 that there had to be some
14 exposure here, and even if it wasn't known
15 immediately, as the case progressed I'm sure it
16 became apparent that there was going to be likely
17 some liability, but at no point was there any reserve
18 set up or any other mechanism to kind of prepare for
19 this other than coming before the board now under the
20 emergency appropriation or refunding emergency
21 appropriation. So I would ask the borough to address
22 why things weren't done systematically and routinely
23 in order to kind of prepare for such an outlay.

24 MR. DONATO: It's a legitimate question,
25 Director. And, I mean, I can only say that in

1 speaking with the mayor and the commissioners, that
2 for the duration of the lawsuit they felt they were
3 standing on firm ground and that their argument was
4 valid. And I think they were equally disappointed
5 when they got the results of the mediation from the
6 judge. It happened after the borough's budget was
7 adopted this year. I think if there was any
8 anticipation that the results of the lawsuit would
9 have ended in such a way, they would have started to
10 put some money aside in the reserve. But, like I
11 said, I think all along they felt that their
12 arguments were standing on firm ground.

13 MR. McMANIMON: Just indicate, also, I
14 think you're fully aware how complicated it is as a
15 public body to start putting money away in reserve in
16 connection with a litigation that reflects that you
17 think you could lose so that in efforts to negotiate
18 and settle and deal with litigators, any lawsuit,
19 including this one --

20 MR. CUNNINGHAM: Well, there's ways to
21 reserve money without specifying the suit that it
22 would be associated with, but there is a ability to
23 put a reserve. And, you know, I'm not a litigator,
24 I'm barely a lawyer, but, you know, it's often not a
25 surprise, especially during the mediation process,

1 when things aren't going your way. So I would have
2 liked to have seen that.

3 So to the other -- other members of the
4 board, what I would say is that we have options in
5 front of us in terms of how many years to spread
6 this. The request is right now five years, and at
7 five years, the impact on the average assessed home
8 is \$61, which exceeds the boards general rule of
9 thumb of \$50. If the board -- the members of the
10 board are okay with that, then we can progress this
11 application. But if you want to have additional
12 conversation on it, that's fine with me, too, I
13 really don't care.

14 (There is a discussion held off the
15 record.)

16 MR. LIGHT: We'll go with this.

17 MR. CUNNINGHAM: Okay.

18 MS. RODRIGUEZ: Fine.

19 MR. CUNNINGHAM: Mr. Light, would you
20 care to make a motion then?

21 MR. LIGHT: I make a motion to approve
22 the application.

23 MR. CUNNINGHAM: Mr. Light makes a
24 motion.

25 MS. RODRIGUEZ: I second.

1 MR. CUNNINGHAM: Ms. Rodriguez seconds.

2 Roll call, please, Pat.

3 MS. McNAMARA: Mr. Cunningham.

4 MR. CUNNINGHAM: Yes.

5 MS. McNAMARA: Ms. Rodriguez.

6 MS. RODRIGUEZ: Yes.

7 MS. McNAMARA: Mr. Blee.

8 MR. BLEE: Yes.

9 MS. McNAMARA: Mr. Light.

10 MR. LIGHT: Yes.

11 MR. McMANIMON: Thank you very much.

12 MR. CUNNINGHAM: City of Asbury Park.

13 (There is a discussion held off the
14 record.)

15 MR. CUNNINGHAM: Would you please
16 identify yourself to the reporter and those that
17 aren't counsel be sworn in.

18 MR. CANTALUPO: John Cantalupo, the bond
19 attorney from Archer & Greiner for the City of Asbury
20 Park.

21 All the way to my left is Michael
22 Capabianco, who is city manager for the City of
23 Asbury Park. Jennifer Edwards from Acacia Financial.

24 (There is a discussion held off the
25 record.)

1 MR. CANTALUPO: And then to my right we
2 have JoAnn Boos from the City of Asbury Park, who is
3 the new CFO.

4 (There is a discussion held off the
5 record.)

6 (Michael Capabianco, JoAnn Boos, and
7 Jennifer Edwards, having been first duly sworn
8 by the Certified Court Reporter.)

9 MR. CUNNINGHAM: Let me first welcoming
10 JoAnn. I've -- congratulation on your ooh
11 appointment. It's nice to put a face with the name.

12 MS. BOOS: Thank you.

13 MR. CUNNINGHAM: John, do you want to
14 take the lead on the application and we can ask
15 questions?

16 MR. CANTALUPO: Absolutely. Absolutely.

17 Today the city is here to -- for a bond
18 ordinance for \$2.7 million for Fourth Avenue
19 improvements, roadway improvements. That project has
20 a Department of Transportation grant for \$342,247.
21 The city is seeking approval to issue the bonds to
22 the municipal Qualified Bond Act and seeks the
23 endorsement of the Local Finance Board on that
24 ordinance.

25 It is likely that the city would issue

1 these bonds through the Monmouth County Improvement
2 Authority like they have with all their projects, but
3 obviously the financial advisor will advise us at the
4 time, but most likely with the AAA guarantee it's
5 hard to beat that program.

6 The tax impact over a 20-year period for
7 this particular project is \$37 per year. And I
8 believe, Michael, there's another reason in addition
9 to the Fourth Avenue, isn't the state doing something
10 else with this particular project that you guys are
11 thinking about in items of the sewer?

12 MR. CAPABIANCO: That's Main Street,
13 that's another project.

14 MR. CUNNINGHAM: But there are DOT grant
15 funds coming into this program, I think it's a little
16 over 12 percent, to help with the project.

17 MR. CANTALUPO: Yes. So it's road and
18 sewer.

19 MR. CUNNINGHAM: Okay.

20 Mike, I just want to talk about the need
21 for -- I mean, I'm not familiar with Fourth Avenue.
22 You just want to explain?

23 MR. CAPABIANCO: Pretty much every road
24 in the city is horrible, so we've been, for the first
25 time in six years, the city actually has a road

1 program in place. Fourth Avenue is one of our
2 longest, most traveled stretches of road. That also
3 has our high school, so it is a heavily, heavily
4 traveled road. The sewers are old clay pipes that
5 have collapsed in numerous places, there's no pitch,
6 so we're going to either reline or have to
7 reconstruct the road in its entirety.

8 This is also a collector system where
9 other road -- other sewers come into it which then go
10 down in the waterfront. So this is a very, very
11 important thoroughfare in the city.

12 What we've been doing is our DPW
13 superintendent, who also started in January, is
14 working on a full-fledged road program ranking and
15 rating all the streets. We're trying to tie all
16 these things in together, and we know the costs are
17 going to be high because our sewer system needs to be
18 rebuilt throughout the city.

19 MR. CUNNINGHAM: We've had nice weather;
20 how is parking and beach revenue trending?

21 MR. CAPABIANCO: Positively.

22 MR. CUNNINGHAM: Good. That's the
23 answer I was hoping for.

24 We did have the transitional aide
25 monitor take a look at the application along with

1 other staff and there was no objections to the
2 application.

3 The one thing that I did want to make
4 the members of the board aware of, and I did a
5 double-take when I read this, all local government
6 officials listed on the city's roster have filed
7 their 2016 FDS forms.

8 MR. CAPABIANCO: Shocking.

9 MR. CUNNINGHAM: They're the only large
10 city that has that level of compliance, and we really
11 do applaud the City of Asbury Park for that, Michael,
12 and your leadership.

13 MR. CAPABIANCO: Thank you.

14 MR. CUNNINGHAM: And please thank Mayor
15 Moor for me.

16 MR. CAPABIANCO: I will.

17 MR. CUNNINGHAM: I think that's a really
18 responsible accomplishment.

19 In terms of the other aspects of the
20 application, I think counsel adequately put the
21 numbers into the record.

22 I don't know, John, if I heard, so let
23 me just state for the record that the local portion
24 of the taxes on the average assessed home would
25 increase \$37 --

1 MR. CANTALUPO: That's correct.

2 MR. CUNNINGHAM: -- due to the
3 financing, etc. I apologize if you already had it in
4 there.

5 And I would ask if any other members
6 have questions on this application.

7 MR. LIGHT: Just one for clarification
8 to make sure I'm sure that when you were talking
9 about sewerage, you're talking about storm drainage
10 and not sewage. Is that correct?

11 MR. CAPABIANCO: Sanitary and storm. We
12 have --

13 MR. LIGHT: I wanted to get that in the
14 record because you don't take that out to the ocean
15 like the storm drains.

16 MR. CAPABIANCO: No.

17 MR. CUNNINGHAM: You take it to the
18 boardwalk, right?

19 MR. LIGHT: Under the boardwalk.

20 MR. CUNNINGHAM: No, On the boardwalk.

21 MR. CAPABIANCO: It's a new ride.

22 MR. LIGHT: Just thought the record
23 should reflect that.

24 I move the application.

25 MR. CUNNINGHAM: All right. Mr. Light

1 moves the application. I can't argue that.

2 MR. BLEE: Second.

3 MR. CUNNINGHAM: Mr. Blee seconds.

4 Roll call, please, Pat.

5 MS. McNAMARA: Mr. Cunningham.

6 MR. CUNNINGHAM: Yes.

7 MS. McNAMARA: Ms. Rodriguez.

8 MS. RODRIGUEZ: Yes.

9 MS. McNAMARA: Mr. Blee.

10 MR. BLEE: Yes.

11 MS. McNAMARA: Mr. Light.

12 MR. LIGHT: Yes.

13 MR. CANTALUPO: Thank you very much.

14 MR. CUNNINGHAM: JoAnn, good luck in
15 your new assignment.

16 MS. BOOS: Thank you.

17 MR. CUNNINGHAM: The next item on the
18 agenda was the Town of Kearny but they have decided
19 to not proceed with that application at this time,
20 which brings us, then, to - we're still on pace -
21 City of Trenton capital improvements.

22 MS. SCHOENHAAR: Our bond counsel is not
23 here yet. He was -- he said he was on his way, so we
24 can proceed if you want.

25 MR. CUNNINGHAM: Do you want me to come

1 back?

2 MR. GROSSMAN: That's entirely up to you
3 and the board if you think they have questions that
4 bond counsel is best equipped to answer then we can
5 certainly wait. I know there's been quite a bit of
6 back and forth with additional information over the
7 last --

8 MR. CUNNINGHAM: Are all the parties for
9 the City of Bayonne here?

10 MR. CANTALUPO: Yes.

11 MR. CUNNINGHAM: All right. Then we'll
12 switch and we'll ask Trenton to stand down and ask
13 Bayonne to appear before the board.

14 (There is a discussion held off the
15 record.)

16 MR. CUNNINGHAM: City of Bayonne, good
17 morning.

18 (Group responds.)

19 MR. CUNNINGHAM: While I was distracted,
20 I don't know if you've introduced yourselves to the
21 reporter because those that aren't counsel need to be
22 sworn in.

23 MR. CANTALUPO: John Cantalupo. We're
24 here for the City of Bayonne, I'm the bond attorney
25 from Archer & Greiner.

1 To my left is Dan Marinello from
2 NW Financial.

3 To my right-next-to-me left is Terrence
4 Malloy, the CFO.

5 And to my right is Joe Nichols -- I'm
6 sorry, Tim Boyle, the director.

7 (Dan Marinello, Terrence Malloy and Tim
8 Boyle, having been first duly sworn by the
9 Certified Court Reporter.)

10 MR. CUNNINGHAM: Okay. Gentlemen,
11 please proceed.

12 MR. CANTALUPO: Okay. Today we're here
13 to -- for the City of Bayonne to dissolve the Bayonne
14 MUA which they originally created years back.
15 They've gone through a study to satisfy the statutory
16 requirements of dissolving the Bayonne MUA. One is
17 for the payment of all creditors and obligees; they
18 have to make sure that they take over payment for all
19 of them, they assume all of the services, and that
20 it's for the health, welfare, and benefit of the
21 residents of the City of Bayonne.

22 Additionally, the city is seeking a
23 waiver of down payment for when it assumes the debt,
24 which is authority debt. Authority debt doesn't
25 require a down payment, so when they assume this

1 debt, they wouldn't have to make a down payment on
2 it.

3 This was originally part of the plan
4 from the city when they entered into the 40-year
5 concession agreement with United Water and KKR to
6 operate the city's water and waste water systems.
7 The concession agreement provided for the defeasance
8 of all the Bayonne MUA debt with the exception of
9 these outstanding \$234,000 in capital appreciation
10 bonds. Both series of bonds have already been
11 secured by a sufficiency agreement that the city has
12 with the MUA so the city wouldn't actually have to
13 pay for it once it was dissolved anyway, but we're
14 providing for it in the bond ordinance.

15 Currently because the MUA is being
16 dissolved, there's only five employees that basically
17 manage the concession agreement and day-to-day
18 operations. All of those employees would be moved
19 into the city. Four of those employees would be
20 moved into the city.

21 So we're here today seeking approval.
22 We've sent down the study that was done by Donohue,
23 Girona, Doria & Tomkins, regarding the taking over
24 of the facility -- I mean, taking over the MUA and
25 also merging all the services and what's outstanding.

1 We've submitted all the certificates and we feel that
2 we've satisfied the statutory requirements to
3 dissolve the MUA, and we'd ask that you approve the
4 dissolution of the ordinance and the waiver of down
5 payment for the bond ordinance.

6 MR. CUNNINGHAM: Couples questions.

7 So there's yearly saving of about
8 \$275,000, and that's coming through the no longer
9 needing to have duplicative contracts with
10 professionals, that's where the savings is coming
11 from?

12 MR. BOYLE: That's correct.

13 MR. CUNNINGHAM: And then the city would
14 inherent the terms of the existing concession
15 agreement? So it would just be the successor entity
16 to that agreement?

17 MR. CANTALUPO: That's correct.

18 MR. MALLOY: Correct.

19 MR. CANTALUPO: Basically the city would
20 just step into the shoes with respect to everything
21 that the MUA has in terms of any agreements,
22 obligations, or anything. The MUA would just
23 disappear and the city would be on the hook for
24 everything or have the benefits of everything.

25 MR. CUNNINGHAM: So let's talk about

1 that, the benefits of everything, because there's
2 still an unrestricted net position, so there's a fund
3 balance of about \$3 million. And my question is what
4 would that \$3 million, when it comes into the city,
5 how was that used? Is it being held in reserve for
6 issues associated with the utility or is it coming
7 into general fund balance of the municipality to be
8 used for general budget?

9 MR. MALLOY: It would roll into the
10 general fund balance. I think what's important to
11 note here is that the city will be receiving, through
12 the concession agreement, \$500,000 annually as a
13 revenue source. The expenses we're inheriting are
14 greater than five hundred. So within the budget
15 there will be that constant drawn-down of that
16 difference. Over the course of time we certainly
17 open that difference is going to shrink. And further
18 over the course of time we also believe this will
19 be a positive revenue generator as new water
20 customers come on stream.

21 MR. CUNNINGHAM: Not being familiar with
22 the concession agreement, I just don't know the terms
23 or the concepts of it. Is the MUA currently or the
24 city as successor entity be responsible for general
25 maintenance and upkeep of the plant?

1 MR. MALLOY: Within the concession
2 agreement, the KKR, United Water, they're responsible
3 for the maintenance, upkeep, and long-term capital
4 improvements to the system.

5 There is x amount of dollars dedicated
6 to that annually within the agreement. If it was
7 going to be in excess of that or they determined
8 there was a more emergent need to step up that
9 program, they would then meet with currently MUA, now
10 would be the city, regarding the use of either, A, an
11 additional rate increase to fund that, or B,
12 deferring some capital improvements in order to
13 undertake on the more emergent ones; but that is part
14 of the concession agreement.

15 MR. CUNNINGHAM: So there's no fear,
16 then, that the \$3 million of unrestricted money
17 coming over, none of it would need to be potentially
18 dedicated or put into reserve for exigent operations
19 or exigent repairs of the facility or facilities?

20 MR. MALLOY: Yeah, I would think down
21 the road if that became the case, we would then just
22 do a general capital improvement issue. We would
23 certainly be looking up the next year's budget to
24 move more monies into our capital improvement fund as
25 just part of the budget process in order -- not

1 necessarily dedicated to the -- what would now be the
2 former utility, but just in general so we would have
3 cash on hand for any sort of capital -- emergent
4 capital needs.

5 MR. CUNNINGHAM: While I think about
6 that one, one other question.

7 Staff asked a question which I think is
8 a good one: Would it be better to have the
9 dissolution date December 31 of '16 so it
10 corresponded with the natural end of the year
11 matching the city's year end.

12 MR. MALLOY: We would be fine with that.

13 MR. CUNNINGHAM: Members have any
14 thoughts on the application?

15 MR. LIGHT: I have a couple of questions
16 when you have a chance.

17 MR. CUNNINGHAM: So Pat just points out
18 that included in this application, I don't know if
19 this was really addressed but it should certainly be
20 addressed for the record is that the \$1,404,600 coded
21 assumption of services would have to be -- what's the
22 appropriate terminology? It would have to be cap
23 base adjustment.

24 MR. MALLOY: Yes.

25 MR. CUNNINGHAM: Mr. Light, you said you

1 have some questions on the application?

2 MR. LIGHT: I do. I do.

3 There's two separate systems, one is you
4 have a water system and you have a sewage system.
5 The water system was handled before by United Water
6 and now that's going to be handled by SUEZ?

7 MR. CANTALUPO: No, it's the same;
8 United Water and SUEZ are the same company.

9 MR. LIGHT: So that stays the same,
10 then, but under a different name where they have
11 water for United Water, it's the same company.

12 MR. CANTALUPO: Yeah. I think SUEZ
13 purchased United Water and now they handle water and
14 waste water for the city.

15 MR. LIGHT: Okay. Where does the water
16 come from, is it mostly wells or does it come from
17 the --

18 MR. MALLOY: North Jersey Water
19 District.

20 MR. LIGHT: Pardon me?

21 MR. MALLOY: North Jersey Water
22 District.

23 MR. LIGHT: Okay. And the sewage system
24 is just a collection system or is it also treatment?

25 MR. MALLOY: It's a combined sewer

1 system.

2 MR. LIGHT: So you have a treatment
3 plant.

4 MR. MALLOY: Yes. Well, no; we pump our
5 sewage out to Passaic Valley.

6 MR. LIGHT: Passaic Valley. All right.
7 So it's a collection system to Passaic Valley.

8 MR. CANTALUPO: It's a combined sewage
9 system meaning it's waste water and storm water.

10 MR. MALLOY: Correct.

11 MR. LIGHT: Waste water and what?

12 MR. CANTALUPO: Storm water because they
13 have an older system.

14 MR. LIGHT: All right. So you're
15 sending to the Passaic Valley a lot of storm water.

16 MR. MALLOY: During --

17 MR. LIGHT: Is that the -- do you have
18 any plans to separate that in the future or you're
19 paying to treat storm water.

20 MR. MALLOY: Yeah, unfortunately
21 combined system, it's -- our director --

22 MR. BOYLE: There is a -- in the new
23 permit from the Department of Environmental
24 Protection is called the long-term control plan
25 permit and it is addressing all of those issues. So

1 we will, over the next 20 years, be making steps to
2 reduce the CSO overflows to the receiving waters down
3 to -- from every single time it rains to no more than
4 four times annually. Every system in New Jersey that
5 has CSOs is going to be required to do that. So as a
6 state we are collectively addressing CSO issues right
7 now and storm water issues as well with the new --
8 it's called MS4 permit that is dealing with storm
9 water.

10 MR. LIGHT: I'm not necessarily
11 concerned with the environmental because it's fresh
12 water that's going in or storm water going in and
13 treated as though it was sewage, so it's an
14 additional cost to the residents.

15 What is going to happen with all of this
16 change, what's going to happen to the cost that's
17 going to be to the residents, up or down or have you
18 had an assessment of that.

19 MR. BOYLE: I think that, you know, the
20 types of changes that is going to be required to
21 satisfy the long-term control plan could be -- it's
22 really not been assessed yet because we don't know
23 exactly, we're in the middle of an engineering
24 period, but it could be in the neighborhood of \$300
25 million for the community for our part of it. All

1 the other CSO communities are facing equally large
2 adjustments to their systems. So there will
3 certainly be --

4 MR. LIGHT: An increase.

5 MR. BOYLE: -- pass along to the rate
6 payer over an extended period of time which --

7 MR. LIGHT: You don't have an assessment
8 for what that would mean to the increase to the
9 individual rate payer other than the fact that --

10 MR. BOYLE: No. We don't even have an
11 idea of what it's going to be to the municipality as
12 a whole.

13 MS. RODRIGUEZ: Yeah. Those figures are
14 so high, you're right, there's places that one or two
15 million dollars, I know that.

16 You done? I just have one.

17 MR. LIGHT: Yeah.

18 MS. RODRIGUEZ: So basically what SUEZ
19 is doing now is performing your operations. Right?

20 MR. BOYLE: Yes.

21 MR. CANTALUPO: And maintenance as well,
22 yeah.

23 MS. RODRIGUEZ: Maintenance. Operations
24 and maintenance.

25 So the city is moving away from that and

1 there's already been an agreement. Right?

2 MR. CANTALUPO: Um-hmm. At this point
3 the city is -- basically the MUA is down to five
4 employees --

5 MS. RODRIGUEZ: Right.

6 MR. CANTALUPO: -- that just manage the
7 agreement and making sure that everything is being
8 undertaken. They don't do the day to day; the day to
9 day now is all handled by SUEZ --

10 MS. RODRIGUEZ: Right.

11 MR. CANTALUPO: -- for both water and
12 waste water.

13 MS. RODRIGUEZ: And so these five
14 employees are now --

15 MR. CANTALUPO: Four of the five.

16 MS. RODRIGUEZ: -- they'll now come
17 under the city to do --

18 MR. CANTALUPO: The same functions that
19 they currently do, four of the five.

20 MR. LIGHT: But you don't have an
21 assessment of what the individual rate increase is
22 going to be to the residents, to the average
23 resident --

24 MS. RODRIGUEZ: Yeah. It's --

25 MR. LIGHT: -- under these. I suspect

1 it's going to be substantial.

2 MS. RODRIGUEZ: It will be.

3 MR. MALLOY: It will be.

4 MR. CANTALUPO: I believe that was all
5 handled on the financial.

6 MR. MARINELLO: Yeah, I was just going
7 to say, the application that we have in front of you
8 today doesn't have an effect on the rate payers.
9 Right? So when we originally did the concession
10 agreement with SUEZ, a long-term concession, 40-year
11 plan, it included at that time rate projections for
12 the future based on what we knew of the system and
13 the system's needs at the time. SUEZ did an analysis
14 of the system from an engineer's standpoint, Bayonne
15 MUA did an analysis as well, and all of that rate
16 increases were included in that concession agreement.
17 So the only rate increases in the future that we're
18 not yet aware of are if there are any, you know,
19 significant emergency, repairs that need to get done
20 that were not included in that initial assessment
21 with the SUEZ, or as the director mentioned, if
22 there's this long-term requirement that we have to
23 do.

24 MS. RODRIGUEZ: You're going to get
25 ahead of it because you're going to do a capital plan

1 you're saying, a projected --

2 MR. MARINELLO: Well, there again, in
3 fact, there already has been --

4 MS. RODRIGUEZ: Right.

5 MR. MARINELLO: -- a capital plan set by
6 SUEZ that the Bayonne MUA and the city has already
7 agreed to.

8 MS. RODRIGUEZ: Right. Right.

9 MR. CANTALUPO: And I believe there
10 is -- the concession agreement that included all the
11 information was reviewed and approved by the board
12 when - what was it? - last year or the year before,
13 several years ago.

14 MR. MALLOY: Four years ago.

15 MS. RODRIGUEZ: Say right now, and I
16 agree it's hard to determine what the rates -- rate
17 increases would be because everything fluctuates
18 from -- you know, those are variable costs, nothing
19 is fixed, you know, depending on the climate, you
20 know, the economy and whatever.

21 MR. LIGHT: It's too late now, but my
22 question would be why are you doing this if it's
23 going to be an increase to the residents and you
24 don't even know what that increase is going to be?

25 MR. MALLOY: Well, whether we kept it as

1 a stand-alone MUA or the city, it would still have
2 the same impact on the rate structure. It would have
3 to be passed along to the user of the system, water
4 system.

5 MS. RODRIGUEZ: Yeah. And in
6 retrospect, in a city like Bayonne sometimes it pays
7 to bring in, you know -- no -- no -- no offense, to
8 bring in professionals like SUEZ to -- to shepherd,
9 you know, this transition along. I've known in other
10 places where it works. But of course always the rate
11 payers are charged which are same thing as taxpayers
12 are of major concern to this board.

13 MR. MALLOY: And just to put it into
14 perspective, the \$300 million figure exceeds our
15 total amount outstanding debt right now with the city
16 MUA.

17 MS. RODRIGUEZ: Oh, yeah. And EPA has
18 their standards but nothing comes attached to it. I
19 get it.

20 MR. CUNNINGHAM: Other questions?

21 MR. LIGHT: No. Thank you.

22 MR. CUNNINGHAM: Bayonne's municipal
23 budget always walks a very tenuous line with the
24 division in terms of not a lack of compliance but
25 just a lack -- a financial position that lacks

1 comfort and somehow we keep limping by. And, you
2 know, this is one of those applications where
3 probably helps short term but I do have worries about
4 the long-term effects because I have a feeling
5 Bayonne is going to be back here for a capital
6 ordinance at some point when, had money been set
7 aside it probably could have been prevented. But I
8 think what the division will have to -- wearing my
9 other hat, the division will have to tell the board
10 is that we'll continue to meet with Bayonne on a
11 routine basis to go over their budgets to try to work
12 collectively towards seeking long-term solutions
13 instead of a series of one-year solutions. I'll let
14 that editorial speak for itself.

15 And I'll ask if there's a motion on the
16 table.

17 MS. RODRIGUEZ: I make a motion.

18 MR. BLEE: Second.

19 MR. CUNNINGHAM: Mr. Blee seconds.

20 Roll call.

21 MS. McNAMARA: Mr. Cunningham.

22 MR. CUNNINGHAM: Yes.

23 MS. McNAMARA: Ms. Rodriguez.

24 MS. RODRIGUEZ: Yes.

25 MS. McNAMARA: Mr. Blee.

1 MR. BLEE: Yes.

2 MS. McNAMARA: Mr. Light.

3 MR. LIGHT: Just a question of advice
4 from the chair or the attorney: If I vote no, does
5 this fail then because the average --

6 MR. CUNNINGHAM: You can -- yeah, we
7 have -- we currently have enough votes.

8 MR. LIGHT: All right. I'll abstain.

9 MR. CUNNINGHAM: All right. So the
10 motion carries.

11 MR. MARINELLO: Thank you.

12 MR. MALLOY: Thank you.

13 MR. CANTALUPO: Thank you.

14 MR. CUNNINGHAM: We'll return to the
15 City of Trenton.

16 Good morning again.

17 MR. JOHNSON: Good morning.

18 MR. CUNNINGHAM: Would you kindly
19 introduce yourself and those that aren't counsel be
20 sworn in?

21 MR. JOHNSON: My name is Everett
22 Johnson, partner with the firm of Wilentz, Goldman &
23 Spitzer, bond counsel to the City of Trenton.

24 MS. SCHOENHAAR: Janet Schoenhaar, CFO,
25 City of Trenton.

1 MR. GROSSMAN: Neil Grossman, financial
2 advisor for the city.

3 (Janet Schoenhaar and Neil Grossman,
4 having been first duly sworn by the Certified
5 Court Reporter.)

6 MR. JOHNSON: Good morning. This
7 morning we are here in relation to a bond ordinance
8 that was initially submitted to this board last
9 month, but has been discussed and amended and been
10 presented to this board this morning for adoption
11 pursuant to the Qualified Bond Act. We are also
12 requesting a waiver of down payment and suspension of
13 credit with this bond ordinance. The initial
14 ordinance was in the amount of \$19,743 -- sorry.
15 \$19,743,714, and the current ordinance is for
16 \$18,243,514 for various capital improvements
17 throughout the city primarily related to the
18 acquisition of vehicles for various departments,
19 acquisition of software for many departments, facade
20 improvements to various city-owned buildings, that
21 would be the furniture and telephone equipment for
22 the courthouse, and other related improvements.

23 The city has not, in the recent years,
24 adopted many bond ordinances for various
25 improvements. As a result, there's equipment and

1 outdated cars and vehicles that need to be replaced.
2 There's development going on which requires
3 demolition of various buildings throughout the
4 municipality. So we are behind the eight ball with
5 it, and this ordinance will help the city facilitate,
6 you know, making sure that this equipment is up to
7 date, and that they are moving forward with regards
8 to various projects that are contemplated in the near
9 future.

10 And so we request the Local Finance
11 Board's support of this ordinance.

12 MR. CUNNINGHAM: To the members of the
13 board, this application was and still somewhat
14 remains concerning to the division and the division
15 staff. We met with the mayor and his team; had a
16 very productive meeting with Local Finance Board
17 staff. And just to reiterate some of the points that
18 the bond counsel brought up is that the mayor, true
19 to his word, decreased the amount that was going to
20 be bonded for various capital projects. The city has
21 not had the wherewithal to access the capital markets
22 for general upkeep of the city's assets, which has
23 caused certain challenges both in terms of where
24 employees are housed and the equipment they use and
25 the vehicles they drive in. So we do feel that the

1 mayor is being responsible in terms of -- I often use
2 the tried expression, you know, spending some money
3 to save money, increasing safety, preventing
4 accidents.

5 And the biggest issues, and these were
6 discussed in detail, were two fold: Number one, the
7 extension of credit. The city right now is
8 significantly over the three-and-a-half-percent debt
9 cap. They're at 6.8 percent now, and this
10 application would take them up to 7.6, which does
11 concern me.

12 I asked for and received from the city
13 administrator a plan for how the city would reduce
14 their aggregate debt portfolio. The plan that was
15 received talks about undertaking the prudent course
16 of action that we would expect to see, cancelling old
17 capital ordinances and doing those types of things,
18 and that was received to my satisfaction.

19 The second matter that the city is here
20 in front of the board for is the waiver of the down
21 pavement; this one also concerned me. I -- I -- I
22 don't want to say disagreed but I think I would have
23 liked to have seen some money down, and I think I've
24 communicated clearly to the city that for future
25 applications the board would expect to see some down

1 payment, even if they had to come for a waiver
2 because it wasn't the full down payment. But the
3 mayor expressed, you know, given the city's current
4 financial position, the time of the year, the need to
5 undertake some of these repairs and acquisitions, we
6 agreed that this application could proceed without a
7 down payment.

8 So I just want the members of the board
9 to know that we walked through those concerns, as
10 well as all of the components that are listed in the
11 application and the staff report in front of you
12 explaining what the -- what the projects were, why
13 they were needed, and the benefits that they would --
14 or the ancillary benefits that they would provide to
15 the city through things as I mentioned before,
16 increased public safety, preventing lawsuits, more
17 efficiencies, and even, in some cases, morale for not
18 having certain individuals such as the police
19 department, you know, on North Clinton Avenue being
20 -- working in far below standard conditions.

21 So we met with the city extensively on
22 this application before it came in front of the board
23 today. And with that background, I would ask if any
24 of the members have any particular questions at this
25 time.

1 MR. LIGHT: I have just one crazy little
2 -- I looked over this and it hit my eye, and it says
3 replacing of 20 vehicles for \$900,000 round figure
4 over a five-year period. That would be \$45,000 a
5 vehicle. Are they that high those police vehicles
6 now or whatever they are?

7 MR. JOHNSON: Those are police vehicles.

8 We submitted -- yeah. I mean, we
9 actually submitted to the board specific costs of
10 each of the vehicles that were being acquired, and so
11 as part of the support that was submitted to the
12 board to actually have the cost of the vehicles in
13 there. These weren't just numbers that were, you
14 know, arbitrarily placed in the application. They
15 were actually placed -- the calls were made and
16 contacts were made with the actual vehicle
17 manufacturers and these were numbers that were
18 received in line with the vehicles they were going to
19 be purchasing.

20 MR. CUNNINGHAM: I think Mr. Light is
21 asking whether it was a good deal or not or --

22 MR. JOHNSON: Well, I mean, I can't
23 speak to --

24 MR. CUNNINGHAM: So, Mr. Light, what I
25 would tender to you is this: The debt or the bond

1 law is going to be SUVs. They are going to be
2 spec'ed out to the police grade --

3 MR. LIGHT: I realize that's expensive.

4 MR. CUNNINGHAM: -- you know, specs.

5 But what I think is different or what's
6 not broken up separately, and I know this from my
7 time with county government, when you purchase the
8 vehicle, the cost of the vehicle is x, but the
9 badging, the lighting, and the radio systems are
10 several thousand dollars, so that's what brings
11 the -- this would be the total amount of the fully
12 equipped. And I would ask the city to correct me.

13 MS. SCHOENHAAR: This is also on a state
14 contract. It was -- these vehicles are --

15 MR. LIGHT: So your estimates came
16 from --

17 MS. SCHOENHAAR: State contracts.

18 MR. LIGHT: Okay.

19 MR. CUNNINGHAM: But it's not just for
20 the -- for the chassis of the vehicle, it's the full
21 fit-out. And I know from experience that, you know,
22 that can be substantial given the technology that's
23 in these vehicles now.

24 MR. LIGHT: Thank you.

25 MS. RODRIGUEZ: I have a comment.

1 MR. CUNNINGHAM: Yes.

2 MS. RODRIGUEZ: I think that the mayor,
3 when I saw this I thought it was pretty, you know,
4 aggressive. But I think that the mayor, and I
5 remember when he first came into office the following
6 day walking here to meet with the commissioner, has
7 been very proactive and, you know, moving this city
8 forward, which is, you know, the capital of this
9 state, so I commend him and his staff for what he's
10 doing. And I think he plans to be around for a long
11 time with this kind of proposal. So if we're ready
12 I'll make a motion.

13 MR. CUNNINGHAM: Okay. Ms. Rodriguez
14 makes a motion.

15 MR. BLEE: Second.

16 MR. CUNNINGHAM: Mr. Blee seconds.

17 Roll call, please, Pat.

18 MS. McNAMARA: Mr. Cunningham.

19 MR. CUNNINGHAM: Yes.

20 MS. McNAMARA: Ms. Rodriguez.

21 MS. RODRIGUEZ: Yes.

22 MS. McNAMARA: Mr. Blee.

23 MR. BLEE: Yes.

24 MS. McNAMARA: Mr. Light.

25 MR. LIGHT: Yes.

1 MR. CUNNINGHAM: Okay.

2 MR. JOHNSON: Okay. Thank you.

3 MS. SCHOENHAAR: Thank you.

4 MR. CUNNINGHAM: The Fort Lee Housing
5 Authority was deferred to a future agenda. And, Dan,
6 we can have a conversation about that at a later
7 time. So we'll move to the Brick Township Housing
8 Authority.

9 Dan, would you and your team please
10 identify yourself and those that aren't counsel be
11 sworn.

12 MR. MARINELLO: Dan Marinello,
13 NW Financial, financial advisor to Brick Housing
14 Authority.

15 MS. WATSON: Alesia Watson, executive
16 director for Brick Housing Authority.

17 MS. PETROSKY: Lisa Petrosky, financial
18 advisor, NW Financial Group.

19 (Dan Marinello, Alesia Watson, Lisa
20 Petrosky, having been first duly sworn by the
21 Certified Court Reporter.)

22 MR. CUNNINGHAM: Dan, good morning.

23 MR. MARINELLO: Good morning.

24 MR. CUNNINGHAM: You were here in front
25 of the board last month and you explained to the

1 board the RAD program.

2 MR. MARINELLO: Right.

3 MR. CUNNINGHAM: And then we had each of
4 the applicants discuss what particularly would be
5 done with the use of the proceeds as it relates to
6 the housing authority projects in this particular
7 town. Could you just once again familiarize the
8 board with the parameters of the RAD program --

9 MR. MARINELLO: Sure.

10 MR. CUNNINGHAM: -- and then maybe the
11 housing authority could just explain the particulars
12 of the projects.

13 MR. MARINELLO: You got it.

14 Yeah. Thank you for having us again.

15 Brick Housing Authority has determined
16 to go through the RAD program just as the other
17 housing authorities have that we have been here in
18 front of you on.

19 The RAD program is an opportunity for
20 housing authorities to move from the traditional
21 Section 9 public housing program that HUD has and
22 continues to run, into the Section 8 multi-family
23 rental program. And that's important to housing
24 authorities because it provides them now for an
25 opportunity to secure those rental revenues and be

1 able to finance capital improvements that they
2 otherwise have no ability to do.

3 This program was set up by HUD because
4 congress has, over the last number of years,
5 decreased the amount of funding for housing
6 authorities and the public housing program. They
7 typically get funded from two ways, the operation
8 subsidies, and then a capital subsidy. And each year
9 the housing authorities submit their capital needs
10 and operations budgets to HUD, and HUD funds up to
11 certain levels, and each year those levels have
12 gotten less and less.

13 And especially when you have bigger
14 projects that need to get done, the capital fund
15 monies that have been provided to housing authorities
16 are just not enough to do the real work that has to
17 get done.

18 So this was the federal government's way
19 of solving their problems on their side and then
20 solving the housing authorities' problems with
21 regards to how they can secure financing for real
22 work that has to get done.

23 So now the ownership of the building
24 stays and will remain with Brick Housing Authority.
25 The housing authority and the operations and how it

1 operates and the people that are in the units does
2 not change, it just provides them a new way of being
3 subsidized by HUD, and this allows them to do that.

4 Brick has gone through the program.
5 Lisa and I have helped the director here through and
6 channel through the HUD programs and requirements.
7 They went out for bid for engineers. Engineers came
8 in. And as HUD requires with the tools that they
9 require, came up with a plan and needs for not only
10 today but over the next 20 years.

11 From that plan we then went out for bid
12 for banks, lenders, investors to determine, you know,
13 who could provide us with the best rates. As we've
14 done with the others, there are all smaller banks
15 that are interested in this. These are not really
16 big loans, but Brick does intend to issue tax exempt
17 bonds and issue them privately placed directly with
18 Lakeland Bank. Lakeland Bank was the low bidder.
19 And the rate at which we were getting, it's actually
20 the stage is it's a 20-year loan, the first 10 years
21 are at what is today's rate would be approximately
22 3.125. At the end of the 10 years starting in year
23 11 to 20, that rate gets determined at that time
24 based on the Federal Home Loan Bank rates in year 11.

25 We -- the HUD program actually requires

1 it to be a fixed rate loan, however, we were able to
2 negotiate a cap on that, what that tenth, eleventh
3 year rate can get to, so that satisfied HUD's
4 requirements to be sure of what we knew what the
5 rates are going to be. And it can't get any higher
6 than three and a half percent above our first 10-year
7 rate.

8 The cash flows that we provided to HUD
9 and to the bank show an ability for us to be able to
10 even pay down that loan early if we so choose to.
11 We've negotiated a good prepayment requirements from
12 the bank, so if we do -- if the opportunity arises,
13 they will have an opportunity to lower that principle
14 amount once that rate change comes, so that will
15 further protect us at that time.

16 Ms. Watson, if you'd like to add a
17 little bit or talk about the work that needs to get
18 done.

19 MS. WATSON: Yes. Good morning.

20 Brick currently has 266 units and it's
21 comprised of seniors, all seniors in a private campus
22 project. The buildings were built 1978-1980, so us
23 moving into this new RAD process will allow us to do
24 some critical repairs on the building, and really
25 ultimately provide a better quality of life for our

1 seniors. So we're very excited about this new
2 process.

3 I think with HUD, you know, Section 8
4 has been a program that's been in existence since the
5 beginning of HUD and I think that's the only program
6 that's actually been successful. So I think going
7 into this new RAD will allow us to become not just
8 successful but actually ultimately provide a better
9 quality housing for our seniors.

10 MR. CUNNINGHAM: What are -- just
11 general categories, what are the types of repairs
12 that would be done through these proceeds?

13 MS. WATSON: Well, one example would be
14 at our Forge Pond building, the masonry work needs to
15 be repaired. The building needs to be water sealed.
16 Windows need to be replaced. Probably new electrical
17 systems put in inside the units. Just some regular
18 wear and tear of the apartments inside the units; the
19 carpets and the windows. A lot of masonry work.

20 MR. CUNNINGHAM: Any questions for the
21 applicants?

22 I think the explanation of the RAD
23 program, again, very, very helpful. I don't see a
24 reason why the board wouldn't treat Brick in the same
25 way that we treated the other applicants. It's a

1 worthwhile program which gets a lot of necessary
2 repairs to facilities. So unless there's any
3 questions or concerns, I would ask for a motion and a
4 second.

5 MR. BLEE: Motion.

6 MR. CUNNINGHAM: Mr. Blee motions.

7 MR. LIGHT: Second.

8 MR. CUNNINGHAM: Mr. Light seconds.

9 Roll call, please.

10 MS. McNAMARA: Mr. Cunningham.

11 MR. CUNNINGHAM: Yes.

12 MS. McNAMARA: Ms. Rodriguez.

13 MS. RODRIGUEZ: Yes.

14 MS. McNAMARA: Mr. Blee.

15 MR. BLEE: Yes.

16 MS. McNAMARA: Mr. Light.

17 MR. LIGHT: Yes.

18 MS. WATSON: Thank you.

19 MR. CUNNINGHAM: Thank you. Wish you

20 good luck.

21 The Newark City Housing Authority.

22 (There is a discussion held off the

23 record.)

24 MR. CUNNINGHAM: Good morning.

25 (Group responds.)

1 MR. CUNNINGHAM: Would those of you that
2 haven't appeared in front of the board introduce --
3 maybe reintroduce and those that aren't counsel be
4 sworn in.

5 MR. JOHNSON: I am Everett Johnson,
6 special counsel to the Newark Housing Authority, from
7 the firm of Wilentz, Goldman & Spitzer.

8 To my left is Michael Moore, the chief
9 financial officer of the Newark Housing Authority.

10 To my right is Marcie Porter, financial
11 advisor for PFM, the housing authority.

12 And to my far right is Sani Williams,
13 who is Squire Patton Boggs, who is bond counsel to
14 the Newark Housing Authority.

15 (Michael Moore, Marci Porter, Sani
16 Williams, having been first duly sworn by the
17 Certified Court Reporter.)

18 MR. JOHNSON: So the housing authority
19 is here this morning to seek the positive findings of
20 the Local Finance Board related to the sale of not to
21 exceed \$13 million of capital fund program revenue
22 bonds on a negotiated basis to fund various --
23 actually specifically a capital fund project referred
24 to as the Montgomery Phase 2 Redevelopment Project.
25 And that project is a larger capital project which

1 consists of 154 units; 59 one-bedroom, 70
2 two-bedroom, 25 three-bedroom units. And it's a
3 five-story building. Four floors will be above a
4 commercial retail space -- ground space. I shouldn't
5 say retail. Commercial ground space. 132
6 residential units. The other 22 units would be built
7 in the townhouse style units. And the ground floor
8 will consist of 3,900 square feet of community space,
9 7,000 square feet of commercial space, and
10 800-square-foot management office.

11 Out of all the units, specifically these
12 bonds would be financing 51 units through the HUD
13 annual contributions contract that they have with the
14 housing authority, whereas the authority receives
15 annually capital funds from HUD. Under federal
16 statutes, the housing authority is allowed to
17 leverage those funds and pledge up to a third of
18 those funds to pay debt service on bonds issued to
19 finance housing projects, of which these bonds will
20 be funded through such contributions from HUD. And
21 so they will enter into an agreement with HUD and the
22 trustee where HUD will make certain payments over to
23 a trustee for the benefit of bondholders to pay debt
24 service or principle interest on these particular
25 bonds to finance, like I said, 51 units.

1 I can go into more detail, I guess, but
2 I think you guys get the flavor of what these bonds
3 are being used for. If you have any questions, I
4 open the floor up now for questions.

5 MR. CUNNINGHAM: Just wanted to talk a
6 little bit about the capital stack.

7 MR. JOHNSON: Sure.

8 MR. CUNNINGHAM: So I know that there's
9 low-income housing tax credits.

10 MR. JOHNSON: Yes.

11 MR. CUNNINGHAM: There's the grant from
12 HUD which is significant. But then there's also --
13 well, forgetting about the deferred development free
14 and mortgage, funding from the City of Newark. So
15 the city is putting in a little over a million
16 dollars into this project.

17 MR. JOHNSON: That is our understanding,
18 yes.

19 MR. CUNNINGHAM: Do you know or, I mean,
20 I can find out, I should have done this before
21 today's meeting, I apologize: Do we know the source
22 that the city is using for that contribution?

23 MR. JOHNSON: I don't personally know
24 the source from the city. Do you guys happen to
25 know?

1 I do not know.

2 MR. CUNNINGHAM: Okay. I won't make it
3 a condition of the application, but I will just say
4 on the record that after this meeting we will talk to
5 the City of Newark to make sure it's consistent with
6 our understanding of their sources. They have a
7 couple different options and sometimes, not out of
8 malice, just out of just confusion, the source is not
9 the one or they've committed too many projects to one
10 potential source and we want to prevent that issue
11 from arising.

12 MR. JOHNSON: Understood.

13 MR. CUNNINGHAM: So I will just make
14 sure of that on my end, but I wouldn't think it would
15 affect this particular application from my
16 perspective.

17 MR. JOHNSON: Thank you.

18 MR. CUNNINGHAM: I didn't have any other
19 questions on this.

20 Did any of the other members have
21 questions?

22 MR. LIGHT: No.

23 MR. CUNNINGHAM: Okay. Then I would ask
24 for a motion and a second.

25 MR. BLEE: Motion.

1 MS. RODRIGUEZ: Second.

2 MR. CUNNINGHAM: Mr. Blee. Ms.

3 Rodriguez.

4 Roll call, please.

5 MS. McNAMARA: Mr. Cunningham.

6 MR. CUNNINGHAM: Yes.

7 MS. McNAMARA: Ms. Rodriguez.

8 MS. RODRIGUEZ: Yes.

9 MS. McNAMARA: Mr. Blee.

10 MR. BLEE: Yes.

11 MS. McNAMARA: Mr. Light.

12 MR. LIGHT: Yes.

13 MR. CUNNINGHAM: And then the Newark

14 City Housing Authority is staying before us to talk
15 about refunding pension bonds.

16 MR. WILLIAMS: Yes, sir. That's
17 correct.

18 MR. CUNNINGHAM: So considering everyone
19 is already identified and has been sworn to testify,
20 we can transition to that matter.

21 MR. WILLIAMS: Good morning again.

22 We are here as well for the seeking
23 positive findings from the board for the authority's
24 proposed issuance of a 2016 pension re-funding bond
25 in an amount not to exceed \$4.3 million.

1 The bond is proposed to be issued as a
2 single bond for the purpose of currently refunding
3 all of the outstanding 2004 bonds which are two-term
4 bonds, 2018 and 2021, as well as paying cost of
5 issuance on the 2016 bond.

6 The authority is also prepared to fund a
7 debt service reserve fund if required by purchaser
8 bank.

9 The authority is pursuing a private sale
10 in order to limit cost of issuance and to -- in an
11 attempt to maximize savings for the authority.

12 As of the date of this hearing, the
13 authority is currently engaged in ongoing
14 negotiations with interested parties, interested
15 banks, I should say, who have -- who have responded
16 to the RFP that the authority had sent out
17 previously.

18 We also have Morris -- Mr. Morris Warner
19 from the Newark Housing Authority joining us.

20 MR. WARNER: Good morning.

21 MR. WILLIAMS: By the way of brief
22 background, the 2004 bonds -- I'm not sure, does Mr.
23 Warner need to be sworn?

24 (Morris Warner, having been first duly
25 sworn by the Certified Court Reporter.)

1 MR. WILLIAMS: By way of brief
2 background, the 2004 bonds were originally issued in
3 2004 to address and retire unfunded liability that
4 accrued on the state's Public Employees Retirement
5 System. Those bonds went out, they had -- and as I
6 had said earlier, there are two remaining maturities
7 left, the 2018 term and 2021 term.

8 The security for the bonds are expressly
9 limited to rental income that's derived from payments
10 on properties that the authority has control over,
11 and currently I believe it is over 7,800 rental units
12 that the authority does control.

13 Those -- those rental payments or rental
14 income are what we call pledge revenues under the
15 proposed bond resolution that you all have received.

16 During the term of this 2016 bond, as
17 long as that bond is outstanding, the authority is
18 covenanted in its bond resolution that it will not --
19 it will not pledge any of the rental income in any
20 amounts that will impair its ability to pay the
21 principle and interest on this 2016 bond.

22 I think it's important to understand,
23 the three main objectives of this refunding. One is
24 to eliminate a balloon payment that the authority
25 will be facing in 2021 on the final maturity. The

1 other objective of the refunding is to eliminate what
2 is currently an upfront funding requirement of the
3 2004 trust indenture on these outstanding pension
4 bonds where they have to fund the annual debt service
5 on the 2004 bonds at the beginning of each fiscal
6 year for the authority. And, of course, the third
7 main objective is to substantially level out the debt
8 service on the 2016 bond. So that all in all, the
9 three objectives, if we can get them done, will
10 result in better budgeting for the authority and it
11 will eliminate the strain on the use of the rental
12 income as well as --

13 MR. CUNNINGHAM: That net present value
14 savings are pretty significant.

15 MR. WILLIAMS: I'm sorry?

16 MR. CUNNINGHAM: There's a net present
17 value savings on the refunding that's pretty significant.

18 MR. WILLIAMS: Yes.

19 MR. CUNNINGHAM: It's almost a 7 percent
20 savings that is almost \$300,000.

21 MR. WILLIAMS: Yes. That's a main
22 consideration as well.

23 MR. CUNNINGHAM: Understood. Right,
24 right, right. Well, that's why the net, the net is
25 significant.

1 MR. WILLIAMS: Yes, correct.

2 MR. CUNNINGHAM: Correct.

3 MR. WILLIAMS: Correct. And also we
4 believe that it would also lessen the need for the
5 authority to use its operating subsidy from HUD,
6 which has always been traditionally used to help pay
7 off bonds.

8 So those are the three main areas, and
9 actually four, because you brought up the savings
10 which are significant.

11 So the authority, all in all, believes
12 that this refunding, if approved, will benefit the
13 Newark inhabitants and it will not create any undue
14 financial burden on the authority or the inhabitants
15 of the city.

16 So based on that, we're respectfully
17 asking for positive findings. And because the
18 authority is trying to consummate a transaction
19 before the end of August, we would -- we would
20 respectfully ask if we could receive the findings on
21 an expedited manner.

22 And open up for any questions that you
23 might have.

24 MR. CUNNINGHAM: Any questions?

25 MR. WILLIAMS: And, again, thank you for

1 your time.

2 MR. CUNNINGHAM: I think the application
3 on its face is a solid application and I think what
4 was presented to the board today was very, very
5 clear.

6 I didn't have any additional questions.
7 You know, I tick off as you go through on all the
8 points that I want to have on the record, I think
9 you've certainly covered.

10 MR. WILLIAMS: Thank you.

11 MR. CUNNINGHAM: So if there's no
12 questions, I would ask for a motion and a second.

13 MS. RODRIGUEZ: Make a motion.

14 MR. CUNNINGHAM: Ms. Rodriguez makes a
15 motion.

16 MR. LIGHT: I'll second it.

17 MR. CUNNINGHAM: Mr. Light seconds.

18 Roll call, please.

19 MS. McNAMARA: Mr. Cunningham.

20 MR. CUNNINGHAM: Yes.

21 MS. McNAMARA: Ms. Rodriguez.

22 MS. RODRIGUEZ: Yes.

23 MS. McNAMARA: Mr. Blee.

24 MR. BLEE: Yes.

25 MS. McNAMARA: Mr. Light.

1 MR. LIGHT: Yes.

2 MR. CUNNINGHAM: All right. So the
3 motion carries.

4 You'd be looking for a resolution from
5 us by when?

6 MR. WILLIAMS: As soon as convenient for
7 the board.

8 MS. McNAMARA: All right.

9 MR. WILLIAMS: We don't want to --

10 MR. CUNNINGHAM: December 15?

11 MR. WILLIAMS: December 1 maybe.

12 MR. CUNNINGHAM: We'll do our best to
13 accommodate.

14 MR. WILLIAMS: Appreciate.

15 MR. CUNNINGHAM: Just limited staff and
16 a lot of --

17 MR. WILLIAMS: Understood.

18 MR. CUNNINGHAM: We'll do our best and we
19 do understand that the -- we want the authority to be
20 able to take advantage of the terms of the refinancing
21 at the rates that are currently available.

22 MR. WILLIAMS: Exactly. Thank you.

23 MR. CUNNINGHAM: Okay. Thank you for
24 your appearance today.

25 (There is a discussion held off the record.)

1 MR. CUNNINGHAM: We're going to take a
2 five-minute recess and then return and hear the last
3 two matters.

4 (There is a brief recess taken.)

5 MR. CUNNINGHAM: Okay. So we're
6 reconvening and we'll hear from the Passaic Valley
7 Sewerage Commission.

8 Nobody is here on behalf of Passaic
9 Valley Sewage Commission?

10 Okay. The only other matter, then,
11 before the board was a rule matter. Were there any
12 other members of the public that came to speak in
13 favor of an application?

14 Hearing none, okay.

15 Then we will move to the Division of
16 Local Government Services proposed repeal of NJAC
17 5:33-1.9.

18 Members of the board, there have been
19 regulations on point -- I'm sorry, there have been
20 regulations on the books that the division would
21 conduct an annual survey as it relates to tax
22 collections. That is a function that hasn't been
23 done for some number of years. I also think it's
24 obviated by other new sources of information, things
25 like user friendly budgets and whatnot, so it was the

1 staff's recommendation to repeal that regulation as
2 being obsolete and no longer in effect. And we
3 would, therefore, ask for the board's support.

4 So I'm looking for a motion to repeal
5 NJAC 5:33-1.9 and amend 5:33-1.7 and 1.8.

6 MR. BLEE: Motion.

7 MR. CUNNINGHAM: Mr. Blee motions.

8 MR. LIGHT: Second.

9 MR. CUNNINGHAM: Mr. Light seconds.

10 Roll call, please.

11 MS. McNAMARA: Mr. Cunningham.

12 MR. CUNNINGHAM: Yes.

13 MS. McNAMARA: Ms. Rodriguez.

14 MS. RODRIGUEZ: Yes.

15 MS. McNAMARA: Mr. Blee.

16 MR. BLEE: Yes.

17 MS. McNAMARA: Mr. Light.

18 MR. LIGHT: Yes.

19 MR. CUNNINGHAM: The only other matter
20 before the board, then, would be a motion to adjourn.

21 MS. RODRIGUEZ: So moved.

22 MS. McNAMARA: All ayes?

23 MR. CUNNINGHAM: All ayes.

24 (Upon unanimous affirmative response,
25 the matter stands adjourned at 11:30 a.m.)

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CERTIFICATE OF OFFICER

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

BETH VITTOR, C.C.R.
Certificate Number 30XI00146300
Notary Public of the
State of New Jersey

DATED: July 21, 2016

