STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS

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IN RE: :
Local Finance Board :
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Commencing at: 9:57 a.m.

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HELD BEFORE: (ALL MEMBERS APPEARING VIA VTC)

MICHAEL ROGERS, Chairman
WILLIAM CLOSE
ALAN AVERY
ROBERT JACKSON
RYAN COOPER
DOMINICK DIROCCO
IDIDA RODRIGUEZ

A L S O P R E S E N T:
NICK BENNETT, Executive Secretary
MATTHEW MARTHALER

I N D E X

MR. ROGERS: We previously opened this meeting at, approximately, 9:02 this morning. We're now back in open session and we're going to first start off, do we have a motion to adopt the minutes of the June 10th 2026 meeting as presented?

MR. CLOSE: So moved.

MR. BENNETT: Mr. Close and Mr. Jackson. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Director, if I may just jump in, I want to take note two items on the Finance agenda have been deferred. They're the Essex County Improvement Authority and the Newark Board of Education matter.

MR. ROGERS: Thank you, Mr. Bennett. Start off with our first ethics matter. Mr. Marthaler?

MR. MARTHALER: Thank you, Director. The first matter is 21-007. Here the board is being asked to approve a notice of investigation to one LGO to investigate possible violations of subsections of 22.6A1.

MR. ROGERS: Any questions, concerns? Hearing none, do we have a motion to issue a notice of investigation to one LGO investigating for possible violations of Subsections 22.6A1

MR. CLOSE: So moved.

MR. JACKSON: Second.

MR. BENNETT: Mr. Close and I heard Mr. Jackson. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. ROGERS: Next matter.

MR. MARTHALER: Next matter is 21-011. Here the board is being asked to approve a notice of determination to two LGO's where the board is dismissing the complaint for having no reasonable factual basis and for a lack of jurisdiction.

MR. ROGERS: Any questions, concerns about this matter? Hearing none, do we have a motion to issue a notice of determination to two LGO's dismissing the complaint as having no reasonable factual basis and for a lack of jurisdiction?

MR. DIROCCO: DiRocco so moved.

MR. COOPER: Second.

MR. BENNETT: Mr. DiRocco and Mr. Cooper. Mr. Rogers?

MR. ROGERS: Yes.
MR. BENNETT: Mr. DiRocco?
MR. DIROCCO: Yes.
MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. ROGERS: Next matter?
MR. MARTHALER: The next matter is 22-003. Here the board is being asked to approve a notice of investigation to one LGO to investigate potential violations of Subsection A.
MR. ROGERS: Any questions, concerns about the application? Hearing none, do we have a motion to issue a notice of investigation to one LGO investigating for possible violations of Subsection A?
MR. JACKSON: So moved.

MR. CLOSE: Second.

MR. BENNETT: I believe it's Mr. Jackson moving and Mr. Close seconding. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. ROGERS: Next matter.

MR. MARTHALER: Next matter is 22-030. Here the board is being asked to approve a notice of determination to one LGO where the board is dismissing the complaint for having no reasonable factual basis.

MR. ROGERS: Any questions,

concerns? Do we have a motion to issue a notice of determination to one LGO dismissing the complaint as having no reasonable factual basis? Do we have a motion?

MR. AVERY: So moved.

MR. ROGERS: Thank you. Is there a second on that?

MR. COOPER: Second.

MR. BENNETT: Mr. Avery moving and Mr. Cooper seconding. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Next matter.

MR. MARTHALER: Next matter is

25-039. Here the board is being asked to approve a notice of determination to one LGO where the board is dismissing the complaint for having no reasonable factual basis?

MR. ROGERS: Questions or concerns about this recommendation? Hearing none, motion to issue a notice of determination to one LGO dismissing the complaint as having no reasonable factual basis?

MR. COOPER: So moved.

MS. RODRIGUEZ: Second.

MR. BENNETT: Mr. Cooper and Miss Rodriguez. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close? Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Mr. Close, you're

still muted.

MR. CLOSE: Yes

MR. BENNETT: Motion approved.

MR. ROGERS: Next matter.

MR. MARTHALER: Next matter is 21-010. Here the board is being asked to approve a notice of violation to one LGO finding one violation of Subsection C assessing a total fine of $500. Questions, concerns?

MR. BENNETT: Matthew, I have that as two violations of C, $250 for each violation, $500. And then a notice of determination to one LGO dismissing the complaint as having no reasonable factual basis.

MR. MARTHALER: That's 22-025. And that was two violations of subsection D.

MR. BENNETT: I apologize. I'm ahead.

MR. MARTHALER: No problem. This is for 21-010. I'll just go over it again. Here the board is being asked to approve a notice of violation to one LGO finding one violation of Subsection C assessing a total fine of $500.

MR. ROGERS: Any questions, concerns about this one? Do we have a motion to issue a notice of violation to one LGO finding one violation of Subsection C assessing a total fine of $500.

MS. RODRIGUEZ: So moved.

MR. JACKSON: Second.

MR. BENNETT: Miss Rodriguez and Mr. Jackson seconding. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. ROGERS: Next matter?

MR. MARTHALER: The next matter is 22-025. Here the board is being asked to approve a notice of violation to one LGO finding two violations of Subsection D assessing a $250 fine for each violation for a total fine of $500.

Additionally, the board is being asked to approve at notice of determination to one LGO where the board is dismissing the complaint for having no reasonable factual basis.

MR. ROGERS: Any questions concerns about these recommendations? Do we have a motion to issue a notice of violation to one LGO finding two violations of Subsection D assessing a 250 dollar fine for each violation for a total fine of $500. We'll do these two separate motions. So the first motion?

MR. CLOSE: So moved.

MR. ROGERS: Do I have a second?

MR. COOPER: Second.

MR. BENNETT: Mr. Close and Mr. Cooper. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: And Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: On the same matter, do we have a motion to issue a notice of determination to one LGO dismissing the complaint as having no reasonable factual basis?
MR. AVERY: So moved.
MR. CLOSE: Second.
MR. BENNETT: Mr. Avery and Mr. Close. Mr. Rogers?
MR. ROGERS: Yes.
MR. BENNETT: Mr. DiRocco?
MR. DIROCCO: Yes.
MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.

MR. BENNETT: Motion approved.
MR. ROGERS: Next item.
MR. MARTHALER: Next matter is 23-014. Here the board is being asked to approve a notice of violation to one LGO finding one violation of Subsection D assessing a total fine of $100 where such payment, the fine shall be waived.
MR. ROGERS: Any questions, concerns? Hearing none, motion to issue a notice of violation to one LGO finding one violation of Subsection D assessing a total fine of $100. The payment of said fine shall be waved as part of this motion. Do we have a motion?
MR. JACKSON: So moved.
MR. CLOSE: Second.
MR. BENNETT: Mr. Jackson and Mr. Close. Mr. Rogers?
MR. ROGERS: Yes.
MR. BENNETT: Mr. DiRocco?
MR. DIROCCO: Yes.
MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved. The last matter before the board is 25-017. The board had previously voted to issue a notice of violation to one LGO finding violations of Subsection C and G of the Local Government Ethics Law. The LGO has requested an administrative hearing. At this time, the board is being asked to transmit the matter to the Office of Administrative Law for a hearing.

MR. ROGERS: Any questions, concerns about this recommendation? Do we have a motion to transmit the complaint to the Office of Administrative Law as a contested case?

MR. COOPER: So moved.

MR. BENNETT: Second.

MR. BENNETT: I have Mr. Cooper and Mr. Avery seconding. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.
MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. ROGERS: I think that's it with ethics matters. We're going to move on to applications. Before we get started, please reminder, just mute yourself if your application is not being heard and if you plan on speaking.
If you are using audio, you can star six to mute and unmute yourself. And then anybody who is here to testify, when your application is being heard, you need to have access to a video in order to be sworn in, so please make sure that's functioning for yourself. And I think that's it.
I think we can move on to the first

application which is the Township of Upper Freehold?

MR. BARRETT: Good morning, Director. John Barrett on behalf of the township, chief financial officer.

I am joined with Mike Cicero, our auditor. And due to location issues, I have our clerk administrator, Dana Tyler, possibly joining us by phone. And also, Councilman Robert Frascella, who also may be joining us by phone.

MR. ROGERS: Good morning, Mr. Barrett.

MR. BARRETT: Good morning.

MR. ROGERS: If anybody is on audio only, you're not being to be able to testify or offer any comments unfortunately, so we will just get everybody sworn in who is on video. Lauren?

(At which time those wishing to testify were sworn in.)

MR. ROGERS: Mr. Barrett, the floor is yours.

MR. BARRETT: Good morning, Director. I will make this as short as possible. Not only is Upper Freehold here probably for the first time for such an application, I'm also celebrating my 57th birthday today, so I'd like to go on record about that.

MR. ROGERS: Happy birthday.

MR. BARRETT: Thank you very much. The application before you originally was in the amount of $368,000. It was reduced down to $347,260 after working with Nada from the Division.

The main issue with regard to Upper Freehold is that Upper Freehold has moved to an enhanced fire department 24/7 service over the last two years.

And by virtue of that, we have three issues, two of which are tied into the fire services. Number one, the group health insurance were part of the State Health Benefits.

We are exploring leaving that, but at this point, our premiums have increased. In addition to the number of head count, we are seeking $232,260. That's a reduction from the original application.

The fire department salaries and wages, we're looking for $100,000 to effectively staff that this year and our assessment from the JIF has increased year over year by $15,000, and that also has to deal with the assumption of share ability for the fire company that we closed on.

Beyond that, there's really nothing much more to mention and certainly open for questions, if you have them.

MR. ROGERS: Thank you. I guess just a general question around steps that the municipality will take in order to avoid coming back to the board next year for a similar application.

What do you anticipate, just looking to 2027, some cost reductions that could be made?

MR. BARRETT: Well, the township budget is very lean. And we are hoping that if we do explore cost savings measures with a HIF, a Health Insurance Fund, that that might mitigate it.

But I am under no illusions at this point that we might not be back next year based on these type of waivers being singular and not being added on as a CAP based adjustment.

So I have no guarantees that next year that we won't be back, but ultimately, as this year, we're faced with these one time increases that might be reoccurring. We're certainly fighting to keep our staff.

Unfortunately, Upper Freehold Township historically has paid very little in comparison to other fire departments. So therefore we have the transitory problem of folks that are joining our team and getting hired for better wages elsewhere.

We currently looked at the -- we are under contract with the fire department, the fire union. And at this point, unfortunately, Director, I have no assurances that in '27 we might not be seeing each other with regard to Upper Freehold.

MR. ROGERS: So aside from that and your insurance increases, which every municipality, public entity is experiencing, is there anything that you're seeing that you anticipate in '27 as something that might be an unusual increase or it's too early for you to tell at this point?

MR. BARRETT: I believe it's too early for us to tell at this point, but the only issues we have, we can't get appropriation CAP compliant at this point based on the increase with regard to our fire department.

And we had a volunteer company. I believe that was covering certain calls and they were not seeing the membership show up there, so that's what necessitated the public safety for the residents of Upper Freehold Township.

MR. ROGERS: Understood. I will open it up to the board and the public at this time with any questions.

MR. JACKSON: Director, I do have a comment.

MR. ROGERS: Sure.

MR. JACKSON: In 2024, Upper Freehold had a windfall of a ratable increase of 21 percent, which is admirable. However, the tax rate was cut by 14 percent, which in New Jersey, is an extraordinary occurrence.

And had Upper Freehold kept the tax rate the same, that would have generated another $700,000 without any increase in the tax rate. So some of the issues that I'm seeing now are, to me, somewhat of a self-inflicted wound in terms of what I would consider a draconian tax increase of the year prior.

And to me, and I appreciate, and I'm

very sympathetic with transition to the fire department. But I think that kind of tax rate reduction, even though the levy went up, but still, I understand that.

But I think that a more prudent approach the year before would have mitigated some of this problem. I'm going to be supporting.

But I think coming back, you know, next year, if there's a similar kind of thing, I would be hesitant to support because I think, you know, tax increases in this environment only come back to bite you, you know where, so I want to put that on the record.

MR. BARRETT: Mr. Cicero, would you like to address that?

MR. CICERO: With all due respect to Mr. Jackson's comment there, we're facing an appropriation side of the equation as opposed to the tax levy side.

But with all the understanding that the township faced a significant increase in the market value of their properties and felt it was time to give some relief for the taxpayers. It was a very tough period of time in 2024.

And that's the goal that the mayor and committee had committed to the citizens, so two different issues, but we fully understand, Mr. Jackson, your position on that and we do appreciate any support you can have for helping the public safety issue here.

MR. JACKSON: I will be voting yes.

MR. CICERO: Thank you. Appreciate that.

MR. JACKSON: Any additional questions?

MR. CLOSE: Yeah, Director. I understand the -- I will be supporting the application as well. And I do understand the appropriation side of this, but I would agree with my colleague, Mr. Jackson, somewhat surprising given the level of the tax decrease from the prior year and the impact it has on fund balance and operational funding options for the community, so I am going to support the application, but I share some concerns expressed by Mr. Jackson.

MR. ROGERS: Thank you, Mr. Close. Anyone else? Hearing none, do we have a motion to approve the CAP waiver of $347,260?

MR. JACKSON: I'll move it.

MR. CLOSE: Second.

MR. BENNETT: I have Mr. Jackson and Mr. Close. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. BARRETT: Thank you very much.

MR. ROGERS: Have a good birthday. We are moving on, Essex County has been pushed. I'm sorry. I'm ahead of myself. Township of Pennsauken application. Thank you.

MS. PEDDICORD: Good morning.

MR. ROGERS: Good morning. You

leading the application?

MS. PEDDICORD: Yes. Elizabeth Peddicord, CFO. I also have Tim Killion, the township administrator, and Jeff Winitsky, our legal counsel for us.

MR. ROGERS: Have everybody on video and get you sworn in.

(At which time those wishing to testify were sworn in.)

MR. ROGERS: The floor is yours, Miss Peddicord?

MS. PEDDICORD: So I guess I'll go over the general overview that I submitted with the executive summary that the township is seeking relief to accommodate increased operating costs associated with new municipal facilities necessary staffing for public safety and rising contractural and maintenance obligations.

These expenses are essential and maintain service levels, protect public safety and ensure proper stewardship of township assets. And in my application that we presented, we went through each department.

And every department that was above the three and-a-half percent allowable spending

CAP, we showed that cost difference increase that we're requesting.

MR. ROGERS: I know there's a whole list of them in your very thorough application. Is there anything else you would like to add before we get into any questions?

MS. PEDDICORD: No. By all means, what questions do you have?

MR. ROGERS: The floor is yours. I wanted to give you the opportunity to speak. If there's anything else you want to add to it. I know we have all of what you laid out and I guess we'll start our Q and A right now.

MS. PEDDICORD: Sure.

MR. ROGERS: I know there's a lot of one time technology licensing costs that were due to the new municipal facilities and so forth.

Was there any way -- I know how these work with generally one, sometimes they're multi year, depending on the type of agreement you have.

Was there any way to look at some of these costs and get a better contract by going extending it out beyond a year? I know sometimes if you're doing multi years, you can get somewhat of a discount.

I don't know if you were part of those discussions and negotiations with some of them. I just know that some of, based on my experience, that's kind of played out that way where you're able to get some kind of a discount by going out multiple years. Just curious if the municipality --

MS. PEDDICORD: I know for our PILOT, we definitely got a very good deal with that, but again, that's still not cheap. That's still 40,000 dollar annual subscription cost. And it really -- if we try and do -- we have a QPA.

We try and use public procurement and competitive contracting wherever we can. We have also used state contracting as well. And it's really the subscription costs that are an annual basis thing.

MR. ROGERS: So a lot of the -- I'm just looking, and I don't think it has anything to do with the new facility. These seem to be more operational technology licensing subscriptions.

Did you have these previously? And

could you just point out some of the ones that might have increased year over year because they're a new contract? Can you give the board a sense of that?

MS. PEDDICORD: Actually a lot of them really did start during last year, so the initial software purchase was during last year. And now this year is the first year of the renewals.

MR. ROGERS: So you just sort of started the software arrangements?

MS. PEDDICORD: Yeah.

MR. ROGERS: Because of the facility. Was it just because you took the opportunity figuring some of the old technology wasn't working for you?

MS. PEDDICORD: Believe it or not, very forward thinking and we want to digitalize and modernize as much as possible because we realize, the pen and paper has got to go.

MR. ROGERS: I'm glad you see it that way.

MS. PEDDICORD: Yes.

MR. ROGERS: Okay. Because there were just a lot of different ones. And we understood, at least I understood some of the public safety issues, but maybe there will be some questions about that, but I'll open it up to the board for any questions or comments.

MR. CLOSE: Director, I would agree with your question as well just as a follow up. Because it's over a quarter million dollars when you take all of them, add it together. It seems like an inordinate amount.

And I'm certainly glad to hear the desire to be technologically current, that the municipality is taking, so we encourage that as well. But this seems like an inordinate amount in one unit. It has to be done.

Did all these have to be done at one time? As the director said, they don't all appear to be building related. I would just be curious about was there a necessity for all this to be implemented at one time or could it have been phased in?

MS. PEDDICORD: It really just ended up falling together during last year. It wasn't intended to all happen then. It just did, especially with the construction of the new municipal complex, it just all rolled in.

But with that though, I do want to point out, that at the end of the day, what we're trying to show is a realistic budget that we know will be solid for our township.

So we're trying to be as transparent as possible and not have any surprises come November that, oh, we need an emergency now, we didn't know about this. We're fully aware of it, and we need to budget accordingly.

MR. CLOSE: Given your CAP situation where you are this year, would it be fair to say then you're anticipating to be back here next year if these are going to be ongoing? Are you going to be able to stay within that CAP amount once you get this adjustment for this year?

MS. PEDDICORD: We are actively in negotiations with our contracts that some expire at the end of this year and the rest expire at the end of next year, so we're looking for other avenues for budget relief to be able to stay within the CAP's.

MR. CLOSE: Okay. I'll leave it to some other colleagues before I come back.

MR. ROGERS: Anyone else from the board?

MR. ROGERS: Miss Peddicord, I noticed your net operations resulted in a pretty healthy close to 5 million dollars. Is that sort of typically what you see in your, or is it some recent thing that just happened last year? Are you regenerating? I'm talking about your surplus.

MS. PEDDICORD: Oh, yeah

MR. ROGERS: Is that sort of a typical amount that you're regenerating in that 4.95 million?

MS. PEDDICORD: Yeah. That's a solid number, yes.

MR. ROGERS: It wasn't like a one time?

MS. PEDDICORD: No, no, no. There are no one time things in here.

MR. ROGERS: Okay. Great. I don't have any additional questions. Does anyone else? Do we have a motion approve the appropriation CAP waiver of $1,723,671?

MR. DIROCCO: I'll make that motion.

MR. AVERY: Second.

MR. BENNETT: I have Mr. DiRocco and Mr. Avery. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: I'm going to vote yes given the fund balance and current situation with the new building.

But certainly, I'll be taking a harder look again at this next year, if there is a return visit for seeking relief.

MS. PEDDICORD: Understood.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MS. PEDDICORD: Thank you.

MR. ROGERS: Thank you very much. Appreciate your time. No Essex County Improvement Authority application. That's been pushed. Next application is Parsippany-Troy

Hills Fire District 1. Who is leading the application?

MS. TRACEY: Good morning. Sherry Tracey with Phoenix Advisors.

MR. ROGERS: Miss Tracey, how are you?

MS. TRACEY: Great. Thank you. How are you?

MR. ROGERS: Good morning.

MS. TRACEY: And here with me today should be Steve Rogut, Rogut McCarthy, bond counsel to the fire district and Commissioner James Masker with Parsippany-Troy Hills Fire District Number 1.

MR. ROGERS: Let's get everybody sworn in. Make sure you have your video on, please.

(At which time those wishing to testify were sworn in.)

MR. ROGERS: The floor is yours, Miss Tracey.

MS. TRACEY: Good morning again. The Board of Fire Commissioners of Fire District Number 1 in the Township of Parsippany-Troy Hills is here today pursuant to requirements of

N.J.S.A. 40A:5A-6 to request positive findings for the issuance of up to one 1,700,000 to finance the cost of acquiring and equipping a new rescue truck.

At its general election, on February 21st 2026, the fire district received approval from voters within the district by a vote of 125, yes to 56, no to proceed with the acquisition and financing of the vehicle.

Just for context, there is several fire districts of Parsippany Troy Tills and there's about 9,000 registered voters within fire district number 1.

After careful research and due diligence to assess the right vehicle for acquisition, the fire district decided to purchase an E1 walk in rescue truck utilizing the HGAC National Cooperative.

The fire district has determined roughly 75,000 by going through this co-op for the purchase of the vehicle. This new rescue truck will replace an existing vehicle, a 2007 rescue truck, that, by the time the new vehicle arrives, which is estimated to be about the fall of 2028, will have been in operation for more than 20 years.

The fire district plans to utilize bonds for the financing of the vehicle. Again, total cost is estimated to be 1,700,000. The fire district plans to use about 10 percent $170,000 of their own funds they set aside when they purchase the truck and then to bond the balance, $1,530,000 over a 10 year repayment period.

The tax impact for the bond issue will be about 1.2 cents for every $100 of assessed value, which equates to about $37 on the average home.

At this point, we'll open it up for any questions that you have, Director, or any members of the board.

MR. ROGERS: Okay. Thank you, Miss Tracey. Did I hear you correctly, you're putting in, is 170,000 that you're putting down as a down payment?

MS. TRACEY: Yes, correct.

MR. ROGERS: I don't think I have any additional questions. You confirmed all I needed to hear. I'll open it up to the board and the public at this time. Any questions?

MR. JACKSON: When do we expect delivery on the --

MS. TRACEY: Sure. Expecting delivery in the fall of 2028 and we'll wait to issue bonds until that time.

MR. JACKSON: That's very fast in today's standards.

MS. TRACEY: It is. You're right. We're often hearing three years, right. I think yeah, absolutely. I think it depends on the type of truck, right. I think sometimes some of them are in that range, but hopefully, we see more of them on this kind of schedule.

MR. JACKSON: Absolutely.

MR. ROGERS: Anyone else? Hearing none, do we have a motion to render positive findings on the proposed project financing in the amount not to exceed 1.7 million dollars?

MR. CLOSE: So moved.

MR. JACKSON: Second.

MR. BENNETT: Mr. Close and Mr. Jackson. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MS. TRACEY: Thank you so much everyone.
MR. ROGERS: Moving on to the Ocean Township Fire District 2 application.
MR. JESSUP: Good morning, Director. Matt Jessup here from McManimon, Scotland and Baumann.
MR. ROGERS: Good morning, Mr. Jessup.
MR. JESSUP: Good morning. So Director, we should have with us Earl Gilford who is the treasurer of the fire district, and Rich Braslow who of course is general counsel of the fire district.

MR. BRASLOW: I am on.
MR. ROGERS: Whoever is testifying, if you have anybody, put on your video and get you sworn in.
MR. GILFORD: Earl Gilford with the fire district.
MR. ROGERS: Lauren?
(At which time those wishing to testify were sworn in.)
MR. ROGERS: Mr. Jessup?
MR. JESSUP: Thank you. Good morning everyone. Matt Jessup, McManimon, Scotland and Baumann, bond counsel to the fire district.
This is an application by the Township of Ocean Fire District Number 2 pursuant a N.J.S.A. 40A:5A-6 in connection with the bond and note financing of renovations and an addition to the fire district's existing firehouse in an amount not to exceed 6.85 million dollars.
On February 21st 2024, the voters approved a project and financing by a vote of 224 in favor to 178 against. The fire district is undertaking a substantial renovation and expansion of the Wanamassa firehouse.

The fire district currently operates out of two fire houses, Wanamassa and Wickapecko. The plan is to consolidate all fire district operations into the newly renovated Wanamassa firehouse and then sell the Wickapecko firehouse.

The consolidation will obviously provide operational savings to the fire district. The renovations to the Wanamassa firehouse will allow for the storage of larger fire engines that don't currently fit in that firehouse, as well as, the addition of a kitchen, training room and other improvements.

Again, we can't sell Wickapecko until after the renovation to Wanamassa is complete and the fire district can move everything over.

With construction expected to be complete in late 2027, we would anticipate selling the Wickapecko Fire District via competitive sale of course, open option, in late 2027.

While the purchase price received will be based on the competitive bids received, Wickapecko was recently appraised at a value of one million dollars, which we all know doesn't necessarily translate into a one million dollar sales price, but it gives you an order of magnitude of the value of the firehouse.

Those sale proceeds, whatever they end up being, will go back in the general fund, and among other things, will be earmarked for a new fire truck that the fire district will need as part of its equipment replacement program.

The fire district received 10 bids for the construction project. The lowest was 4.42 million. The highest is 5.97 million. If you take out the higher couple, the lower six bids were all within about eight percent of each other, so pretty tight from a construction bid prospective.

We're proposing to finance these renovations for a 20 year term through the Monmouth County Improvement Authority's pooled note and bond program.

At an assumed four percent interest rate, the average annual debt service on 4.5 million dollars is, approximately, $332,000, which results in a tax impact of about $42 to the average assessed value of the homeowner. This will be the only debt of the fire district.

And lastly, Director, before we turn it back over, just to note that, while we're proposing to finance 100 percent of the four and-a-half million dollar construction cost here, part of the reason for that is because we did use $165,000 this year to acquire two command vehicles that of course we could have otherwise put into a financing, so we are spending cash.

We just chose to spend it on command vehicles in whole as opposed to putting it here and financing the command vehicles or doing a mix of both from a financial planning prospective. And Director, that's all we have at the moment.

MR. ROGERS: Thank you, Mr. Jessup. I almost feel like you should get an automatic approval if you can say Wanamassa and Wickapecko five times really quickly.

MR. JESSUP: It was a lot of practice.

MR. ROGERS: You answered my questions about usage of the sale of the fire house and at least future use and then why no down payment, so thank you for laying that out. I don't have any additional questions at this time. I'll open it up to the board and the public, if there are any questions.

Do we have a motion to render positive findings on a proposed project financing in an amount not to exceed $6,850,000

MR. COOPER: So moved.

MR. CLOSE: Second.

MR. BENNETT: I have Mr. Cooper and Mr. Close. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: I'm gonna abstain on this given the possible connection to the County Improvement Authority of Monmouth.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes. And I want to commend Mr. Jessup and Mr. Braslow on the costs working with the district on this application. It calls for very good, comparing this to the last issue, so I wanted to note that for them.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.
MR. BENNETT: Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. JESSUP: Thank you very much.
MR. ROGERS: Next application, Township of Lyndhurst.
MR. WIELKOTZ: Good morning, Director.
MR. ROGERS: Good morning, Mr. Wielkotz. Who do you have with you, Mr. Wielkotz.
MR. WIELKOTZ: Steve Rogut, bonds counsel to the township is with us. I was expecting Chris Battaglia, the chief financial officer, but I don't know --
MR. BATTAGLIA: I'm here.
MR. WIELKOTZ: And I'm not sure if Dominick Diani who is the township's tax appeal attorney is on as well.
MR. DIANI: I'm here. Good morning, Mr. Chairman, members of the board.
MR. WIELKOTZ: Gang is all here.
MR. ROGERS: Let's get you all sworn in.

(At which time those wishing to testify were sworn in.)

MR. WIELKOTZ: Good morning and thank you. The Township of Lyndhurst has submitted an application pursuant to N.J.S.A. 40A:2-51 for the approval of a refunding bond ordinance to fund tax appeal payments due in the amount of $8,870,000.

These tax appeals are for the years 2012 to 2025 inclusive, depending on the appeal. The impact of this 8,870,000, if it was raved or paid over a one year period would be $1,025 to the average residential homeowner with a current assessment of about $548,000.

In the application, I've laid out the impact by number of years three, five, seven and nine. And even at nine years, the impact to the average homeowner was $114 a year.

As some more collar to Lyndhurst, they recently adopted their budget with a five percent municipal tax increase which translates into $335.32 on the average homeowner for municipal taxes.

That budget includes an appropriation for tax appeal refunds of $500,000 for future appeals. The appropriated in '24 and '25, $335,000 in each year towards tax appeals having paid 277,000 in change out of the 25 reserve leaving a reserve at the end of '25 of about $380,000.

The township, recognizing that appeals have been an issue, and quite frankly, they had a long time tax appeal attorney. Nothing seemed to get settled.

They replaced him and Dominic's firm has literally settled 30 or 40 appeals over the last, I would say, 12 to 15 months all in state tax court. Proactively, they undertook a reassessment program in 2022. They're now in a five year reassessment program.

So each year the assessments are theoretically up to 100 percent which obviously helps stave off any kind of future tax appeal issue in the aggregate.

And then just another side note, they recently introduced a bond ordinance that appropriates 19 million dollars to deal with a force main issue which happens to be adjacent to the recreation center, Lily Field.

Where literally sewage was spewing

from the ground on a regular basis and they had to do a temporary emergency prior to budget introduction of 10 million dollars to deal with the hauling away of the waste and that issue was now, has stopped.

And again, they introduced an ordinance for 19 million dollars which will deal with the repairs and replacement of the force main.

And through the budget process this year, put down the five percent down payment which was almost $905,000. Just a little added collar to the financial pressures of Lyndhurst that seem to be piling on, not different than a lot of municipalities throughout the state.

So again, I put that on record just for a matter of educational purposes for everybody. And with that, Director, I would be happy to try to answer any questions.

MR. ROGERS: Great. Thank you, Mr. Wielkotz. I guess, you mentioned in the application about tax appeals. Going back to 2012.

Are any of the ones that you're settling, or at least a part of this refunding, are some of them involved a part of this, or are you general reference to what the new tax bill attorney has been settling over the last 15 months?

Because the ones that were listed in the application, seeing more of like a 22 to 25 range. I just didn't know.

MR. WIELKOTZ: Yeah, there were a couple of older ones that lingered. Again, Lyndhurst has this almost separate and apart industrial area.

MR. ROGERS: Yeah, I'm familiar with it.

MR. WIELKOTZ: By the Meadowlands. You pass it on your way what used to be the Meadowlands complex all the way in the woods there. So these are a lot of the commercial buildings. Dominic, can you give more color on to how many might have been in the 2012.

MR. DIANI: I think out of, approximately, 40 or so that are part of this bond that go back, I think about half of them, close to 20 of them, Mr. Chairman, go back to at least 2015, 2016, if not all the way back to 2012.

There are some that go to 2012, 2011, a few, which is already egregious to be honest, that they went back that far, but that's where we were when we took over. But there were a number of '13's, '14's, went back, '15's, '16's.

What we tried to do, just so you understand, is I tried to, when we took over, I saw all this back log. And another fortunate thing I think that the board can take into consideration going forward is how the tax court is now managing these cases, especially the judge that's been reassigned to handle Bergen County and Lyndhurst is a judge who is very aggressive and who pushes the cases.

So I don't think anything like this will ever happen again so long as this judge is managing the cases. I did see an uptick in appeals, when we took over in mid 2024 as counsel for the tax appeals, that there were a number that were new that were filed starting in 2023 when the rolling reassessment program began within the township.

So what I worked with the tax court on, with this potential bond was, settling all these cases that were pre 2023. Now, you will see some that go through 2025 because those had the earlier dockets, so we tried to of course globally resolve all of those in one swoop, which we were able to do.

But then when I tried to not load more on to the board, as much as it already is, is I kind of cut off the cases that start in 2023. So now, if this is approved and all these go through settled, basically, the oldest case that Lyndhurst will have in the tax court is a 2023 docket.

And we're still obviously continuing on working those through resolution as well, but it really brings the back log way off, clears the deck, so to speak, and gets us all the way up to 2023 when the rolling reassessment program began.

MR. ROGERS: Were these settlements made prior to for '26?

MR. DIANI: I believe some of that may have been, yes.

MR. ROGERS: Which leads to my next question. If that was the case, the tax assessor make any adjustments based upon that settlement for the '26 assessments?

MR. DIANI: Yes, yes. I think some, we have a lot of line items. I think to be frank, I think some of them were just overlooked. It had to be corrected, but they were -- the book was changed, so to speak, in conjunction with those settlements for 2026.

MR. ROGERS: I don't want to put the tax assessor on the spot because I know there's a lot of variables that go into things and decisions.

Was there any attempt, by the municipality, to, particularly when you're looking at tax appeals and some of the exposure based upon what your equalization ratio is if you're outside that corner.

And there's a lot of things that go into it and whether you're making any unilateral decisions, your basis to adjust some of that downward just to reduce your exposure.

Was any of that done along the way given these type of properties that we're talking about?

MR. DIANI: Yes. I can tell you that like, for instance, when we first took over, it was about July'ish of 2024, about two years ago.

And some of these bigger assessment properties that we could see -- the first thing that we did is we had an exposure analysis done by our appraiser firm that represents the municipality.

So I wanted to get a real sense of how much is our exposure with all these old cases that are still back logged. And we got a number, from their analysis, of going through all the discovery and the leases, and doing their valuation analysis of all the properties of, approximately, potentially up to 15 million dollars in exposure for these cases.

So some of the bigger ones, we immediately lowered those going into 2025 to stop the bleeding, so to speak. And that's why I know we're asking for a lot, but this is really a saving, in our estimate, over six million dollars because tax counsel, and I will say that the tax bar is a very good bar.

Everyone is very collegial and everyone understood the situation that Lyndhurst was in and they all worked very well with me, all of my colleagues, all of the plaintiff's bar and we were able to get a substantial number of these tax years withdrawn as part of these settlement agreements.

And that's why, from our potential exposure, 15 million down to half of that. I know it's a lot, but it really does save the municipality a lot of money going forward.

MR. ROGERS: I appreciate you laying that out because it more or less plays into, at least my thinking, as to what has the municipality done for itself along the way to mitigate this and can't undue, have any involvement in, why this took so long to get resolved on some of these cases, but I just wanted to understand just recent times and also seeing at least money put into reserve tax appeals, which one of my questions is, how much is left?

I know there was an amount of 335,000 put in, the last three years. Is that more or less you're going through the year and you're replenishing it, or do you have, approximately, a million dollars in your reserves in the tax appeals?

MR. WIELKOTZ: As of the adoption of

the '26 budget, there's about $880,000 in the reserve.

MR. ROGERS: Okay. And are you using that towards any of the settlement to reduce this amount that you're asking for?

MR. WIELKOTZ: We are not. We are using that for other appeals so you have still unsettled.

MR. ROGERS: And how many appeals do you have unsettled as of 2026, April of 2026, how many state court?

MR. DIANI: State court, we have, approximately, 200 docket numbers that still remain. Again, these go back to 2023 from my previous statements, so one property may be three or four of these dockets.

MR. ROGERS: I understand that. It's multi year ones. How many properties are you talking about?

MR. DIANI: I'd have to go back and count. I would say, just off the top of my head, probably roughly a little over a hundred maybe, close to a hundred or so.

MR. ROGERS: Is it a combination of commercial and industrial? I assume there's some residential.

MR. DIANI: Very limited residential. It's mostly commercial and industrial.

MR. ROGERS: Okay. I think I have taken up enough time. I'll open it up to the board at this time for any questions.

MR. CLOSE: Director, first, thanks, you covered a lot of the questions I had about the tax number of appeals and where we were. Steve, thank you and the attorney for your scheduling the layout your presentation.

I was inclined to be candid at a five year, nine year to start. Given the history, and looking to see I guess one of my questions is, prior to '22, there was also minimal funding set aside for tax appeals.

The last three years you got the 335. This year you're at five. You had zero in '22, years before that, similar number.

MR. WIELKOTZ: Yes. Again, Chris became the CFO four years ago. And through the collaborative budget process, we got to a point where we were able to start reserving money for tax appeals on a going forward basis.

Previously, before Chris was there, and before I was there, the old regimen didn't, as you can see, appeals that go back to 2012, there were people literally or figuratively burying their head in the sand, not wanting to deal with the issue, or not considering it an issue, when obviously, we all know it's an issue that, unfortunately, when left unaddressed, just continues to compound and compound and compound, so?

MR. CLOSE: I understand you walk in the shoes of those who came before you. I do get that. In looking at the 500K for this year, is that a recommendation from you, Steve, and tax attorney, the assessor?

How is that amount arrived at? And is that decision, given what you've described here, in the application?

MR. WIELKOTZ: I mean, the decision was collaborative between Chris, the finance commissioner and myself that we needed to start the process of budgeting money on an annual basis to deal with tax appeals going forward.

And we increased it from the 335 last year to the 500 this year. Obviously, being aware of budgetary conditions in 2026, as in a side, I guess three or four years ago, Lyndhurst, which was in a private health insurance program was able to move everything to State Health Benefits, which at the time proved to be a significant savings early on.

Fast forward to 2025 and 2026, now Lyndhurst is absolutely getting hammered like everybody else from State Health Benefits. As you know, Bill, there is other budgetary issues on a daily basis that come into making these decisions.

MR. CLOSE: Sure. I do understand that. I'm just looking, you got a new attorney. You got an amount there. You're talking about the number of years, the impact on the taxes.

I'm also looking at the relationship to the budget and what's been allocated, make sure the two tie together as we move forward here.

MR. ROGERS: Just as far as this one person that's left out of this. I presume the CFO is consulting with the tax assessor on these matters, which I'm sure everyone is talking to with the tax attorney, so that's a collaborative effort that I hope is happening.

MR. BATTAGLIA: Yes, it is.

MR. CLOSE: Mr. Close?

MR. CLOSE: I'm done, Director. Thank you. Thank you, Steve. Anyone else questions?

MR. JACKSON: Director, just a comment. I think we're going to have to suspend Mr. Close's membership in the hardliner caucus. I thought he was going to say three years or something like that.

But I share the concern about the link. I admire what's been said, and I appreciate the hard work that Lyndhurst is going through, but I do share concern about the nine years.

MR. ROGERS: I think typically the board has generally landed on a five year, but I'm open to a seven if the board would want to consider that.

MS. RODRIGUEZ: I'm not -- I think we set a precedent here. If we do that, I mean, I understand the hardships and I understand all of this, but I think that if we do seven, if we do more than five, we're going to set a precedent today.

MR. ROGERS: I think we have considered other applications, Miss Rodriguez, and have granted seven. I think typically on the tax appeal refunding we've landed at five, but there have been other instances where we have granted seven, but I'm open to hearing what the board generally wants to go with this, so.

MR. WIELKOTZ: If I could interject for a second.

MS. RODRIGUEZ: Director, I was referring to the tax appeals.

MR. WIELKOTZ: I think to recollect, a couple of years ago, Englewood Cliffs received a seven year repayment on their tax appeal application.

I know it's few and far between. I recognize that. I've been around, at least as long as anybody else on this call, probably longer, so I understand.

And, you know, again, in the application, I put the nine in just for illustrative purposes just to kind of show that this is a big number.

And even at nine years, you don't

even get close to the rule of thumb, 50 dollar impact, which I know in a situation of this magnitude, that thinking goes out the window because I agree.

Nine years is kind of ridiculous. However, I add to the scenario, the situation with the force main and that 19 million dollar expense that, early on, there was some conversation about coming to the board looking for a waiver of down payment for the million dollars.

And it was decided that that really doesn't make sense, it didn't make sense. But that, to present the situation in its entirety of the fiscal things that Lyndhurst specifically is looking at in the immediacy, and again, I certainly, we will go with whatever the board decides.

MR. ROGERS: Again, I'm open to a seven year. I will pose the motion and we'll see where it goes. If there's no additional questions, do we have a motion to approve the adoption of a refunding bond ordinance and issuance of refunding bonds over a seven year period in an amount not to exceed $8,870,000.

MR. JACKSON: Director, can I ask one question?

MR. ROGERS: Sure.

MR. JACKSON: Can I confirm whether or not there was a seven year agreement given to Englewood Cliffs, or anybody else, for a tax appeal? Do we happen to know that, Nick?

MR. BATTAGLIA: Englewood Cliffs received it in 2019, and that was about $165 on the average house for seven years.

MR. BENNETT: Englewood Cliffs, in 2024, in which they did five for a tax appeal and 10 for a -- let me just go back to '19.

MR. ROGUT: This is Steve Rogut. I seem to recall, over the last few years, that there have been a few approvals over five years, I think in the think year range.

Our monthly bond lawyer calls, we tend to go over what's happened at the board at the prior meeting. So I think there have been several over five years.

MR. ROGERS: Some of them are settlements, different issues. The question is really about tax appeal refunding.

MR. BENNETT: It looks like the

seven year impact in 2019 was $165,000 on the average assessed home.

MR. JACKSON: And it was seven years?

MR. BENNETT: I see that in the request. It will take me a few more moments to confirm the time period it was actually granted. Yes, I believe it was indeed granted for seven years.

MR. ROGERS: I have a motion on the floor for seven years.

MS. RODRIGUEZ: What year was that?

MR. BENNETT: 2019.

MR. ROGERS: Do we have a motion?

MR. COOPER: I'll make the motion.

MR. BENNETT: Do we have a second?

MR. AVERY: Second.

MR. BENNETT: Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: I'm going to vote no.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez? Miss Rodriguez, there is a motion on the table for a seven year period. Would you like to record your vote?

MS. RODRIGUEZ: Reluctantly, yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: No

MR. BENNETT: Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. WIELKOTZ: Thank you very much.

MR. ROGERS: Thank you. On to Camden County Improvement Authority application.

MR. WINITSKY: Good morning, Director. Jeff Winitsky from Parker McCay, bond counsel to the Improvement Authority. We've got a whole host of folks on the line today. I'll introduce each of them and then they can get sworn in.

Jim Lex, who is the executive authority is on; Steve Williams who is the CFO treasurer of Camden County is on. Jackie Shanes who is county bond counsel is on, Pamela Zook who is the business administrator board secretary for the vocational schools is on.

Carolyn Jackson who is a representative of Honeywell who is their energy savings company, and I'll get to that in a minute, is also on. And I believe Joe Calogero from Acacia Financial who is the financial advisor to the authority and the county is on. And if I missed anybody, I apologize, and please announce yourself.

MR. ROGERS: Anybody else? All non attorneys, please have your video on so you can be sworn.

(At which time those wishing to testify were sworn in.)

MR. ROGERS: The floor is yours.

MR. WINITSKY: Thank you. We are here today seeking positive findings N.J.S.A. 40A:5A-6 for the Camden County Improvement Authority to issue its not to exceed 26 million dollars of county guaranteed lease revenue refunding bonds and notes to provide funds to finance the cost of certain energy conservation measures to be completed by the Camden County Technical and Vocational Schools as part of an approved Energy Savings Improvement Program, or what most colloquial referred to as an ESIP.

We're also here today seeking approval, pursuant to N.J.S.A. 40A:37-80 for the final adoption by the County of Camden of a guaranty resolution to provide the county's unconditional guaranty of the repayment of the bonds and notes when issued.

As I'm sure the board is aware, but we'll walk through procedurally how this works. Under the New Jersey ESIP laws, contracting units, including the vo-tech school, are permitted to finance a cost of energy conservation measures as part of an approved energy savings plan by virtue of either a lease purchase financing or refunding bonds.

The idea being insofar as the savings to be achieved by the energy conservation measures as part of a plan, are equal to or greater than the associated debt service on whatever bonds, notes or lease payments associated with that program, i.e., it's supposed to be revenue neutral or in fact create savings by virtue of the improvements themselves.

So there's a definitive process that needs to be followed in order to avail yourself of this program. That includes, I'll just go through briefly and sort of check off the fact that each of these have been accomplished.

First and foremost, the vo-tech school is required to do what is referred to as an energy audit. That comprehensive energy audit was completed by TRC in 2024.

When that audit is complete, you are to prepare what is referred to as an Energy Savings Plan, which is really the core of all this. That describes all of the energy conservation measures, which will result in energy savings, as well, the calculations as to how that plan will convert itself.

So Honeywell was engaged by the vo-tech school through a competitive contracting and prepared that energy savings plan in April of 2006. Thereafter, that energy savings plan was verified.

There's a process of cost verification by an independent third party. That was done by Johnson and Irving Consulting Engineers in June of 2006.

Thereafter, the energy savings plan, as soon as it was verified, was submitted to the Board of Public Utilities for review, which is also required and the BPU rendered its approval in April of 2026.

So all of the procedures necessary to ensure that the energy conservation measures that we're seeking to do, and the associated savings, were calculated cost verified and approved, so we feel good about what has been prepared and what we think will generate savings, so let's talk a little bit about what those are going to be.

This is a big project obviously. We're talking about 26 million dollars of bonds and notes. It's really a revamping of what the vo-tech has on its campuses in, I'll call it, four core categories.

There's two campuses that the school actually operates. The first is LED lighting upgrades. Those include internal and external lighting, modernized for LED, which is the standard. A lot of mechanical upgrades.

These are significant upgrades for out of date mechanical systems, some of which are 20 years old or older. Notably here, we're installing 17 new boilers, 12 new water heaters on both campuses and we're also going to institute combined heat and power expansion into some buildings, so a lot going on there.

Third category is building management controls. These are sort of the controls that make sure everything related to energy works together. Some of these systems are 30 to 35 years old, so the idea is to remove and replace the older pneumatic components and provide advance control strategies.

Basically, facilitating improve monitoring, control, et cetera, so that's going to really bring this -- not only -- it's so old that we're in danger of these some of these things failing, so this is a bigger part of the project.

Next is solar, solar voltaic. What we intend to do is install an entirely new system, which is going to between 1.2 and 2.5 megawatts depending on the final design.

When this is installed, the idea is essentially this will generate enough energy so that they're per kilowatt is basically zero, so this is a pretty good system. Obviously, in addition to the energy savings, the idea is to reduce carbon reduction.

And because of that, the solar improvements have been approved for, what is referred to as, a retro credit grant that is provided by NJEDA. It's a big one. Based on our current design, about 6.5 million dollars.

And in addition because we're doing solar, we anticipate a pretty significant SREC's, which is essentially solar energy credits that are provided by the state. And if we do it on a certain timeline, we're guaranteed a specific price for those SREC's. We'll get into that in a minute.

In addition, if, depending on what we do and depending on certain grants, there are going to be additional measures that could be done as alternatives and Honeywell can speak to that a little bit.

So you see it's a wide arranging, and I think, comprehensive energy savings program and I touched on it for a minute. Because of what we're doing because of the scope, scale and sort of the benefits, both from a utility prospective, a solar prospective, a carbon reduction prospective, the school has been approved for several rebate and credit programs.

The first, I mentioned previously, which is the NJEDA retrofit grant. That's a tongue twister right there. They're also looking for utility rebates from Atlantic City Electric and PSE&G in an amount of 3.1 million dollars.

And then in addition to that, there is a solar investment tax credit that comes from the IRS that's based on the value of the solar investment and we expect around 2.3 million dollars in those credits and direct crash.

So in total, we're looking at estimated grants and incentives in excess of 12 million dollars, so there is a substantial amount of money that we expect to receive from utilization and installation of these measures.

And because of that, that's going to play into how we expect to finance this. So we're here today not just to do bonds, but we're also looking to do notes. The bonds that we expect to issue would be around 12.5 million dollars to mature in 21 years.

There is a year for installation and 20 years of amortization thereafter. Those bonds are being issued on a long term basis because we don't specifically expect to receive grants or subsidies or credits for those.

So those will be amortized from the direct savings from the installation of the energy conservation measures. We do, however, want to do notes over a term of years.

The idea of the notes is that they will essentially burn off over roughly three years as the credits, rebates and incentive programs kick in, right. So we expect grants and rebates to come in roughly in 2026, 2027 and 2028.

And as you see in our, or you saw in our application, the first tranche of the notes would be around 12.1 million dollars, 12.2 million dollars, and then we expect to basically buy those down with credits, rebates, received over a term of years.

And if they come in more quickly, we expect and hope we can fully amortize those notes ahead of 2028. But using our current estimates, we're looking to see those sort of fully amortize, be fully repaid by credits, rebates, et cetera within three years.

So the structure for this because we're using the Improvement Authority, rather than using the county, which would normally issue bonds on behalf of vo-tech, is to use revenue bonds that are secured by a lease.

Essentially, the Improvement Authority issues the bonds, acquires the equipment and then leases those energy conservation measures to the vo-tech school.

The vo-tech school will make lease payments in amounts sufficient to fully repay debt on the bonds and notes. And again, as I mentioned, the whole purpose of an ESIP is that the savings that are achieved, by virtue of the energy conservation measures themselves, as well as all the rebates, credits, et cetera, will be revenue neutral, so the county and vo-tech will not actually have to appropriate any funds to repay this det.

All this was done by way of careful verification, et cetera, so we fully expect to achieve those savings. So we've got, in addition to the lease payments from vo-tech, we've also got the county's full and total guaranty for any shortfalls that may exist by virtue of any differences, discrepancies relative to the expected savings.

And obviously, the county is really the vo-tech school, the vo-tech school is the county, so they are fully supported of the project.

So we've got folks from the school, folks from Honeywell and folks from the authority on board to answer any questions you may have about the project or the financing in general, so I'll turn it over to you.

MR. ROGERS: Thank you, Mr. Winitsky. I do have a question about the SREC's market. Is that factored in to sort of your paydown of those first three years and when you sort of project where the market is and what an SREC's going for in the market. I used to be more familiar with it.

MR. WINITSKY: That's okay. Carolyn Jackson is on. If you wouldn't mind sort of explaining what the estimations were for the SREC's price. And you're right, that has been and can be a volatile market, so Carolyn, if you want to speak to that.

MS. JACKSON: I might need to circle back before I go because I know there's some recent changes. So here is the thing with the

SREC's, they're not included in what we call the ESIP cash flow. Like the BPU has a clause that says SREC's have to be above and beyond.

So anything that comes from SREC's are not included in the pay back, so that's an additional revenue that the school will see, kind of like a safety factor.

It's between 90 and 128, it kind of fluctuates and they just had some changes that I don't want to speak wrong to. Is that enough to answer your question?

MR. ROGERS: I was just curious because I haven't been following the market in some time.

MS. JACKSON: But there is a floor on that. There is a floor and we always calculate it based on the floor. I think it was like, I'll look up exactly what we calculated annually and for the total project.

And I'll come back at the end of the discussion with that. I just have to find the spread sheet, but it's not included in our cash flow for ESIP.

MR. ROGERS: Okay. That's fine.

MS. JACKSON: It's above and beyond

the project.

MR. WINITSKY: Thank you for that distinction. I apologize if there was any confusion there. I was just adding it as sort of --

MS. JACKSON: No, it's an added bonus and it's a good safety factor, right. It's still a savings that can be utilized.

MR. ROGERS: Okay. Thank you for the explanation. You answered my question as to why the county wasn't issuing and the Improvement Authority.

What's sort of the percentage wise, savings by going through the Improvement Authority, and doing this type of lease back, revenue lease agreement?

MR. WINITSKY: I mean, part of the reason is the Improvement Authority is involved here, as well as, sort of this is the Improvement Authority's job within the county to sort of act in this capacity.

The Improvement Authority is acting as a project manager, so there's a lot of synergies in the fact that they will be, not only issuing the bonds, but they won't be walking away, right.

They are going to be actively involved with the school in terms of implementing all these measures, working with contractors, making sure that everything is done as needed, so the idea was it's all in-house.

We're not just a conduit issuing and walk away. Rather, we're involved throughout the Improvement Authority and the vo-tech school have shared services agreement in place for that purpose, so that's why we did it in that particular matter.

I don't know necessarily that there are, quote unquote, savings other than the synergies in working with an entity who does this and one that does not.

MR. ROGERS: And the Improvement Authority's, I assume their credit rating, is it AAA?

MR. WINITSKY: Well, the Improvement Authority doesn't specifically carry a rating.

MR. ROGERS: They don't.

MR. WINITSKY: But because the county --

MR. ROGERS: The county is backing

it.

MR. WINITSKY: You got it.

MR. ROGERS: Okay. And Camden County's credit rating is?

MR. WINITSKY: Joe, is it AA1?

MR. CALOGERO: Yeah, it's AA1, so it's one notch below AAA.

MR. ROGERS: And then just the last question I have. Just looking at cost of issuance, why even seek a rating from, one, and that will answer my question as to why then you needed a second one. Can you take me through why not just one, but two credit rating agencies?

MR. WINITSKY: You mean from both Moody's and S&P?

MR. ROGERS: Yeah.

MR. WINITSKY: I'm not a financial advisor, but in general, I believe the county --

MR. CALOGERO: The county uses Moody's and S&P for all their bond transactions, so we kept it exactly the same.

MR. ROGERS: On every issuance, they use both? I mean it's not necessarily necessary every time. What are the financial benefits of it given the cost were $90,000 for both?

MR. CALOGERO: I don't know that there's financial benefits. It's just kind of a historic.

MS. SHANES: Isn't it true though that if you are continually rated by both, if you stop rating some deals, they can potentially drop your other ratings?

That's what I've always been told, Director and the county maintains both ratings and that would be an adverse to the county if it lost a rating potential.

MR. ROGERS: So they do it for every issuance.

MR. CALOGERO: Everybody.

MR. WINITSKY: And the marketplace has sort of become accustomed to seeing both, whether that's good or bad. We sort of set the stage and now we're in it.

MR. ROGERS: I think it was just one of those we're looking at cost of issuance, that one kind of really stood out, a total number as well just the two credit ratings. It's not typical, but at least provided an explanation.

At this time, I will open it up to the board and the public for any questions. So any board member, if you have a question, please jump in. I'm not hearing any. Anyone from the public?

Do we have a motion to approve the proposed project financing and the proposed county guaranty in an amount not to exceed 26 million dollars? Do we have a motion?

MR. DIROCCO: I'll make the motion.

MR. ROGERS: Do we have a second?

MR. AVERY: I'll second it.

MR. BENNETT: I have Mr. DiRocco and Mr. Avery. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes. And I appreciate the director raising the issue, raising the questions on the issuance cost. I shared that concern and thought it was excessive to have two ratings, but, yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. WINITSKY: Thank you very much.
MR. ROGERS: Thank you. On to Hudson County Improvement Authority application.
MS. SANDBANK: Hi, it's Leah Sandbank from McManimon, Scotland and Baumann, bond counsel on behalf of the authority. We should have on with us today Waseem Boraie from Boraie Development, the developer.
MR. BORAIE: Good morning, everyone.
MS. SANDBANK: His counsel, David Kuracina, I think I saw him come on.
MR. KURACINA: Good morning.
MS. SANDBANK: Mike O'Connor from the authority.
MR. O'CONNOR: Good morning.
MS. SANDBANK: And Mike Hanley from NW.
MR. HANLEY: Good morning.
MS. SANDBANK: I think that's everybody.

MR. ROGERS: Anyone who is testifying, let's get your video on and have you sworn in. Lauren?

(At which time those wishing to testify were sworn in.)

MS. SANDBANK: Thank you. This is an application for positive findings on behalf of the authority for not to exceed 140 million dollars of revenue bonds. This is to secure ties Aspire tax credits.

You've seen a number of similar applications at this point. This is for a residential project in Jersey City. The project comprises, this phase of the project comprises two buildings.

One is a six story mixed use building with 215 units with also ground floor retail, parking and other amenities. And then also a 10 story building that has 293 units also with a ground floor retail parking and other amenities.

This is in the Canal Crossing redevelopment area, 900 Garfield Avenue, hence, the name. And 20 percent of the total 510 units will be restricted to families and individuals earning up to 15 percent of the area median income, so considered a 20/50 transaction.

Similar to, you know, how these deals are similarly structured, they'll be capitalized interest period to get through both construction and the time frame for the EDI to do their review and approvals of completion.

And then the bonds will be another 10 years to fully self amortize over the Aspire period. The idea is that the bonds are fully paid after construction where they will capitalize the interest from the bond issue and are fully paid from the revenues generated from the sale of the Aspire credits.

This developer has already received the award from the EDI. There's two separate awards for each project or each phase, 1A and 1B, but I'll consider them together one project because we're going to do this as one financing, so the award total $165,852,250 which is how we got to our sort of not to exceed of 140 million.

They also have a commitment on the tax credit purchase side. Just to remind you, there's sort of two aspects to the credit risk on these deals.

One is making sure you have a credit worthy tax credit purchaser who is going to purchase the credits once they've been approved by the EDA and then issued over the 10 year period.

The other is that there is an unconditional guaranty that stands behind the purchase of the tax credits. These bonds are county guaranteed and the county has agreed to put their credit behind the bonds.

That, together with the tax exemption, is really meant to generate a larger up front amount of proceeds that can be used for construction than these projects would otherwise be able to generate, if they just went to your typical commercial financial institutions, you know, who are willing to lend on this, right.

The capital markets don't look at these private credits, the private markets charge a fortune. So the idea is with the county guaranty and a tax exemption, you get more proceeds up front, but the idea is really the county guaranty is there for their credit, not for payment.

So the first payment source is the

sale of the tax credits. And as I was saying, the developer has a commitment from multi national publically traded S&P 500 company, and NW agrees it's credit worthy to buy the credits at 91 cents on the dollar, which is pretty good these days.

As well, they will be standing behind that an unconditional guaranty. That's a full debt service guaranty of payment on performance and that's from Bridge Opportunity Zone 5 fund and that's a real estate investment entity that also has more than 500 million of net assets -- and can explain why they think they are a credit worthy institution to stand behind the tax credit purchase and then as a last re-sort, if both the purchase fails and there is failure to perform under the guaranty, then yes, the county guaranty, the county would need to pay under their guaranty, so the bond holders, you know, would receive their payment.

In addition, this whole project is expected to cost over 300 million dollars. There is a construction loan from Citi Bank of about 140 million.

The authority securitization of the

tax credits and then around 65 million of developer equity going into the transaction, so a significant amount of equity.

No HMFA financing here, so we don't need to coordinate closings with another governmental agency, which is helpful, and that is about it. This project Canal Crossing Redevelopment area, Jersey City Redevelopment Agency has done their approvals and a PILOT application by the city is also being considered.

The authority has submitted their request to the state for volume CAP of 140 million. Again, the idea of volume CAP is we can issue the bonds, tax exempt. That just allows us to have a lower interest rate, which results in more proceeds up front.

If we don't get the volume CAP letter, we can issue the bonds on a taxable basis. And the developer can explain to us how they're making up the difference in a total project cost.

But that's really the difference between having volume CAP and not having volume CAP, but the approval is expected to be received.

MR. BORAIE: Leah, if I can add one

other thing. Good morning, everyone. Waseem Boraie, Boraie Development. I'm honored to be in front of you today.

This is a very important community project. We have been involved in the Canal Crossing District now for 10 years in Jersey City as we are working hand in hand with the city, their counsel and advisors as this was a PPG site much like the bay front site, which I think people here know well, needed extensive clean up over a period of time.

And now that clean up is complete, we've worked with the city and the community to really make this the start of the Renaissance of Bergen Lafayette District. There has not been new development in this area in 50 years.

The city has invested a park that's directly adjacent to our site, the Garfield light rails right in front of our site. So the reason we're doing two buildings at once is we're trying to create a neighborhood.

This is probably the only area of Jersey City, this quadrant, that hasn't had any development of note in Jersey City's Renaissance over the last 20 years.

So that's why our team, working with our investors at Citi Bank with the city, with the county to really try to put together something dramatic 20 percent affordable, 100 percent union.

Like all our projects are 100 percent union, and kind of a show stopper that when, in addition to this, they're also going to be building a 33,000 public park that will be part of these two buildings in this phase.

So it's something that the community loves. It's something that the city has become the number one mandate, this new administration, of building 80 20's with 100 percent union with no public benefits to the public, so just to give you the full description of what we're doing here.

MR. ROGERS: I appreciate that, Mr. Boraie. I guess one of the questions that sort of came up sort after the end when you were mentioning the volume CAP. If that wasn't granted, but how would that be made up if not granted?

MR. BORAIE: The developer would just put in more equity. And the project, we have to move this forward. It is probably one of the most important projects in the history of our company. And we built everywhere from Atlantic City, Jersey City, Newark, Brunswick, and we just think this is going to be the starter.

We're the designated developer for five other phases, Mr. Rogers, that come behind this, so this is really an important catalyst for this neighborhood.

MR. ROGERS: Thank you. And I think the only other question I have, might be for Mr. Hanley about the bridge opportunity, some background on that.

MR. HANLEY: They are a fund that invests in real estate and has assets that are more than five times, more than five times what we're looking at in the context of this guaranty.

MR. ROGERS: Do they have current investments in New Jersey or are they --

MR. HANLEY: Yes.

BORAIE: Mike, if I could jump in. We've worked with them on several projects, Mr. Rogers, in New Jersey. Some of them Aspires, some otherwise.

But collectively, we've done about

800 million dollars of development with them in New Jersey. And I'll leave it to Mr. Hanley, but they are a multi billion dollar fund.

MR. ROGERS: So you have past business?

MR. BORAIE: Yes, sir. And we're currently under construction in New Brunswick, but then Newark, another 200 million dollar tower.

MR. ROGERS: Okay. Great. Thank you. That's all I have. We'll open it up to the board at this time for any questions.

Do we have a motion to render positive findings on the proposed project financing and the proposed guaranty in an amount not to exceed $140,000,000.

MS. RODRIGUEZ: I make a motion.

MR. JACKSON: I'll second.

MR. BENNETT: Miss Rodriguez and Mr. Jackson. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: I'll abstain.

MR. ROGERS: Thank you everyone. On to Passaic County Improvement Authority application.

MR. JESSUP: Good morning, Director. Matt Jessup, McManimon, Scotland and Baumann. How are you?

MR. ROGERS: Yes.

MR. JESSUP: Still good morning. So Director, we should have with us this morning the Passaic County Improvement Authority chairman, Anthony Denova, municipal advisor to the PCIA, Heather Litzebauer from NW Financial, county administrator, Matthew Jordan, county bond counsel, Steve Rogut.

And last, but I assure you only alphabetically of course, Steve Wielkotz who is both the auditor to the PCIA and the county. I believe that's everyone our team today.

MR. ROGERS: Thank you. Get

everybody sworn in. Lauren?

(At which time those wishing to testify were sworn in.)

MR. JESSUP: Thank you, Director. Matt Jessup, McManimon, Scotland and Baumann, bond counsel to the Passaic County Improvement Authority.

This is an application pursuant to N.J.S.A. 40A:5A-6 in connection with the issuance of not to exceed 150 million dollars of county general obligation lease revenue project notes and bonds.

The county is constructing a six story county office building and parking garage at 11 Marshal Street in Patterson. This was originally the site of the Passaic County Jail.

But in 2022, Bergen County took over correctional services on behalf of Passaic County pursuant to a shared service agreement. The county also has an agreement with Hudson County for over flow of correction services, so the jail has since been demolished in anticipation of this current project that we're here for today.

The new county facility will house several county offices that are currently being housed in outdated buildings or are scattered throughout various locations in the county, which created in efficiencies in operations.

The Passaic County Board of Social Services will be the largest office in the facility. They're currently located in a hundred plus year old building that lacks the functional space needed for the social services and the programs that that board offers.

The county clerk, Board of Elections and superintendent of elections will all be located to this new county facility to consolidate all sort of county election offices and operations into one facility.

The Passaic County sheriff's office will have divisions that operate in this facility. The Passaic County Probation Office will be relocated to this facility, which will allow them to ultimately get out of a lease with a private landlord for the space that they're currently using.

And lastly, for the moment, Passaic County jurors currently park at an off site location, have to be bussed by the county, by the county sheriff's office. Juror parking is going to be relocated at the garage in this facility, which is more convenient, and allows the county to cease those bussing operations.

The county took bids for the project, received five bids with the low bid at $106,400,000. Construction is expected to take, approximately, two years.

As a result of that construction timeline, the Passaic County Improvement Authority is proposing to finance the project with a series of project notes in anticipation of the issuance of long term bonds.

The plan is to issue a 75 million dollar note in 2026 to fund the first portion of construction costs. When that note matures in 2027, will capitalize interest on that note, issue the necessary additional new money in 2027 to keep with our construction payment schedule.

This way we're not borrowing more money than we need for a given time period. Upon completion of the project, and with the final cost known, the Improvement Authority will issue bonds in 2028 at maturity of the 2027 note, to long term finance the construction of the project.

The Improvement Authority will lease the completed county facility to the county. And the county will, in turn, make ad valorem lease payments to the PCIA in an amount equal to debt service and administrative expenses due on the PCIA bonds.

Debt service on these bonds has been carefully structured to account for three things really. Current outstanding county debt service, future planned county debt service on bonds and notes including debt issued this year, debt that's anticipated to be issued in '27, '28 and '29, all accounted for in this maturity schedule.

And then this maturity schedule also provides room for county capital projects to be financed in 2030 and beyond recognizing that we're not simply done in 2029, all without adversely impacting our debt service requirements and impact on taxpayers.

And so Director, before I turn it back over to the board, I just wanted to see whether either our county administrator, Matt Jordan, or our PCIA chair, Tony Denova, had anything they wanted to add.

MR. JORDAN: Good morning, Matt. I

don't have anything to add. I apologize, my camera seems to not be working.

MR. DENOVA: I have nothing to add either.

MR. JESSUP: Director, we'll turn it back to you.

MR. ROGERS: I was just curious, I'm not sure if it's in the application or not, if it's a dollar impact to county taxpayers, like the additional, you know, average.

The average range anywhere is 10 million to maybe 8.5. Any sense of an annual basis what that will add to the county tax rate?

MS. LITZEBAUER: I think Steve can correct me if I'm wrong, but it will be very minimal, if any, because we're planning the bond issuance to occur with drop offs in debt service.

MR. ROGERS: So it's sort of just evened out for that reason. I don't have any additional questions. I'll open it up to the board and the public at this time.

MR. JACKSON: A couple of questions. First, hello to my county administrative colleagues there, Mr. DeNova. Couple things, one, how many garage spaces are in the building, just curious.

MR. DENOVA: Good morning, Mr. Jackson. 500.

MR. JACKSON: How is that compared to what you have now?

MR. DENOVA: We have one lot that was built in the mid '90's that houses around 300. Mr. DeNova might be able to correct me on that number, but we had been losing spaces and this will also provide space from jurors who are currently bussing from a town over.

MR. JACKSON: So it sounds like a net increase of no worse than what you got now.

MR. DENOVA: Yes, it's definitely going to be a net increase.

MR. JACKSON: Correct. Great. Also, it sounds like you're leasing from a whole bunch of third parties. What's that number? And if I take that and combine it with ceasing the bussing operations, how much do you think you're going to have to contribute toward debt service?

MR. DENOVA: The lease is, I think we're at the end of a five year or 10 year lease, a multi million dollar lease for office space down the street, so that will end. That's the only private lease we have.

And then obviously, this frees up sheriff officers that I can, as you know, reallocate the courthouse security and other functions.

MR. JACKSON: Correct. Great. And just one other thing, how big will the new facility be?

MR. DENOVA: That's six stories.

MR. JACKSON: Square foot wise? I'm trying to get a --

MR. DENOVA: I don't have the square foot number offhand.

MR. JACKSON: No worries. Good luck with the project.

MR. DENOVA: Thank you.

MR. ROGERS: Anyone else?

MS. RODRIGUEZ: Director, I'd make to make a comment. I want to commend Matt and Tony, and everybody on this project. It's great to, as a native Patersonian, and, you know, even though I don't physically live there, my heart always lives there.

It was wonderful to see an eye sore forever in my life come in to provide a building well thought out and well planned, if I may say, and to provide, you know, a great work physical environment for the people that provide the most services to all the residents of Passaic County, so lots of luck with the project.

MR. DENOVA: Appreciate that. Thank you.

MR. ROGERS: Anyone else? Hearing no one else, do we have a motion to render positive findings on the proposed project financing in an amount not to exceed 150 million dollars.

MS. RODRIGUEZ: I make a motion.

MR. JACKSON: I'll second.

MR. BENNETT: I have Miss Rodriguez and Mr. Jackson. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. ROGERS: Thank you all. Moving on to Hunterdon County Improvement Authority application.

MR. CANTALUPO: Director, John Cantalupo.

MR. ROGERS: Mr. Cantalupo, how are you today?

MR. CANTALUPO: All right. Doing well. Go ahead and proceed?

MR. ROGERS: Yeah.

MR. CANTALUPO: I'll introduce the team.

MR. BENNETT: Real quick, Mr. Close is recusing on this matter.

MR. CANTALUPO: Hi, Director Rogers and members of the LFB. It's John Cantalupo from Archer Greiner, bond counsel to the Hunterdon County Improvement Authority.

Today with us is Kevin Davis, the chair of the HCIA, Beth Gates of the HCIA, Brad

Myer who is the county administrator and also the executive director, Anthony Inverso who serves as the municipal advisor to the HCIA the Andrew Bernath, who is the chief financial officer for Hunterdon County.

Likewise, we have six participants on-line and some of the professionals. From Readington, we have Alicia Noon. Holland, we have Mike Miller. Clinton Township, we have Christine Licata. Lambertville, we have Christy Eric. Raritan, we have Dale Melville. And Milford, Bill Hans.

With that, I know everybody needs to have their videos on in case they need to give testimony. I'd be happy to let you all swear them in.

MR. ROGERS: Okay. Great. Let's everyone, who is going to potentially testify, have your video on so you can get sworn in. And just a reminder, please mute yourself unless you're speaking.

(At which time those wishing to testify were sworn in.)

MR. ROGERS: Mr. Cantalupo, the floor is yours.

MR. CANTALUPO: Thank you, Director. Today is an exciting day for Hunterdon County and Hunterdon County Improvement Authority. Less than a year ago, we were before you.

In fact, to be exact it was 11 months, asking your permission to create the Improvement Authority, which was granted at the time.

And since then, the county and Improvement Authority have gone to work to get everything up and running, as well as, to survey the various municipalities in the county, which they had done prior to coming down to you seeking their approval, but our first financing is before you today.

It is a pooled note financing, similar to what we had described when we were asking for permission to create the authority. So today we're seeking positive findings pursuant to N.J.S.A. 40A:5A-6 to issue a two tiered of notes very similar to the Monmouth County Improvement Authority financing.

First would be a not to exceed 24,300,000 HCIA local unit notes. Second would be a not to exceed, 24,300,000 of HCIA public notes. Those are the notes that actually get sold out into the market place.

The local unit notes I previously just described are the notes that are the security for the public notes.

And lastly, we would need approval for guarantees of the six separate municipalities that are participating in the pool which total 24,300,000 under 40:37A-80.

So I wanted to give at least that we're seeking. As I had discussed earlier, the HCIA and Hunterdon County had originally envisioned the Improvement Authority assisting towns in Hunterdon County with lowering their borrowing costs by lending their AAA credit rating to pooled loan lease and bond financings.

Furthermore, they also thought it would be important to help lower the town's costs with respect to preliminary official statements, ratings.

There would be one rating as opposed to multiple ratings for the six towns, if they did seek them, as well as, other associated administrative costs and time by each separate municipality when they have to undergo their own financing.

So what we have here are six separate towns that are undertaking various general capital improvements that would be ordinary under the Local Bond Law, as well as, the acquisition of equipment.

And what I'd like to do, Director, like we do in other financings, is turn it over to several of the towns to discuss what they'd be financing.

So what I'd like to do is I'll go in alphabetical order if that's fine with you, Director.

MR. ROGERS: Yeah, that's fine.

MR. CANTALUPO: First I'd like to call on Clinton Township Christine Licata to describe what they need financing for, the Improvement Authority, and what notes would be issued for the projects.

MS. LICATA: Hello. Christina Licata, CFO of Clinton Township. Our bond is for a recreation improvement including, but not limited to, the construction and installation of an ADA compliant playground, as well as, the surface of the playground and security equipment and cameras in the area of the playground. And we had a bond note, Bond Anticipation Note.

MR. CANTALUPO: Thank you, Christine. Appreciate it. Next we'll have Committee Mike Miller from Holland Township who would be on to discuss the project that they're going to finance. Committeeman Miller, are you on?

MR. MILLER: Yes, I am. Thank you very much. The township is undergoing renovation of two buildings that we currently own. We recently purchased a doctor's office health center that needs to be completely renovated to provide all of our administrative offices for five township employees.

Once they vacate the current municipal building, we would then undergo a complete renovation of police headquarters. The original municipal building and police headquarters were built in 1964.

The footprint for the police headquarters has not changed since then. Meanwhile, we've gone from three police officers to over nine police and employees in that office. They share desks. They have no place to take a break and there's limited locker space.

So we need to completely, again, renovate those buildings, replace everything on the inside, plumbing, electrical, heating. And we are seeking to do that over a 30 month period.

MR. CANTALUPO: Thank you. Thank you, Committeeman. Next on we would have, from Lambertville City, we have Christy Eric. And I believe Tom Hastie is on as well?

MS. ERIC: Hi. How are you. I'm Christy Eric. I'm the CFO at the City of Lambertville. So we currently have a Bond Anticipation Note that is expiring, and we would have to renew it for $3,443,938.

So when this opportunity was given to us, we thought that it would be -- we were going to renew the note anyway. This is all for our various capital improvements, some storm water improvements, remediation to Cabela Park and some road improvements, just general improvements that we do every year.

So we're just going to renew the note that when it comes due and then just go with the Hunterdon County Improvement Authority, so that's what we have planned. Nothing new, just old stuff that we were renewing.

MR. CANTALUPO: Thank you, Christy. Next up we have Milford Borough, I believe Bill Hans is on?

MR. HANS: Yes. Good afternoon. So Milford will be financing a number of road improvement projects, as well as, water and sewer infrastructure improvements and improvements to our library, which is also now our municipal building and we're bringing that up to code in allowing the office staff providing offices for all the office staff in the library.

MR. CANTALUPO: Thank you, Bill. Also, Raritan, we have Dale Melville. Dale?

MR. MELVILLE: High. Thank you. Dale Melville from Raritan Township. Township of Raritan has new money that we're looking to do for various capital improvements. Also, the purchase of new emergency vehicles, one of which being a fire truck.

Improving of various road projects and some storm water compliance items as well. This is all new money for the Township of Raritan.

MR. CANTALUPO: Thank you, Dale.

And lastly, we have Alicia Noon, CFO for Readington?

MS. NOON: Hi. Thank you. As Mr. Cantalupo said, Alicia Noon, Readington Township. We have an old note that we're looking to roll over, which includes police fire rescue type vehicles, road improvements with DPW equipment and a refunding tax appeal and we have new money for road improvements that we're also seeking.

MR. CANTALUPO: Thank you, Alicia. Director, before we complete our presentation, are there any questions for any of the participants on any of their notes? I want to make sure. Or we can do it at the end. That's up to you.

MR. ROGERS: Yeah, we can take Q and A. Just kind of consolidate.

MR. CANTALUPO: So lastly, to wrap everything up, before we get to questions and answers, the structure here is very similar to Monmouth.

It is a two tiered structure where there is a local unit note that mirrors what note is issued to the Improvement Authority. That is sold to the trustee and acts as security for the public notes that are sold to the public.

So this is something, from a structured prospective, you guys have seen multiple times with respect to Monmouth County and now Hudson County. I mean, Hunterdon County is mirroring it.

Before I'd like to do that, I'll turn it over to Anthony Inverso, the financial advisor to Hunterdon County to discuss any savings that might be attributable to the AAA bond rating of the county. Anthony?

MR. INVERSO: Thank you, John. So as we discussed, when we came before the board about a year ago, we expect that there would be savings to the municipalities and county due to the county's AAA rating and the fact that money of the towns, either do not have a rating or have a rating lower than AAA.

So with this initial financing, we do expect savings for each of the communities. There was a table included in the application showing that. Keep in mind this is only a six month note.

This will go to March of 2027 and then we expect an annual rollover from there, so the savings aren't staggering from the initial issuance because it's a shorter note, but we do expect there will be savings and the numbers are conservative.

So the savings are probably better than what we're showing, but we wanted to show conservative estimates, but certainly it's an opportunity, as John mentioned, for the municipalities to finance their projects without the extra costs involved with doing their own official statement, getting their own rating or going without those and paying the higher rates that we're seeing in the Bond Anticipation Note market.

So we do think this will be a positive financing overall for the towns that are involved. And as we do these issuances annually, we expect the number of towns to increase, as well as, the size of the financing to grow as we do more and more of these.

MR. CANTALUPO: So lastly, Director, we'll wrap it up asking for positive N.J.S.A. 40A:5A-6 on both the 24.3 million in local unit notes and the 24.3 million in the public notes, as well as, the county guaranty on each of the six participants which totals 24 million, 24.3 million.

With that, I'd turn it over to you for any questions that you or members of the staff may have or the members of the LFB.

MR. ROGERS: I appreciate the presentation and everyone giving us a run down of their respective capital projects. I guess more for the Improvement Authority, just the approach they took given their relatively new creation and sort of just there how they went to and sort of marketed this to Hunterdon County municipalities and any other local entities, I was just curious to hear a little bit about.

MR. CANTALUPO: Perhaps Brad, is Brad on, Myer?

MR. MYER: I am.

MR. CANTALUPO: Maybe Brad, you and Kevin, as the chairman can discuss what, and I know Anthony helped with it, but I think this is a good opportunity for you guys to discuss how you went around and recruited towns to participate in the pool.

MR. MYER: Sure, John, I'd be happy. Chairman, we did two things, two bigger things.

We did a solicitation to all the towns and gave them information about the upcoming program that we were going to be offering with respect to having the pooled note program.

We sent that to the mayors and clerks and CFO's across Hunterdon County. We also had, as part of that, a shared services breakfast meeting.

And during that meeting, there was a presentation that was performed by John Cantalupo and Anthony Inverso for all the local officials in attendance about the Hunterdon County pooled note program.

The presentation was well received and was really a good opportunity for us to give local officials a sense of what this actually meant because it was new to a lot of folks obviously, and some had never heard -- some were familiar with pooled note programs through Improvement Authorities.

Others were not, so it kind of created a baseline for everyone. And separately, we've also been having ongoing shared services meetings with our municipalities, especially as everyone is confronting rising healthcare costs and other inflationary pressures.

And during each of these meetings, we talk about the Improvement Authority and the pooled note program so that everyone is made aware because, obviously, within our communities we have some townships that the mayor turns over every year and making sure all the local officials are aware of it.

The feedback has been very strong. It's a way to help deliver some savings without a heavy lift on the town's part and giving our municipalities some relief in some form as they confront all these rising costs in trying to deliver quality services for the residents.

MR. ROGERS: Appreciate that. Thank you.

MR. CANTALUPO: Kevin Davis, chairman, would you like to add anything? Kevin?

MR. DAVIS: I figured out how to unmute, but I've spent this entire time trying to get the camera on and I can't do it, so sorry about that.

We thank the Finance Board for considering this application, John Cantalupo and Anthony Inverso have done great work on putting it together. We're relying on their many years of expertise and I think it's going to be very positive for the towns.

I was once a CFO many years ago and wish we had these opportunities back in the '80's. Thank you very much.

MR. ROGERS: One last question. Have you been approached by any school districts on any types of potential capital funding given the change in 2024 as a means of bypassing the public referendums with school facility construction projects? I'm just curious because this seems to be something we're starting to see.

MR. CANTALUPO: Brad, would you like to answer that because I think you're having more contact with folks.

MR. MYER: Sure. We have not currently been approached by any school districts. They're aware of the Improvement Authority being formed.

Some superintendents have asked questions, but none have come forward asking to borrow through the Hunterdon County Improvement Authority.

MR. ROGERS: Thank you. I will

offer the board and public for any questions at this point. I'm not hearing any. Do we have a motion to render positive findings on a proposed project financing and the proposed county guaranty in an amount not to exceed 24 million -- let me do this in two different motions. There's two different amounts here. So first motion is to render positive findings on the proposed project financing in an amount not to exceed $48,600,000. Do we have a motion?

MR. DIROCCO: So moved.

MS. RODRIGUEZ: Second.

MR. BENNETT: I believe that was Mr. DiRocco and then I heard Miss Rodriguez. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close is recusing. Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. ROGERS: And on the, I need a motion to render positive findings on the proposed county guaranty on an amount not to exceed 24,300,000.

MR. DIROCCO: So moved.

MS. RODRIGUEZ: Second.

MR. BENNETT: Mr. DiRocco and Miss Rodriguez again. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close is recusing. Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: Motion approved.

MR. ROGERS: Thank you.

MR. CANTALUPO: Thank you, Director.
MR. ROGERS: Thank you. Moving on to Trenton City Housing Authority application.
MR. LEE: Good afternoon, Director. I am Bakari Lee from McManimon, Scotland and Baumann. We are bond counsel to the Housing Authority of the City of Trenton.
The application that you have before you is for 52 million dollars of project activity bonds and it is submitted pursuant to Section 6 of the Local Fiscal Authorities Control Law, as well as, Section 29 of the Local Redevelopment and Housing Law.
We have with us, among the team, Clifford Godfrey, who is the executive director of the Trenton Housing Authority; Chrysti Huff, who is director of development of the Trenton Housing Authority; Rick Ginetti, who's the Housing Authority's financial advisor and then also Mark Hall, the development and George Sula, the consultant to the developer.
So with that, perhaps those folks should turn on their cameras and then be sworn in.
MR. ROGERS: Great. Thank you.

Lauren?

(At which time those wishing to testify were sworn in.)

MR. ROGERS: Mr. Lee, the floor is yours.

MR. LEE: So what I propose to do is kind of touch upon a few high points, and then I'm going to turn it over to Mark Hall who, again, is the developer that's partnering with the Housing Authority on this project and really leading it and he can walk through the more substantive aspects of the financing and the overall project frankly.

So this project was previously before the board in 2024 and did receive positive findings. But since that time, costs have increased somewhat significantly and is causing us to have to resubmit an application to the Local Finance Board.

The project is a building that is located at 240 West State Street in Trenton. It was originally a Holiday Inn. And then thereafter, it became an office space building.

The project is intended to convert the building into a 170 unit affordable housing development with 194 parking spaces. It's an overall 72 million dollar total financing.

And again, 52 million dollars of that is short term tax exempt private activity bonds. It will be three year maturity. It's fully cash collateralized and the bonds are non recourse conduit bonds, so there's no exposure to the authority or the rate payers.

And the project has already received its 42M letter in connection with the four percent low income tax credits, and has also received the approval from the state treasurer for volume CAP. So those are the high points.

With that, I would ask Mark Hall to step to the front and go over some more of the deal specifics.

MR. HALL: Sure. Thanks, Bakari. So this is a project we've been working on for three years. We bought the building in August of 2023 as Bakari pointed out.

We did come in, as we had preliminary plans done on the building for approval. I think since then, just in the aftermath of COVID, tariffs and the pressure that data centers are putting on some of our supply lines for these kind of buildings where we have a lot of steel, aluminum and other components, our costs have gone up significantly.

The good news is because the building is highly equitized, DDA and a QCT, so the section 42 credits 130 percent basis boost.

And we also do address some of our increase cost, work with the City of Trenton to pass legislation designating Trenton as a local government entity that can designate historic properties on a local basis, and that legislation has been approved.

We've got a board approved. And that request is being submitted to the National Parks Service. Once that comes back, we will turn around and designate the property local historic, which will qualify it for the state historic tax credits which covers the gap in terms of the increased costs that we've addressed.

As it relates to the bonds and the increase in the bonds, we've had a really difficult time getting a construction lender to the Trenton market to do this project. It's got size and scale, but we were able to attract Kimco as a participant in the project and they have given us a 60 million dollar construction financing commitment.

To Bakari's point, we're going to cash collateralize as much of the bonds as we can. That requires a local bank to participate, but, you know, we have all the pieces together now on the financing side to go ahead and finish this project and get under construction in the next six months.

We have a building permit in hand, so we've processed all of the requirements of site plan approval which took 18 months and other things that feed into that building permit. We finished that. We have it in hand.

We have bid set ready in terms of plan of specs to go out into the local market and bid the project. We will be bidding that locally with contractors that are locally based.

I think we have one contractor that is outside the State of New Jersey who's going to be bidding. They're in Maryland. We will be adhering to prevailing wage rates. That's a requirement under the state historic tax credit, so this is going to be a great project for local subcontractors to participate in and do very well.

As far as the development team goes, Storian Partners is myself, Ben Anson, who's a very successful entrepreneur with real estate holdings in the U.S., as well as, globally and Alan Michaels and then also Saul Urban out of Washington, DC, is our limited partner.

That's the family that owned Chevy Chase Bank, sold it to Cap One, which gave Cap One their presence in the east cost, their family Trust and bank Trust assets exceed 25 billion dollars so you have a very solid development team here with a lot of experience.

Their real estate company is specifically experienced in what we call readapted use projected and historic projects, which this project fits the box perfectly for them.

They've been involved in every step of the project. They've invested alongside us and have over 5 million dollars at this point invested in the transaction, so we're looking forward to finishing this up.

Bakari noted we have our 42M in hand

with NJ HMFA. We petition HMFA to allow Trenton Housing Authority to be the issuer on the bonds. And because we're doing short term bonds with a forward with Freddie Mac or Fannie Mae, depending on which.

We're in the process of finishing with our investor. They'll designate which of those lenders they want us to use, but that's a very liquid market. It will be a forward conventional PC so the taxes and bonds, along with the equity from the state historic credit and Litech.

Further investment at construction completion will retire the bonds as stabilization, and then it will be a conventionally financed project.

Because again, because it was short term, NJ HMFA agreed to allow treasury to allocate bonds to Trenton Housing Authority and we have that letter from treasury allocating those bonds to THA.

And so we're here in front of the board requesting approval for that 52 million dollar transaction. Hopefully that's a little bit of a fly by and you can ask any questions you have.

MR. ROGERS: Anyone else from your team?

MR. LEE: I think that's it from our team, Director, so any questions you may have.

MR. ROGERS: There's a lot of financing components and things that were sought after in putting the capital stack, as they say, together to get this project moving again.

And it's kind of amazing, just in that short term, the cost increases. And I think we all are fully aware of what has been creating that in the market and that you were still able to salvage this and go through the different available option, funding options, that are out there and were able to get approvals on that to make it work.

So commendable to your team to actually get that all together and get your approvals, and I think it will be a good project for Trenton.

I was wondering recently when I was walking up State Street what that building was and then I learned the history about it.

MR. HALL: Yeah, we bought it, the

state vacated in January of 2024, so it's vacant now. This is the right direction for the building.

It's got terrific views. It's got 194 parking spaces enforced, two through five, so we've got adequate parking to redevelop the upper floors into 170 units. It's going to be a great project and terrific views.

We've got a lot of people through it. We've held meetings there with a lot of the entities that we require to approve the site plan, which again, took a long time and everybody was very complimentary about both the design work that we've done, as well as, I think just the price level we're coming in at on the rest, so this should be a very successful project.

MR. ROGERS: Thank you. I dont have any additional questions. I'll open it up to the board and the public at this time.

MR. JACKSON: I don't have any real questions. I echo the director's comments about dealing with the cost increases which are extraordinary and commend the team for doing that. And it seems to me to be a great project.

This team strikes me as a group of

hustlers and I'm impressed by that, that you're really making things happen, so congratulations. I hope you have great success with the project.

MR. HALL: Thank you.

MR. ROGERS: Anyone else?

MS. RODRIGUEZ: I have a comment, too. I want to commend the group. It sounds like an exciting project. I always love when I see urban centers, especially a city as great as Trenton, to see something like this project being introduced this way, very well thought out.

Everything seems to be in line and can't wait to see it come to fruition. I think it's great, not only for the city, but especially for the residents in the City of Trenton, so best wishes on the project.

MR. HALL: Thank you.

MR. ROGERS: Thank you, Miss Rodriguez. Anyone else? Do we have a motion to render positive findings on the proposed project financing in an amount not to exceed 52 million dollars?

MS. RODRIGUEZ: I make a motion.

MR. JACKSON: Second.

MR. BENNETT: Mr. Rogers?

MR. ROGERS: Yes.
MR. BENNETT: Mr. DiRocco?
MR. DIROCCO: Yes.
MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes. And good luck with the project.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. HALL: Thank you very much.
MR. BENNETT: Director, we do need to do a separate motion on the private sale of bonds.
MR. ROGERS: Oh, I'm sorry. That was one more motion, then we can let you go. Do we have a motion to approve -- I lost my page here. So a motion to render positive findings and to approve the private sale of bonds. My apologies for that.

MS. RODRIGUEZ: I make a motion.
MR. JACKSON: Second.
MR. BENNETT: Miss Rodriguez, Mr. Jackson. Mr. Rogers?
MR. ROGERS: Yes.
MR. BENNETT: Mr. DiRocco?
MR. DIROCCO: Yes.
MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. HALL: Thank you very much.
MR. ROGERS: Good luck. Thanks. On to our last application, Warren County. Mr. Jessup is back with us again.
MR. JESSUP: Yes. Good afternoon, Director, back one more time. So Director, we should have with us, county administrator Alex

Lazorisak, who I think I saw earlier. It looks like Alex has a host of people in the room with him. Alex, can you just take us through who's there with you.

MR. LAZORISAK: Good morning, everyone. Alex Lazorisak, county administrator. Next to me is commissioner James Kern, we also have county CFO, Kim Francisco, and support staff Chris Pinedo.

MR. JESSUP: And then we also have Anthony Inverso from Phoenix Advisors on.

MR. ROGERS: Let's get everyone sworn in. Lauren?

(At which time those wishing to testify were sworn in.)

MR. ROGERS: Mr. Jessup?

MR. JESSUP: Thank you. Again, Matt Jessup, McManimon, Scotland and Baumann. This is an application pursuant to N.J.S.A. 40A:5A-4 and 40:37A-46 in connection with the proposed creation of the Warren County Improvement Authority.

The county is looking to create the Improvement Authority to provide significant cost saving benefits, efficiencies and additional financing options to the county and its local units all for the benefit of county taxpayers.

We've held multiple stakeholder meetings at the county and its local units. And as a result, we believe there's a strong interest by local units in participating in one or more county wide pooled note and bond programs.

Higher interest rates, primary offering disclosure requirements, cost of issuance and limited access to the county can also make it prohibitive or expensive for certain local units within Warren County to issue debt to finance capital projects.

By creating the authority, the county and the authority will be able to solve for, really three primary challenges, that county local units face that often result in higher interest rates, higher debt service and an adverse impact to taxpayers.

First, through the Improvement Authority pooled financing program, the county can offer its AAA rating, just recently reaffirmed, for the benefit of county local units.

Of the 22 municipalities of the

county, 12 did not have a bond rating and the remaining 10 all have a lower rating than the county. So the county's credit enhancement will result in lower interest rates for the benefit of county local units and their budgets.

Second, a pooled financing program will allow county local units to aggregate their note and bond sales together to create a PAR amount that will attract more interest from bond and note purchasers.

In 2025, there were 11 Bond Anticipation Note sales by county municipalities. Removing one sale, which was Phillipsburg, at about 18 million dollars, a little bit of an outlier.

The average PAR amount of the remaining Bond Anticipation Note sales was about 2 million dollars. The size can be tricky for note sales, right. They can be too large for traditional banks, too small for underwriters.

As a result, we often see few bids from potential purchasers. If we allow those same 11 note sales to be aggregated into one through the Improvement Authority, each local unit is more likely to receive the benefits that a 38 million dollar note sale bring including a higher number of bidders, potentially lower interest rates.

And third, notwithstanding an SEC exception, purchasers generally require issuers to prepare preliminary official statements in connection with bond and Bond Anticipation Note sales that last longer than nine months.

This can be expensive and time consuming to prepare particularly for small issuers who are issuing smaller amounts of debt, like most of the county issuers.

This authority pooled financing program would solve for this by allowing the authority to issue an OS for the collective benefit of all the local unit participants, while spreading the cost across all participants proportionately.

While we recognize there are many additional powers of an Improvement Authority, which we have discussed with the county and the local unit stakeholders, who attended our information sessions, there are currently no plans to run an airport or solid waste or anything like that.

The impetus for the creation of the authority and primary purpose of the authority is to allow local units tax payers within the county the benefit for a lower borrowing cost, greater access to short term and long term capital markets through various pooled financing options.

Initial operating costs of the authority, which are small, will be funded by the county until financing fees provide revenue to the authority.

Staff and offices are expected to be shared with the county, so the county director of finance, Kim Francisco, who is here, will also be the CFO of the Improvement Authority. I'm sure whether he knew that or not. It's an honorary promotion, Kim, so good luck.

Staff is small. Operations are lean and all costs are accounted for. With approval by the board, the county will introduce the ordinance creating the authority tonight, consider the ordinance on final adoption at the August commissioner meeting.

We'll use the balance of the year to get the Improvement Authority up and running and likely run our first pool in 2027. I took a lot of notes when John Cantalupo was just presenting an application to you on HCIA because I suspect 11 months from now, we might very well be where exactly Hunterdon was.

Before I turn it back to the board, I want to see whether Commissioner Kern, Alex, or anyone else on the county team, wanted to way in.

MR. KERN: Thank you, mat and thank you board. This is Commissioner James Kern. I cannot speak as eloquently as Matthew can on this subject, but I would like to say that the outreach we had with our municipalities has been overwhelmingly positive and great attendance from them as well.

I can tell you that, any time we host regional meetings, it's sometimes hard to get localities to come out, but they are all interested in this because of the impact it can have on their budgets, so I hope to be where Hunterdon County is in about a year.

It was very helpful to actually see that take place earlier, so I appreciate that coincidence that we were both on today and I hope we can have your support. So thank you.

MR. JESSUP: Director, nothing else

from us.

MR. ROGERS: You answered my question in terms of timeline on when you get it started up and then just the initial municipal interest which seems to be pretty extensive in the county, so that's good.

And I presume you heard additional outreach you might have to do for next year in sort of gendering that type of, at least what Hunterdon saw and what Warren County could do with their pooled note program.

So I think that's really all I had as questions. I will open it up to the board and the public at this time for any.

I guess, do we have a motion to approve the proposed creation of a Warren County Improvement Authority?

MR. JACKSON: So moved.

MR. CLOSE: Second.

MR. BENNETT: I think I heard Mr. Close second first. I have Mr. Jackson and Mr. Close. Mr. Rogers?

MR. ROGERS: Yes.

MR. BENNETT: Mr. DiRocco?

MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?
MR. CLOSE: Yes.
MR. BENNETT: Mr. Avery?
MR. AVERY: Yes.
MR. BENNETT: Miss Rodriguez?
MS. RODRIGUEZ: Yes.
MR. BENNETT: Mr. Jackson?
MR. JACKSON: Yes.
MR. BENNETT: And Mr. Cooper?
MR. COOPER: Yes.
MR. BENNETT: Motion approved.
MR. ROGERS: Good luck.
MR. JESSUP: Thank you very much.
MR. ROGERS: As we stated earlier, the Newark City Board of Education application has been pushed to a future board agenda, so that's not being heard today. And I think all that is left, do we have a motion to adjourn.
MS. RODRIGUEZ: So moved.
MR. JACKSON: Second.
MR. BENNETT: Miss Rodriguez and Mr. Jackson. Mr. Rogers?
MR. ROGERS: Yes.
MR. BENNETT: Mr. DiRocco?
MR. DIROCCO: Yes.

MR. BENNETT: Mr. Close?

MR. CLOSE: Yes.

MR. BENNETT: Mr. Avery?

MR. AVERY: Yes.

MR. BENNETT: Miss Rodriguez?

MS. RODRIGUEZ: Yes.

MR. BENNETT: Mr. Jackson?

MR. JACKSON: Yes.

MR. BENNETT: And Mr. Cooper?

MR. COOPER: Yes.

MR. BENNETT: We are adjourned.

(Hearing Concluded at 12:41 p.m.)

C E R T I F I C A T E

I, LAUREN ETIER, a Certified Court Reporter, License No. XI 02211, and Notary Public of the State of New Jersey, that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor council of any of the parties to this action, and that I am neither a relative nor employee of such attorney or council, and that I am not financially interested in the action.

Lauren M. Etier

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Notary Public of the State of New Jersey

My Commission Expires June 30, 2028

Dated: July 16, 2026

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