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STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL FINANCE BOARD

MONTHLY MEETING AGENDA *
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Conference Room No. 129
101 South Broad Street
Trenton, New Jersey
Wednesday, March 12, 2014

B E F O R E: THOMAS NEFF-CHAIRMAN
IDIDA RODRIGUEZ-MEMBER
JAIME FOX-MEMBER
ALAN AVERY-MEMBER
TED LIGHT-MEMBER
FRANCIS BLEE-MEMBER

ALSO PRESENT:
PATRICIA MC NAMARA-EXECUTIVE
SECRETARY
EMMA SALAY-DEPUTY EXECUTIVE SECRETARY

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

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

STATE SHORTHAND REPORTING SERVICE, INC.
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STATE SHORTHAND REPORTING SERVICE, INC.

1 (Transcript of proceedings, March 12, 2014,
2 commencing at 10:30 a.m.)

3 MR. NEFF: We're going to start the
4 meeting--continue the meeting. First up we have
5 nine applications on the consent agenda for
6 Proposed Infrastructure Trust Loan programs.

7 The first is Stafford Township,
8 \$3.325 million, Trust Fund program and
9 Nonconforming Maturity Schedule.

10 Two is the Northwest Bergen County
11 Utilities Authority, \$600,000 Proposed
12 Environmental Infrastructure Trust Loan Program
13 and Proposed Project Financing.

14 Brielle Borough, \$3.61 million
15 Proposed Nonconforming Maturity Schedule and
16 Proposed Environmental Infrastructure Trust Loan
17 Program.

18 Fourth is Matawan Borough in
19 Monmouth County, \$1,387,860 Infrastructure Trust
20 Loan program and a Nonconforming Maturity
21 Schedule.

22 Number five, Hammonton Town in
23 Atlantic, \$6.9 million Proposed Environmental
24 Infrastructure Trust Loan Program, Nonconforming
25 Maturity Schedule and Proposed Waiver of Down

1 Payment.

2 Highlands Borough, \$1,682,800
3 Proposed Environmental Infrastructure Trust Loan
4 program and Nonconforming Maturity Schedule.

5 Maple Shade Township, \$2 million
6 Proposed Environmental Infrastructure Trust Loan
7 program, Nonconforming Maturity Schedule.

8 We also have an old business
9 matter, Western Monmouth Utilities authority,
10 \$5,489,000 Proposed Service Contract, related to
11 an Environmental Infrastructure Trust financing.

12 City of Perth Amboy, Middlesex
13 County, \$2,331,250 Proposed Environmental
14 Infrastructure Trust Loan Program and
15 Nonconforming Maturity Schedule.

16 Take a motion on those.

17 MS. RODRIGUEZ: So moved.

18 MR. NEFF: I'll second it. Roll
19 call.

20 MS. MC NAMARA: Mr. Neff?

21 MR. NEFF: Yes.

22 MS. MC NAMARA: Mr. Avery?

23 MR. AVERY: Yes.

24 MS. MC NAMARA: Ms. Rodriguez?

25 MS. RODRIGUEZ: Yes.

1 MS. MC NAMARA: Mr. Blee?

2 MR. BLEE: Yes, but recused on
3 Hammonton.

4 MS. MC NAMARA: Mr. Fox?

5 MR. FOX: Yes.

6 MS. MC NAMARA: Mr. Light?

7 MR. LIGHT: Yes.

8 MR. NEFF: We also have two
9 applications on consent. One is Kearny Town in
10 Hudson County, \$1,666,650, Proposed Adoption of
11 Amending Bond Ordinance Pursuant to the Qualified
12 Bond Program.

13 Essentially they have the coverage
14 to pay for their debt. The only reason they are
15 here is because they are under the Qualified Bond
16 Act Program. The matters for bonding are rather
17 routine, conventional capital repairs in their
18 municipality.

19 The second is Tabernacle Fire
20 District Number One. They have a \$542,000 Proposed
21 Project Financing for a pumper truck.

22 The staff reviewed the matter and
23 had no issues. It is a competitive bid for the
24 product and it is a low financing rate.

25 So I'll take a motion with respect

1 to those two items.

2 MR. BLEE: Motion to approve.

3 MS. RODRIGUEZ: Second.

4 MR. NEFF: Roll call.

5 MS. MC NAMARA: Mr. Neff?

6 MR. NEFF: Yes.

7 MS. MC NAMARA: Mr. Avery?

8 MR. AVERY: Yes.

9 MS. MC NAMARA: Ms. Rodriguez?

10 MS. RODRIGUEZ: Yes.

11 MS. MC NAMARA: Mr. Blee?

12 MR. BLEE: Yes.

13 MS. MC NAMARA: Mr. Fox?

14 MR. FOX: Yes. Recused on North

15 Hudson--I'm sorry. Yes, I'm sorry.

16 MS. MC NAMARA: Mr. Light?

17 MR. LIGHT: Yes.

18 MR. NEFF: Woodcliff Lake is being
19 deferred at the applicant's request. Next up would
20 be South Plainfield Borough. Also for tax appeal
21 refunding, \$1,010,000.

22 (Glenn F. Cullen, being first duly
23 sworn according to law by the Notary.

24 MR. CULLEN: My name is Glenn F.
25 Cullen, C-u-l-l-e-n, CFO and Administrator for the

1 Borough of South Plainfield

2 MR. JESSUP: Good morning. Matt
3 Jessup, Mc Manimon, Scotland & Baumann, bond
4 counsel to the Borough of South Plainfield. As you
5 just heard to my right, Glenn Cullen, CFO of the
6 Borough.

7 This is an application pursuant to
8 NJSA 40A:2-51, seeking a approval of a Refunding
9 Bond Ordinance in the amount a \$1,010,000, to
10 finance amounts owing to others for tax appeals.

11 In 2013, the Borough had
12 approximately \$1.43 million of total tax appeals
13 that it adjudicated and settled. It paid for
14 approximately \$460,000 of that amount out of cash
15 reserves, a tax appeal reserve for \$300,000 and a
16 surplus for about \$160,000.

17 That leaves approximately \$969,000,
18 which consists of ten properties and seventeen
19 appeals that remain outstanding and are the
20 subject of the application before you. None of
21 those amounts are credits. None of those amounts
22 have actually been paid yet. They are all
23 outstanding and yet to be paid to those ten
24 property owners in the seventeen appeals.

25 Paying this \$969,000 in 2014

1 results in an \$88.00 tax increase to the average
2 homeowner with an assessed value of \$121,500 and a
3 municipal tax bill of \$1,590. In addition, in
4 2014 the Borough will be budgeting an additional
5 \$300,000 in a reserve to fund additional tax
6 appeals at a cost of approximately \$26.00 to the
7 average taxpayer.

8 So all in 2014 the Borough is
9 looking at \$114.00 between the amounts that they
10 have to pay from last year subject to this
11 application, and the amounts that they are
12 reserving to pay for some of the pending appeals
13 on a going forward basis.

14 Financed over a three year, this
15 tax impact is reduced to \$56.58. So the Borough
16 at this point is seeking a three year approval to
17 finance these amounts.

18 MR. NEFF: So just a couple of
19 comments. One, the last time there was a reval I
20 think was 1985. Is that right?

21 MR. CULLEN: Yes, that's correct

22 MR. NEFF: Almost twenty-eight
23 something year ago; right?

24 MR. CULLEN: That's correct.

25 MR. NEFF: When is there going to

1 be another reval or reassessment?

2 MR. CULLEN: It's something that
3 we're looking at. We haven't past an ordinance for
4 that?

5 MR. NEFF: So no ordinance has been
6 past. There is no effort to bring properties up to
7 a more reasonable assessment. What's the market
8 value of the properties against market, is it
9 forty-two?

10 MR. CULLEN: The ratio, I believe,
11 is thirty-eight percent. I will tell you that as
12 of right now we just got an estimate of updating
13 our tax maps. We are starting the process.

14 MR. NEFF: By staff's math, two
15 years for the finance portion of the debt would be
16 around \$50.00. So I would recommend a two year
17 payment for the appeals.

18 Frankly, I'm not real enamored with
19 granting these sorts of things at all with people
20 that have gone twenty-eight years since they have
21 done a reval or reassessment and they are not
22 making efforts to do them. But I'm more than
23 happy to approve two years. I wouldn't do more
24 than that, which is outside of our traditional
25 standard.

1 I understand the comments that, you
2 know, some funds were put aside as cash to pay tax
3 appeals. I believe one of these cases that is
4 involved is Motorola, which was pending for many
5 years in Tax Court, or am I wrong on that?

6 MR. CULLEN: That property has been
7 in a free fall. At one time that property--the
8 market has so changed. At one point that was
9 assessed at a value of essentially \$40 million,
10 and, you know, it sold a year ago for, like, \$4
11 million, which has been stunning for everybody.

12 MR. NEFF: So a property was left on
13 the books at \$40 million. If there had been a
14 reval or a reassessment at some reasonable point
15 in time we probably would not be having this
16 problem today. That's kind of my point. That's
17 why I'm okay with three years, but I don't want to
18 bend our standard on this one.

19 MR. JESSUP: The Borough will
20 welcome two years, we appreciate that.

21 MR. LIGHT: Make a motion to
22 approve the reval for two years.

23 MR. NEFF: I'll second it.

24 Roll call, two years, not three
25 years.

1 MS. MC NAMARA: Mr. Neff?

2 MR. NEFF: Yes.

3 MS. MC NAMARA: Mr. Avery?

4 MR. AVERY: Yes.

5 MS. MC NAMARA: Ms. Rodriguez?

6 MS. RODRIGUEZ: Yes.

7 MS. MC NAMARA: Mr. Blee?

8 MR. BLEE: Yes.

9 MS. MC NAMARA: Mr. Fox?

10 MR. FOX: Yes.

11 MS. MC NAMARA: Mr. Light?

12 MR. LIGHT: Yes.

13 MR. JESSUP: Thank you.

14 MR. NEFF: Irvington.

15 (Faheem Ra'oof, being first duly
16 sworn according to law by the Notary).

17 MR. RA'OOF: Faheem Ra'oof,
18 R-a-'-o-o-f, Chief Financial Officer.

19 MR. MC MANIMON: Ed Mc Manimon from
20 Mc Manimn, Scotland and Baumann. Our firm is bond
21 counsel to Irvington. I have Faheem Ra'oof, who is
22 the Chief Financial Officer.

23 This application is requesting the
24 approval of two Bond Ordinances. Both of which
25 need approval under the Qualified Bond Act. One of

1 the ordinances is for various capital
2 improvements. The other is for various tax
3 appeals.

4 The one for various capital
5 improvements is a \$533,600 appropriation, with
6 \$588,189 in bonds or notes. And that's a deal
7 with various replacements of equipment and
8 vehicles.

9 It is really the first capital
10 Ordinance the City has had since 2011. They have
11 previously been funding their capital needs on a
12 pay as you go basis on their budget and from
13 grants from the state, the county and, you know,
14 federal level as well.

15 The other Ordinance, \$2,436,500 is
16 to fund a variety of tax appeals. Some of them
17 are credits. We have done the math that reduces
18 the amount that's provided for, to three quarters.

19 The Township had adopted the Local
20 Finance Board's required resolution for oversight
21 in connection with the program previously, but
22 they haven't completed the effect that it has had.
23 We're asking for the ability to fund three
24 quarters of the amounts that are tax appeals that
25 were credits. Which the three quarters would be

1 \$1,401,000. Then a hundred percent of their actual
2 refunds, which is \$984,000. For a total with costs
3 of \$2,436,374.

4 The effect on an average home for
5 one year is \$240.000, for three years it is \$68.00
6 and for five years it is \$40.71--or \$46.71.

7 We would like to have the maximum
8 amount possible, but we recognize your policies.
9 And we'll answer any questions you have, ask if we
10 can finance them and get approval for both under
11 the Qualified Bond Act.

12 MR. NEFF: I just note that some of
13 the tax appeal refunding is for current year tax
14 appeals?

15 MR. MC MANIMON: Right. I make the
16 comment that we reduced that by the quarter. So
17 the amount that we're seeking--

18 MR. NEFF: One of the conditions of
19 the Board is that new hires then would be subject
20 to Division of approval. Just so that we can make
21 sure that there is no rampant hiring up at a time
22 when they are borrowing for something that's
23 extraordinary which other municipalities tend not
24 to do.

25 A five year maturity brings them

1 just under the \$50.00 rule, so that looks fine.
2 The Capital Bond Ordinance are things, obviously,
3 the City needs, so I would approve that.

4 The only thing I would condition
5 the approval on is that ordinarily we would have
6 asked that the governing body would have
7 acknowledged the requirement to obtain the
8 Division approvals for hires prior to coming to
9 the Board. So I would just condition this on
10 getting that within the next twenty days, a simple
11 resolution from them acknowledging that the City
12 needs to get the hires approved by the Division.

13 MR. MC MANIMON: Any problem?

14 MR. RA'OOF: No.

15 MR. NEFF: Take a motion on this
16 one.

17 MR. FOX: So moved.

18 MR. BLEE: Second.

19 MR. AVERY: Before we vote, can I
20 just ask if either of the two gentlemen know the
21 purpose and what department will be using the five
22 pickup trucks?

23 MR. RA'OOF: Public Works.

24 MR. AVERY: Public Works?

25 MR. RA'OOF: It's Public Works,

1 salt packages, dump trucks, sweepers -- you have
2 one sweeper. You have the Shade Tree that has a
3 chipper in there also, a large chipper.

4 MR. NEFF: I'm sorry, Mr. Avery, I
5 didn't mean to cut that short.

6 MR. AVERY: That's all right.

7 MR. NEFF: All right. We have a
8 motion and a second. Take a roll call.

9 MS. MC NAMARA: Mr. Neff?

10 MR. NEFF: Yes.

11 MS. MC NAMARA: Mr. Avery?

12 MR. AVERY: Yes.

13 MS. MC NAMARA: Ms. Rodriguez?

14 MS. RODRIGUEZ: Yes.

15 MS. MC NAMARA: Mr. Blee?

16 MR. BLEE: Yes.

17 MS. MC NAMARA: Mr. Fox?

18 MR. FOX: Yes.

19 MS. MC NAMARA: Mr. Light?

20 MR. LIGHT: Yes.

21 MR. NEFF: Before you actually
22 leave the table, the audit was done for Irvington?

23 MR. RA'OOF: Correct.

24 MR. NEFF: It is completed and
25 submitted to the Division?

1 MR. RA'OOF: Yes.

2 MR. NEFF: All right. Thank you.

3 MR. MC MANIMON: Thank you very
4 much.

5 MR. NEFF: Next up is Perth Amboy.

6 (Gregory Fehrenback and Jill Goldy,
7 being first duly sworn according to law by the
8 Notary).

9 MR. FEHRENBACH: Gregory Fehrenback,
10 City Administrator.

11 MS. GOLDY: Jill Goldy, Chief
12 Financial Officer.

13 MR. MC MANIMON: Thank you. Ed Mc
14 Manimon, Mc Manimon, Scotland & Baumann, along
15 with Greg Fehrenback, the City Administrator and
16 Jill Goldy, the City's Chief Financial Officer.

17 The City is asking the approval of
18 this Board for the adoption of two Bond
19 Ordinances, both under the Qualified Bond Act.

20 One of the Ordinances is a General
21 Capital Ordinance. The other is a Water and
22 Wastewater Utility Ordinance. The General Capital
23 Ordinance is included in their debt and it rose
24 their debt above 3.5 percent. As a result, they
25 also need approval under 40A:2-7(d), as an

1 extension of credit.

2 We will explain that. But,
3 basically, the City's debt capacity has been below
4 3.5 percent. A year and a half ago they refinanced
5 debt that had been out as a lease obligation, with
6 the Middlesex County Improvement Authority a
7 fairly large amount, over \$40 million. That was
8 not counted as debt in your debt capacity.

9 The refunding that they did with
10 General Obligation Bonds, brought that into their
11 debt. But it saved them a significant amount of
12 debt service. It used up a portion of their 3.5
13 percent allowable bonding capacity.

14 They have also lost ratables. So
15 that the debt that's being incurred is against a
16 smaller amount of ratables. But the
17 actions--again, Greg can explain, that they have
18 taken over the last few years have been
19 significant. Bringing the City's finances and
20 organization under much better oversight and
21 control.

22 We'll be happy to answer any
23 questions you have about either of these projects.
24 But actual Qualified Bond Act revenue versus the
25 existing maximum Qualified Bond Act debt service

1 is about the same, slightly lower. The revenue is
2 lower than the debt service.

3 There have been some conference
4 calls held about that, in order to cover the debt
5 that's been outstanding. But the last three bond
6 issues that the City has done, they've done
7 without issues them as Qualified Bonds. They
8 issued them under their own credit. They have an A
9 Plus stable credit rating now, which is probably
10 equivalent of the Qualified Bond Act credit
11 rating.

12 So they've had access to the
13 market. So whether they would issue these bonds
14 under the Qualified Bond Act, would be a decision
15 they would make later when they go to sell bonds.

16 If they were to do that, there
17 would have to be a determination that there was
18 sufficient coverage. They have to come before this
19 Board again to show that, in connection with the
20 bond issue. So we are asking for approval of the
21 Bond Ordinances, not the actual financing through
22 the Qualified Bond Act program. But they have to
23 get approval of the actual financing through the
24 Qualified Bond Act Program. They have to get
25 approval of this Board under that Act and do the

1 Ordinance.

2 I'll be happy to answer any
3 questions you have.

4 MR. NEFF: I would just echo the
5 comments that you just made. That the City has
6 taken the politically more difficult route of
7 pulling debt onto their books for savings and do
8 the right thing. Which then if they hadn't done
9 that, they probably wouldn't be asking for
10 permission to exceed the 3.5 percent threshold
11 that they are here for today, in addition to the
12 Qualified Bond Act proposal.

13 I don't have a problem. They seem
14 to be borrowing money for the appropriate capital
15 items. The debt level might be high, but if you
16 are going to be honest, the way we counter-measure
17 what is debt with things that aren't considered
18 debt, that used not to be considered debt, but
19 Perth Amboy came to the reality they were.

20 It probably ought to be updated at
21 some point, but it is not-- I don't think it's
22 fair to Perth Amboy to suggest in somehow what
23 they are doing today in conjunction with what
24 they've been doing over the last few years,
25 suggests that they are in some sort of borrowing

1 spree.

2 The borrowing appropriate. I
3 don't think there are any issued.

4 MR. FEHRENBACH: If I may make just
5 one point, even with what we are coming before you
6 with today, by year end the City will have reduced
7 its current fund debt by \$3.2 million in the
8 current funds and \$4.4 million in the water and
9 wastewater utility.

10 So the City has been on a movement
11 over the last five and a half years to go from
12 about \$250 million of total debt to-- at this
13 point we're at about \$207 million. This will, at
14 the end of this year, bring us down to about \$199
15 million.

16 We recognize the numbers are too
17 high, but in order to maintain services we've been
18 trying to gradually move down from that number we
19 were at. We are doing that by consistently every
20 year applying about 16.3 percent of the City's
21 budget to debt service.

22 We've tried to get rid of all of
23 the --what I might call inordinate extraordinary
24 unbelievable debt that had been created in a prior
25 administration.

1 And we have now been able to sort
2 of package everything in a way that it meets
3 normal standards for what is debt. That's been an
4 on going pursuit of this administration.

5 MR. LIGHT: So with approval of the
6 Ordinance, we raise the debt to 3.6, but by 2015
7 it will be back to below 3.5?

8 MR. MC MANIMON: It will be close.
9 This Ordinance--it is about right there.

10 MR. FEHRENBACH: It depends on what
11 happens with the tax assessments. We've seen
12 about a fifteen percent loss in assessed value
13 since 2010. That has added to this problem. But
14 we've only been here once for a refunding bond.

15 Our intention is not to be before
16 you again for a refunding bond. That we are
17 paying whatever those costs are. We are at
18 approximately a hundred percent equalized value.

19 MR. NEFF: If they are before us
20 asking for approval for some sort of capital
21 Ordinance that was, you know, building a Taj Mahal
22 or something insane.

23 MR. FOX: I was going to ask, was
24 the Taj finished?

25 MR. FEHRENBACH: Let's say the

1 litigation isn't finished.

2 MR. LIGHT: I'll make a motion to
3 approve.

4 MS. RODRIGUEZ: I'll second it.

5 MR. NEFF: Take a roll call.

6 MS. MC NAMARA: Mr. Neff?

7 MR. NEFF: Yes.

8 MS. MC NAMARA: Mr. Avery?

9 MR. AVERY: Yes.

10 MS. MC NAMARA: Ms. Rodriguez?

11 MS. RODRIGUEZ: Yes.

12 MS. MC NAMARA: Mr. Blee?

13 MR. BLEE: Yes.

14 MS. MC NAMARA: Mr. Fox?

15 MR. FOX: Yes.

16 MS. MC NAMARA: Mr. Light?

17 MR. LIGHT: Yes.

18 MR. FEHRENBACH: Thank you all very
19 much.

20 MR. NEFF: Next up-- actually
21 North Hudson would be next, I'm going to ask if we
22 can postpone that one. I want to deal with Newark
23 first.

24 I don't think-- is there anybody
25 here from Newark who wants to testify?

1 (No response).

2 I didn't think so. We placed an
3 item on the agenda for discussion before the Board
4 with respect to Newark. They have extraordinary
5 financial problems. They have become an outlier
6 in terms of complying with various state budget
7 laws that govern local governments. Including the
8 Local Fiscal Affairs Law, the State Budget Law and
9 the Local Bond Law.

10 Ultimately it is this Board's
11 responsibility if the municipal is in such a
12 condition, to bring them under supervision pursuant
13 to Title 52. That's something that's under active
14 consideration right now.

15 Newark's 2013 budget was built with
16 \$40 million, approximately, a little bit less, of
17 one shot revenues. Including extraordinary
18 surplus usage, including land sales and certain
19 other revenue items. In addition to those one
20 shots, which will not necessarily be available in
21 the current budget year, 2014, the 2013 budget had
22 relied upon an accelerated tax sale, anticipated
23 accelerated tax sale.

24 That tax sale never occurred. In
25 fact, it doesn't look like it is going to occur

1 any time in the immediate future.

2 The revenue wasn't brought in, in
3 2013 like it was anticipated. So their structural
4 problem in 2013, which is carrying forward into
5 2014, is much larger than the \$34 million or so
6 that was acknowledged as part of the budget that
7 was adopted in 2013.

8 In addition to these problems,
9 Newark has, obviously, ordinary contractual
10 increases related to salaries. And they have
11 other increases in their budget that they are
12 going to have deal with, then there is a levy cap.
13 So they have can't simply raise their tax and make
14 this problem go away.

15 The Division has been meeting with
16 Newark on and off weekly, every other week, for
17 the last two months. We are not convinced at all
18 that the City has plans on the table to deal with
19 the structural problem.

20 We don't want Newark to stagger
21 through 2014 like they staggered through 2010 and
22 2011, absent state oversight.

23 In 2010 Newark reached November,
24 didn't have a balanced budget, had a \$40 million
25 gap. Ultimately engaged in what I would consider

1 to be a desperate sale of its own properties to an
2 Authority and they leased the properties back.
3 Not only were they continuing to essentially pay
4 those lease payments for those buildings, but they
5 are paying it with interest. Because the
6 Authority that purchased those properties has to
7 have those interest payments covered.

8 So staggering through 2010 actually
9 made their budget situation worse. In 2011 the
10 City struggled to adopt a budget. It was unable
11 to do so and asking for the state to provide them
12 an approximately \$30 million bailout, which the
13 state ultimately provided some level of funding.
14 We don't want that to happen again in 2014.

15 Every day that goes by is a day
16 that the City is not fixing its budget problem, is
17 also a day that the problem gets worse.

18 So we're looking to consider
19 intervening and exercise supervision. The standard
20 for supervision is that the municipality need to
21 be in gross noncompliance with the Local Budget
22 Law, the Local Fiscal Affairs Law and the Local
23 Bond Law.

24 There are significant problems in
25 Newark with these items. They continue to not

1 have an audit for 2012. In fact, they are the
2 only municipality in the State of New Jersey that
3 does not have their audit done for 2012. They do
4 not have an annual financial statement completed
5 which should have been done last month.

6 Not only isn't it completed, as of
7 yesterday the City hadn't even authorized or
8 entered into a contract with a vendor to perform
9 that service for them, as their CFO is incapable
10 of doing it on their own. So they are not even
11 close to having their AFS done or their annual
12 financial statement done.

13 Additionally, the Mayor was to have
14 proposed a budget last month. He didn't do it.
15 Under the law the City is expected to-- at least
16 their council is, expected to introduce a budget
17 by March 14th or their first regularly scheduled
18 meeting after that date. They haven't done that
19 either.

20 So they are clearly an outlier.
21 They are among the municipalities that are the
22 latest and the most noncompliant with these laws.

23 And in addition to that, their
24 actually financial hole in the budget for 2014 is
25 concerning enough, that we hired at the Division

1 an auditor, Marcadium, to help us identify what
2 the structural problem is in Newark, what the real
3 size of it is. And the extent to which they have
4 violated not only the provisions of the Budget Law
5 and the Local Affairs Law that I already
6 mentioned, but, but other aspects of those laws.
7 Whether or not they are adequately disclosing what
8 they are supposed to be disclosing under their
9 bond covenants, whether or not they are otherwise
10 meeting other time frames, time tables and
11 complying with those laws.

12 So we are very concerned with those
13 things. We are likely to be back, I would guess
14 in April. We may ask the Attorney General's office
15 to ask a judge to place the City under
16 supervision.

17 It is not a comfortable thing.
18 Obviously, the Division and this Board would
19 prefer that Newark not need the supervision. We
20 desperately want them to handle their affairs on
21 their own like every other municipality in the
22 state does. But we're not going to look the other
23 way if the City continues to flaunt the law and
24 not follow it and otherwise march along with a
25 bunch of problems that are significant.

1 In New Jersey we're not like other
2 states, Michigan or elsewhere, where we let a
3 municipality go to the point of filing a
4 bankruptcy. We're never going to allow that to
5 happen for Newark. So we're going to intervene
6 early if we have to, to try and bring some
7 semblance of sanity back to their budget.

8 That's why I wanted to give this
9 report today. If there are any members here who
10 have questions of either me or any other staff
11 members in the Division who have been looking at
12 their budget, we'd be glad to answer them.

13 If there are any comments or
14 anything that you'd like to see the Division--the
15 Board members would like to see the Division do
16 over the course of the next month before we bring
17 this matter to your attention again, we'd be happy
18 to hear suggestions or otherwise take
19 recommendations.

20 Anybody have any comments?

21 MR. AVERY: Tom, you indicated you
22 had some meetings with Newark's officials over the
23 last few months. Do you think that you are making
24 progress on those meetings, are they stalled or
25 where are you with that?

1 MR. NEFF: I would classify the
2 meetings as professional and polite. They are
3 with the professional staff of the City of Newark.
4 The Mayor does not participate. Though he'd be
5 welcome to participate if he wanted to. His
6 absence is noted.

7 The meetings have tended to be
8 frustrating. Each week we'll ask the City to
9 provide us an update on when they will have
10 another audit done? We're repeatedly told some
11 time in the future. Or we'll ask when will the AFS
12 be done? We're told we're not sure or we're still
13 working on it, working to get a vendor to do it.

14 We'll ask them what the status of
15 their accelerated tax sale is for 2013? We
16 continue to hear that they are moving with it, but
17 they haven't started advertising on the sale yet,
18 so it's some time away.

19 We learn at each meeting things
20 that would cause us even more concern. We have
21 learned at our last meeting that it sounds like
22 they are needing to issue about a \$70 million tax
23 anticipation note, as compared to \$55 million in
24 2013. So they seem to be going in the wrong
25 direction, not the right direction.

1 We asked them to quantify for us
2 what steps they are taking to bring their budget
3 into structural balance? Each week we hear the
4 same thing. That the City is looking at a few
5 ideas with respect to contract, with respect to
6 possibly one shot land sales. But we don't get
7 any details on those requests.

8 We have nothing in writing from
9 them that would suggest to us that we have any
10 reason to be confident that they are going to be
11 able to handle their budget situation.

12 Again, I would stress, the Division
13 staff has affirmatively scheduled these meetings
14 with them. We offered people on your Honor staff
15 to be available to them to help them identify
16 saving, whether it be in the area of police
17 contracts or in their professional contracts.
18 And, frankly, the City has seen fit to try and go
19 it alone.

20 I would point out as well, that
21 over the last two years while they were under some
22 level of state oversight as a condition of
23 Transitional Aid, they did make some progress.
24 They adopted a fairly strict Pay to Play Law. They
25 adopted an ordinance that banned longevity

1 increases for their elected officials and for
2 other officials who aren't contractually entitled
3 to longevity increases.

4 The oversight that we've been able
5 to provide prevented hires where hires weren't
6 absolutely essential. It prevented contracts from
7 being let where funds weren't available for the
8 contracts or the contracts were for otherwise less
9 than essential purposes.

10 Unfortunately what we've seen and
11 I think people have read about it in the paper,
12 not just us. But there have been a number of
13 instances in Newark where they promised to hire a
14 hundred new police. There have been incidents
15 where they hired numerous employees in the
16 different sections of their government, where they
17 seem to be making the problem worse, not better.

18 So we're going to continue to keep
19 our eye on them. We're going to continue to meet
20 with them. That's a very long winded way of saying
21 that the meetings we've held with them have done
22 nothing to assuage our concerns. The problem is
23 very severe and getting worse.

24 MR. AVERY: Thank you.

25 MR. NEFF: Any other comments or

1 concerns?

2 MR. BLEE: Mr. Chairman, for the
3 record, whether you are talking about Newark, for
4 those of us who have been on the Board for a
5 number of years, the later into the fiscal year
6 that the municipalities deal with the problems and
7 the challenges, the more difficult it is.

8 Sometimes you get into a situation
9 where it's six, seven to eight months, we've seen
10 it. So by the time that they get in front of this
11 Board for a type of intervention, your hands are
12 tied. And a lot of times, as we said, the
13 solution is kind of hold your nose and vote to
14 approve.

15 You know, I applaud what the
16 Division is doing to try and get them to deal with
17 their issues as quickly as possible. And I would
18 urge you to continue in that regard. Because--
19 just throwing out a number hypothetically, if it's
20 a structural hole of \$30 million now, if we wait
21 to deal with that in July or August, it's really
22 tantamount to to maybe a \$60 million hole.

23 The later in the year you go the
24 options to remediate a situation are diminished.
25 I think it is responsible for the Board and the

1 Division to deal with this as quickly as possible.

2 MR. NEFF: On that theme, I would
3 note that the State is always willing to
4 financially assist municipalities that are facing
5 these types of problems and can't handle them on
6 their own. Those municipalities need to
7 acknowledge that they need help and ask for it.

8 We have a Transitional Aid Program
9 that had an application due on March 14th. The
10 City has instructed us that they have no intention
11 of applying for state assistance, which they did
12 once before in 2012 or 2011. And ultimately wound
13 up in November needing the assistance and asking
14 for the assistance outside of the traditional
15 application process for Transitional Aid and it's
16 not appropriate.

17 One of the new conditions we
18 established as part of the Transitional Aid
19 Program here is, just as Mr. Blee pointed out, we
20 need to get a handle on municipalities that have
21 financial problems earlier rather than later.

22 As part of the application process
23 a municipality is required to submit to oversight
24 immediately upon application, not upon receiving
25 an award.

1 It allows us to step in sooner and
2 to otherwise prevent the rest of the taxpayers in
3 the state from subsidizing problems. That maybe if
4 we got a handle on sooner rather than later,
5 everybody else wouldn't have to pay for those
6 problems.

7 We think it is unfortunate that
8 Newark's mayor and governing body have decided to
9 turn away from help that's available to them. It
10 could keep their tax rate down. It could help them
11 provide the services they need to provide. For
12 whatever reason, they decided they don't want help
13 from the state.

14 I think it has to do with the fact
15 that they just don't want the state to provide any
16 level of oversight over what's happening in
17 Newark.

18 I don't know why that is. If Board
19 members here checked with mayors in Camden,
20 Harrison, Asbury Park or any other municipalities
21 that are part of that program, I think they would
22 tell you that they welcome the support that they
23 receive from the state, not only financially but
24 also professionally from the relationship that
25 they derive from the staff who help them. Whether

1 it is to come up with plans to outsource old Court
2 debt or to otherwise help them contractually
3 negotiate their salaries, provide assistance for
4 them to enter into shared service agreements with
5 their neighbors.

6 We do more than just tell them no
7 when they are doing something inappropriate. We
8 try to work with them to help them with things
9 they want to achieve, to provide savings for their
10 own community and to provide services for their
11 residents.

12 It is really quite disappointing
13 that we haven't been able to get a little bit
14 better handle on the situation there through the
15 Transitional Aid Program.

16 I don't understand why the City is
17 turning its back on assistance that would be
18 available, that's been made available for the last
19 two years when it was requested.

20 Any other questions or comments?

21 (No response).

22 Okay. That concludes the Newark
23 issue. And I would ask for North Hudson.

24 (Fred Pocci, being first duly sworn
25 according to law by the Notary).

1 MR. CAPIZZI: Good morning Mr.
2 Chairman and Board members. My name is Jason
3 Capizzi with John L. Kraft, Esquire, LLC. It is my
4 pleasure to address you from this end of the table
5 today as bond counsel to the North Hudson Sewerage
6 Authority.

7 With me is the Authority's
8 engineer, Fred Pocci. We are here in support of
9 the Authority's application for approval and
10 positive findings of a project financing through
11 the NJ EIT, in the amount of \$6,200,000.

12 If you have any questions?

13 MR. NEFF: Just a couple of very
14 brief comments. One, the application for capital
15 improvements looks fine. In the review of the
16 questionnaire of the Authority, the staff did
17 identify a few issues of concern. But we've been
18 working with the Authority to try to come up with
19 ways constructively to deal with those issues.
20 They are personnel issues and we prefer not to
21 discuss them in public.

22 Otherwise the application itself on
23 the merits, what they are proposing to fund seems
24 reasonable. There are no other comments from the
25 Division.

1 MR. AVERY: Could I just ask, on
2 the Hamilton Avenue Sewer Rehabilitation project,
3 is that a combined sewer overflow interceptor.

4 MR. POCCI: It is a local sewer.
5 All of our sewers are combined. It is part of a
6 combined system and they all go to combined
7 overflows,

8 MR. AVERY: There isn't any thought
9 in eliminating the combined sewer system?

10 MR. POCCI: It costs us about a
11 billion dollars, but we've been exempted by the US
12 EPA from the pathogen requirements. We are working
13 on a new permit with the NJDEP to work on the
14 disinfection of our combined overflows.

15 MR. AVERY: Okay. Maybe downstream,
16 the results of some of this.

17 MR. NEFF: You are not under any
18 sort of consent order to make repairs?

19 MR. POCCI: No. We actually have
20 one of the cleanest effluents into the Hudson
21 River.

22 MR. LIGHT: Because you have a lot
23 of dilution, combined dilution; right?

24 MR. NEFF: It's watered down.

25 MR. POCCI: No, that's not the

1 reason.

2 MR. LIGHT: Do you do treatment or
3 you just do collection?

4 MR. POCCI: Treatment and
5 collection.

6 MR. LIGHT: You are not part of the
7 Passaic Valley System?

8 MR. POCCI: No, we're not.

9 MR. LIGHT: How large is the
10 treatment system?

11 MR. POCCI: The Hoboken plant is
12 20.8 million gallons a day and the West New York
13 plant is ten million gallons a day.

14 MR. LIGHT: They both discharge to
15 at the same point?

16 MR. POCCI: No. There are two
17 separate outfalls. The original sewerage authority
18 was the Hudson, Hoboken, Union City, Weehawken
19 Sewerage Authority. We purchased the West New York
20 facilities in 1986.

21 MR. LIGHT: Between the two there
22 are approximately thirty million gallons a day?

23 MR. POCCI: Yes.

24 MR. AVERY: In excessive rainfall
25 events, that discharge goes direct to the Hudson?

1 MR. POCCI: Of course.

2 MR. LIGHT: What is the maximum when
3 you have a heavy rainfall event?

4 MR. POCCI: The plants--the Hoboken
5 plant can process thirty-three million gallons a
6 day during a storm and, obviously, ten million,
7 twelve million from West New York. The excess,
8 which is probably in the neighborhood of a hundred
9 million gallons a day stormwater, discharge
10 directly.

11 MR. LIGHT: In a heavy rain you can
12 have a hundred million gallons?

13 MR. POCCI: Yes. We have ten
14 outfalls. If you look to the other side of the
15 river, there are thirty-five looking back at us,
16 from the City of New York.

17 MR. LIGHT: New York's ills don't
18 make New Jersey's any better.

19 MR. AVERY: Only in New York can
20 you build a World Trade Center without a sewer
21 system.

22 MR. POCCI: That's not true.

23 MR. LIGHT: They've been discharging
24 into the Hudson for a long time.

25 MR. POCCI: I was the Chief Engineer

1 in the New York City Sewer Maintenance and Sewer
2 Construction and it is absolutely not true. That's
3 an old wives tale.

4 MR. AVERY: I'll take your word for
5 it.

6 MR. POCCI: You should, I'm under
7 oath.

8 MR. AVERY: I have disagreed with
9 Mayor Koch on that issue. That's my memory.
10 That's all I have.

11 MR. NEFF: Anybody want to make a
12 motion?

13 MR. BLEE: Motion to approve.

14 MR. NEFF: I'll second it. Roll
15 call.

16 MS. MC NAMARA: Mr. Neff?

17 MR. NEFF: Yes.

18 MS. MC NAMARA: Mr. Avery?

19 MR. AVERY: Yes.

20 MS. MC NAMARA: Ms. Rodriguez?

21 MS. RODRIGUEZ: Yes.

22 MS. MC NAMARA: Mr. Blee?

23 MR. BLEE: Yes.

24 MS. MC NAMARA: Mr. Fox?

25 MR. FOX: Recused.

1 MS. MC NAMARA: Mr. Light?

2 MR. LIGHT: Yes.

3 MR. NEFF: For the record, we
4 appreciate it at the Division, the Authority's
5 willingness to work on us with the issue that we
6 previously discussed. We look forward to hearing
7 back from the Authority, with some of the
8 comebacks with what they have done dealing with
9 that situation.

10 MR. CAPIZZI: Thank you, Mr.
11 Chairman.

12 MR. NEFF: Hudson County Improvement
13 Authority--I'm sorry, Monroe Township Fire
14 District Number One.

15 (Anthony Inverso, Michael Costello,
16 being first duly sworn according to law by the
17 Notary).

18 MR. INVERSO: Anthony Inverso,
19 I-n-v-e-r-s-o.

20 MR. COSTELLO: Michael Costello,
21 C-o-s-t-e-l-l-o.

22 MR. MC MANIMON: Thank you. Ed Mc
23 Manimon, from Mc Manimon, Scotland & Baumann. Our
24 firm is the bond counsel to the Monroe Fire
25 District Number One.

1 Michael Costello is one of the
2 commissioners on the Fire District and Anthony
3 Inverso serves as their financial advisor.

4 We are asking this Board for
5 positive findings in connection with the issuance
6 of four and half million dollars of Fire District
7 Bonds to finance construction of a new fire house.

8 This fire district is one of three
9 fire districts in the Township that covers
10 fourteen of the forty-two square miles of the
11 Township and 17,000 residents.

12 The project was delayed. This was
13 initiated back in 2007. The land on which the
14 fire house was going to be built was being built
15 was conveyed by the Township. That conveyance was
16 taken back. Because there is a park next to where
17 this would be. They didn't want the fire house
18 next to the park. So the fire district used the
19 time to raise the \$600,000 for the acquisition of
20 a different piece of land in their budget.

21 They are borrowing four and a half
22 million dollars, which is the same projected cost
23 for the fire house.

24 I know there were some issues about
25 it that were addressed between-- two meetings ago

1 when this was submitted.

2 Michael and Anthony are here to
3 answer any questions you have in connection with
4 the concerns, if they have have been addressed or
5 not.

6 MR. NEFF: Just for the record,
7 this would have been on the last month's agenda,
8 but the application that we received didn't really
9 have any information at all about-- to give the
10 Board an idea whether the costs for the project
11 were reasonable. For that reason we delayed it a
12 month.

13 Subsequent to then Fire District
14 Number One gave us not only what the Board would
15 need project was reasonable, but they also went
16 overboard and gave us all of those plans by
17 Anthony, which is far more than we needed.

18 I note that for the other folks
19 that are in the room. It's one of the standards
20 for the Board. I keep repeating it every meeting.
21 One of the standards of the Board for these
22 Authority or Fire District projects, is for us to
23 ask them the reasonableness of the project costs.

24 In the past we haven't been too
25 terribly in-depth on those things. But we need to

1 have something. It's got to be at least a page or
2 two, that says here's the estimates of our
3 project, this is why they are reasonable.

4 We've kicked back a few of these
5 applications over the last few months. We're
6 going continue to do that. We appreciate that we
7 finally got the cost estimates.

8 The only question I have, just for
9 the record, if someone could explain maybe, Mr.
10 Costello, the original question that was posed to
11 voters was that there would be \$4.5 million
12 set-aside for land purchase and construction of
13 the fire house. And the purchase of the property
14 for the fire house was done, I think, through a
15 separate budget question in years past. Is that
16 accurate?

17 MR. COSTELLO: Yes.

18 MR. NEFF: All \$4.5 million now is
19 being spent on the fire house construction project
20 itself and none for land acquisition?

21 MR. COSTELLO: That is correct, Mr.
22 Neff.

23 MR. NEFF: The voters had approved
24 that use of funds for the land purchase in the
25 past?

1 MR. COSTELLO: Yes, sir.

2 MR. NEFF: Anybody have any
3 questions on this?

4 MR. FOX: Motion to approve.

5 MS. RODRIGUEZ: Second.

6 MR. NEFF: Take a roll call.

7 MS. MC NAMARA: Mr. Neff?

8 MR. NEFF: Yes.

9 MS. MC NAMARA: Mr. Avery?

10 MR. AVERY: Yes.

11 MS. MC NAMARA: Ms. Rodriguez?

12 MS. RODRIGUEZ: Yes.

13 MS. MC NAMARA: Mr. Blee?

14 MR. BLEE: Yes.

15 MS. MC NAMARA: Mr. Fox?

16 MR. FOX: Yes.

17 MS. MC NAMARA: Mr. Light?

18 MR. LIGHT: Yes.

19 MR. MC MANIMON: Thank you very
20 much.

21 MR. COSTELLO: Thank you very much.

22 MR. NEFF: Next up is Gloucester
23 County Improvement Authority.

24 (Jennifer Edwards, George Strachan,
25 being first duly sworn according to law by the

1 Notary).

2 MS. STIEFEL: Jean Stiefel, Parker,
3 Mc Cay, bond counsel.

4 MS. EDWARDS: Jennifer Edwards,
5 Acacia Financial Group.

6 MR. STRACHAN: George Strachan,
7 Acting Executive Director, Gloucester County
8 Improvement Authority.

9
10 MS. EDWARDS: Good morning. The
11 Authority is here today seeking approval for a
12 project financing and adoption of the County
13 Guarantee Ordinance for not to exceed \$6.5 million
14 in County Guaranteed Solid Waste Revenue Bonds.

15 This is for the construction and
16 equipping of the new Cell 12 at the Authority's
17 landfill. The Authority has applied by petition
18 to the DEP for approval of the projects and the
19 maturity schedule as well. We're waiting for that
20 approval to come back. We expect that by the end
21 of this month or early April.

22 And we can take any questions
23 regarding the project.

24 MR. NEFF: I don't have any
25 questions about the project. But I do have-- the

1 questionnaire that the Authority sent in, one of
2 the things that we asked to see was a list of
3 vendors and payments for the last year,
4 essentially a bill list for the prior year. Just
5 so that we can get a handle of the staff level in
6 terms of what's being spent.

7 One thing jumped out at me. There
8 are probably a hundred different recipients of
9 grants that appear to just be nonprofit
10 organizations that have nothing to do with the
11 actual mission of the Authority itself.

12 Just by way of example, there were
13 contributions to high school cheerleading teams,
14 high school football teams, high school wrestling
15 teams, high school soccer teams, Boy Scouts, Girl
16 Scouts, at least a hundred of them. It is at least
17 \$50,000. I gave up counting, just going through
18 this.

19 But my question is, are those funds
20 derived from rate payers? Or is that some sort of
21 other account that comes in from people
22 understanding that those monies are going to be
23 used for something not related to the purpose of
24 the Authority?

25 MR. STRACHAN: Mr. Chairman, if I

1 may? That's part of our Clean Communities Grant.
2 We have a grant for that. They are usually in
3 \$500 increments, where private non-profits provide
4 us insurance and such things. Then they go out and
5 they clean roads. That's through our--

6 MR. NEFF: So the State DEP gives
7 the Authority about \$50,000 a year. Then those
8 funds are just given out to different
9 organizations?

10 MR. STRACHAN: They are pass-through
11 dollars.

12 MR. NEFF: Okay. Who determines
13 which organizations get these monies?

14 MR. STRACHAN: People apply. We
15 have folks--it comes under our recycling office.
16 And, you know, there is specific criteria that
17 folks have to meet. Obviously, one of them is
18 insurance and that's how-- it is determined mostly
19 through application.

20 MR. NEFF: Basically they are being
21 given these funds to what, go out and pickup
22 litter?

23 MR. STRACHAN: Yes.

24 MR. NEFF: Okay. There is a-- what
25 I would ask is that-- if I can, just at the Board

1 level or the Division level, if you can provide us
2 of a copy of the contract where DEP is giving the
3 Clean Communities money. Just some sort of sample
4 or some sort of explanation of what the
5 application process is for these funds.

6 I no way mean to suggest that this
7 is inappropriate. It just jumped out at me as
8 something where--and I've seen it before with
9 municipalities where they decide they are going to
10 play largess with peoples property tax money.
11 That's why I asked the question. That doesn't
12 sound to be the case here. I just want to verify
13 that this is consistent with that program.

14 MR. LIGHT: I'll move the
15 application For approval.

16 MS. RODRIGUEZ: I'll second it.

17 MR. NEFF: Roll call.

18 MS. MC NAMARA: Mr. Neff?

19 MR. NEFF: Yes.

20 MS. MC NAMARA: Mr. Avery?

21 MR. AVERY: Yes.

22 MS. MC NAMARA: Ms. Rodriguez?

23 MR. RODRIGUEZ: Yes.

24 MS. MC NAMARA: Mr. Blee?

25 MR. BLEE: Yes.

1 MS. MC NAMARA: Mr. Fox?

2 MR. FOX: Yes.

3 MS. MC NAMARA: Mr. Light?

4 MR. LIGHT: Yes.

5 MR. NEFF: Hudson County Improvement
6 Authority. I hate to do this, but I have to
7 recuse myself for this one.

8 (Whereupon, Mr. Neff leaves the
9 room)

10 (Michael Hanley, Kurt Cherry, being
11 first duly sworn according to law by the Notary).

12 MR. HANLEY: Mike Hanley, NW
13 Financial.

14 MR. CHERRY: Kurt Cherry, Executive
15 Director and Chief Financial Officer.

16 MR. MC MANIMON: Thank you. Ed Mc
17 Manimon, from Mc Manimon, Scotland & Baumann, bond
18 counsel for the Hudson County Improvement
19 Authority.

20 We are asking for the positive
21 findings of this Board in connection with the
22 continuation of the Improvement Authority's Local
23 Unit Note County Guaranteed Program.

24 This particular issue involves the
25 renewal of previously approved notes in the amount

1 of \$35,500 in the aggregate. The borrowers from
2 the program are the Township of Weehawken, for
3 \$16,803,000. \$11.5 million is tax exempt. \$5.2
4 million and change is taxable, and the City of
5 Union City, in the amount of \$9,730,000. Both of
6 these loans provide for the required paydown. So
7 that a principal amount is being paid down by
8 Weehawken of \$1,098,000 from the prior loan. And
9 Union City is paying down \$360,000.

10 There is also a separate
11 application financing as part of the \$35.5 million
12 on behalf of the Improvement Authority financing
13 Weehawken's Special Improvement District loan for
14 improvements to the waterfront program that began
15 in 2010. They created--there is a Special
16 Improvement District in Weehawken and the
17 waterfront improvements were financed. \$8,685,000
18 of this amount, of the aggregate amount, is being
19 financed by the Improvement Authority on behalf of
20 the Special Improvement District.

21 The Special Improvement District
22 doesn't have the ability to borrow money. They
23 have the ability to enter into agreements, but
24 they don't borrow the money. The Improvement
25 Authority is borrowing the money on behalf of the

1 Township's Special Improvement District.

2 If you have any questions we'll be
3 happy to answer them. This is the program that
4 uses the County's guarantee to substantially
5 reduce borrowing costs of governments that are
6 otherwise challenged in going into the market.

7 The net effect which NW has
8 projected in this application for the tax exempt
9 debt to the borrower, is less than one percent. On
10 the taxable side it is about 110 to 120 percent,
11 which is a substantial reduction from what they
12 would get on their own.

13 Last year this program included
14 Hoboken. Hoboken is not in this year's program
15 because they have gone on to permanently finance.
16 Which is what the goal of this program is, to get
17 people through their not program until they are
18 ready to permanently finance. So the program is
19 working.

20 I'll be happy to answer any
21 questions that you have. Certainly, the County's
22 credit, as you've seen here, has been very
23 effective over the years in saving significant
24 amounts of money.

25 MR. LIGHT: Does that mean that the

1 Hudson County Improvement Authority differs from
2 what other improvement authorities, that this is
3 particularly meant for temporary financing, to get
4 municipalities within the County through certain
5 projects?

6 MR. MC MANIMON: Yes.

7 MR. LIGHT: It's open to every
8 community in Hudson County?

9 MR. MC MANIMON: It is. Those who
10 need it, use it. Those who are able to borrow on
11 their own at low interest rates, do it.

12 MR. LIGHT: I understand that. The
13 philosophy of the County is they can borrow
14 cheaper than the municipalities?

15 MR. MC MANIMON: Yes.

16 MR. LIGHT: I couldn't add it all up
17 to \$35,000 though.

18 MR. MC MANIMON: \$35 million.

19 MR. LIGHT: \$35 million. For \$35,000
20 I might help you my itself here. I came out with
21 twenty-five some million, from when you talking.
22 Maybe I missed something, you might have went too
23 fast.

24 MR. MC MANIMON: It is \$16,803,000,
25 \$9,730,000 and \$8,685,000.

1 MR. LIGHT: I missed the \$8 million,
2 what was the \$8 million?

3 MR. MC MANIMON: The \$8,685,00 is
4 the borrowing on behalf of the Special Improvement
5 District. There are two different--there are
6 actually three. There is a tax exempt Weehawken
7 note for \$11,531,000. There is a taxable note for
8 \$5,272,000. Then there is Union City tax exempt,
9 \$9,730,000. Then there is a separate \$8,685,000
10 for the Weehawken Special Improvement District.

11 MR. LIGHT: For the waterfront. So
12 it is Union City, Weehawken and the Weehawken
13 waterfront?

14 MR. MC MANIMON: Correct.

15 MR. LIGHT: I'm just just looking
16 at the issuance costs. They seem to be a little
17 higher than normal. If you can run over those for
18 us?

19 MR. HANLEY: Which costs?

20 MR. LIGHT: I just looked at the
21 total, to be honest with you, \$190,000, almost
22 \$200,000. I thought that seemed to be, for \$35
23 million to be high. Maybe I'm wrong.

24 MR. MC MANIMON: It's similar to
25 the amounts that have been part of the other

1 program. Obviously, the underwriting costs are
2 tied to the size of the issue, because the
3 borrower is included in there. I don't know if
4 Mike has that list in front of him there.

5 MR. LIGHT: The big ones were the
6 bond counsel, the HCIA. That's \$90,00 of the
7 \$190,000, the financial advisors and underwriters.
8 The underwriters, of course, depend on the
9 magnitude of the request.

10 MR. HANLEY: The HCIA, the bond
11 counsel, the financial advisor and the underwriter
12 are all paid based on a formula as it relates to
13 the size of the transaction.

14 MR. LIGHT: Directly to the size of
15 the financing?

16 MR. HANLEY: True.

17 MR. LIGHT: Do any members of the
18 Board have any questions?

19 MS. RODRIGUEZ: I'll move.

20 MR. LIGHT: Idida, you move the
21 application. Do we have a second?

22 MR. BLEE: Second.

23 MR. LIGHT: Seconded by Mr. Blee.

24 Will the secretary please call the roll.

25 MS. MC NAMARA: Mr. Avery?

1 MR. AVERY: Yes.

2 MS. MC NAMARA: Ms. Rodriguez?

3 MS. RODRIGUEZ: Yes.

4 MS. MC NAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS. MC NAMARA: Mr. Fox?

7 MR. FOX: Recused.

8 MS. MC NAMARA: Mr. Light?

9 MR. LIGHT: Yes.

10 MC MANIMON: Thank you very much.

11 (Mauro Raguseo, John Glidden, being
12 first duly sworn according to law by the Notary).

13 MR. RAGUSEO: Mauro

14 Raguseo, M-a-u-r-o, R-a-g-u-s-e-o, Deputy Executive
15 Director of the Bergen County Improvement
16 Authority.

17 MR. DRAIKIWICZ: John Draikiwicz,
18 from Gibbons, bond counsel for the Authority.

19 MR. GLIDDEN: I'm John Glidden,
20 Gates Capital, financial advisor to the Authority.

21 MR. LIGHT: Mr. Neff is on his. Why
22 don't we hold for a minute. If he doesn't come in,
23 we'll begin.

24 (After a pause in proceedings, Mr.
25 Neff enters the room).

1 MR. NEFF: You could have kept
2 going, Ted.

3 MR. DRAIKIWICZ: The Bergen County
4 Improvement Authority proposes to issue bonds in
5 an amount not to exceed \$98,700,000. The proceeds
6 of which will be utilized to make loans to certain
7 municipalities in the County of Bergen, the County
8 of Bergen and the Bergen County Utilities
9 Authority, to finance their capital projects. And
10 in the case of the Bergen County Utilities
11 Authority, to potentially refund certain of its
12 outstanding debt, provided that the three percent
13 present value threshold is satisfied.

14 The Bergen County Utilities
15 Authority previously received positive findings
16 for their project at the Local Finance Board
17 meeting held on September 13th, 2013.the bonds
18 will be secured by a guarantee from the County of
19 Bergen.

20 We respectfully request that you
21 make positive findings in connection with the
22 financing. If you have any questions we'll be
23 happy to answer them at this time.

24 MR. NEFF: All of this is for
25 either refunding of long term debt or for new

1 capital projects?

2 MR. DRAIKIWICZ: Well, the refunding
3 is only in connection with the Bergen County
4 Utilities project, which was previously approved
5 back in September.

6 MR. NEFF: The municipal capital
7 projects that would be advanced through the
8 Authority are projects that otherwise wouldn't
9 have even come to this Board, because there is no
10 request for skipping a down payment or
11 nonconforming maturity schedules?

12 MR. DRAIKIWICZ: That is correct.
13 The debt schedule to be utilized will be a
14 conforming debt schedule of the towns; correct.

15 MR. NEFF: It is only here by way of
16 virtue that the law requires all Authority
17 financings to come before us. But the underlying
18 properties themselves are things that wouldn't
19 even come here in the first place.

20 MR. LIGHT: If that's the case
21 then, I have to ask the same question that I did
22 in the previous one. The total issuance costs are
23 \$915,000, almost a million dollars. Most of it is
24 for the underwriting, the BCIA, financing fee of
25 two-hundred and some thousand dollars.

1 What is ratings for \$20,000?

2 MR. DRAIKIWICZ: It is ratings from
3 the Moody's Investment Ratings Service. It's an
4 estimate.

5 MR. LIGHT: Which you have to have
6 before you go to the bond market?

7 MR. DRAIKIWICZ: Correct.

8 MR. LIGHT: What about the
9 underwriting and the financing fees, the bond
10 counsel and financial advisor, those are the
11 largest four? Especially the BCIA, they get a fee
12 of \$213,000 just for handling that?

13 MR. RAGUSEO: Yes. The fee schedule
14 is in line. It has been approved by the
15 commissioners. The County and the municipalities
16 have signed off on it.

17 MR. NEFF: I'm kind of with Ted on
18 this one. I didn't catch this until Ted brought
19 it up. But we've sent other improvement
20 authorities, including Camden-- you can't just
21 charge because you can. It's got to be for
22 something related to the services being provided.

23 What's the \$213,000 being spent on
24 that's related to this financing?

25 MR. RAGUSEO: This would be the

1 programs of the Improvement Authority, the staff,
2 the outreach to the communities in order for them
3 to benefit from the services of the Improvement
4 Authority.

5 MR. NEFF: It's got to be related
6 to its financings. It can't be like we're going
7 to fund everything else on these particular
8 financings.

9 MR. LIGHT: How is it determined to
10 be \$213,887.50?

11 MR. DRAIKIWICZ: Part of that is
12 driven, if I may say, because the proposed size of
13 the transaction is \$98,700,000. So it's a
14 percentage. I think it is based on .25 bases
15 points --

16 MR. GLIDDEN: Twenty-five bases
17 points.

18 MR. DRAIKIWICZ: Twenty-five bases
19 points, based on the size of the financing. That's
20 what drives up the costs of this particular
21 Authority's fee.

22 If I may add one thing, I will
23 reiterate one point that the Deputy Executive
24 Director highlighted. There had been significant
25 discussions as it pertains to the County of

1 Bergen, since the County of Bergen is paying the
2 lions share of the fee on a prorata basis. So
3 their portion of the fee is--the issuance of the
4 bonds are \$60 million. So the County is the one
5 who is paying the significant portion of that. And
6 the Authority, I've been told, have had
7 discussions with the County Finance Director
8 regarding that fee.

9 MR. RAGUSEO: It is to offset the
10 deficit?

11 MR. NEFF: I would-- maybe one way
12 to handle this is to approve it contingent on the
13 Bergen County Improvement Authority documenting
14 precisely what of these funds would be
15 attributable to this particular debt issuance.

16 This doesn't get to subsidize other
17 programs. This can't be a revenue raiser for the
18 Authority.

19 MR. RAGUSEO: Mr. Chairman, if I
20 may? The County fees will go back to the County,
21 because it is going to offset the BCIA deficit to
22 the County.

23 MS. MC NAMARA: Not related to this
24 application.

25 MR. NEFF: We're not talking about

1 million and millions and millions of dollars. I
2 don't want to tie-up and hold up financings that
3 maybe otherwise are appropriate and needed for
4 various places. Especially refundings where they
5 screw up the market timing to get the rates. The
6 rates may shoot up sitting around waiting and
7 fighting over \$200,000.

8 I'm not comfortable with a fee that
9 large. I can't imagine that there are \$200,000
10 worth of expenses of the Authority?

11 MR. DRAIKIWICZ: If I may suggest
12 in terms of responding to your concerns, Director,
13 is if we could submit and perhaps have a
14 subsequent conversation with the Director, perhaps
15 as early as tomorrow or the next day and present
16 some additional thoughts on that topic to you, to
17 see whether you are satisfied it or not on that.
18 I'll be more than happy to do that.

19 MR. NEFF: Conversations are all
20 well and good. I think we need some sort of, you
21 know, what is our position on this? Ted's concerns
22 are legitimate. If we are going to approve this
23 today I think it ought to be approved with either
24 a lower fee that's maybe more reasonable, or a
25 condition that the amount is up \$200,000. But

1 then maybe defer to the Division in terms of
2 getting information that suggests these costs are
3 directly related to this particular project and
4 not to others.

5 MR. DRAIKIWICZ: That will be
6 appreciated if you could do that.

7 MR. LIGHT: I'd be willing to --

8 MR. AVERY: Give us a break down of
9 how these get applied to each participant.

10 MR. LIGHT: I think as long as you
11 have the opportunity to see it.

12 Based on what the Chairman has
13 said, I'll be willing to offer for approval or
14 move the resolution for approval, based on--

15 MR. NEFF: The fee being approved by
16 the Division.

17 MR. DRAIKIWICZ: Thank you for
18 that consideration.

19 MR. NEFF: We have a motion.

20 MS. RODRIGUEZ: I'll second it.

21 MR. NEFF: Seconded. Take a roll
22 call.

23 MS. MC NAMARA: Mr. Neff?

24 MR. NEFF: Yes.

25 MS. MC NAMARA: Mr. Avery?

1 MR. AVERY: Yes.

2 MS. MC NAMARA: Ms. Rodriguez?

3 MS. RODRIGUEZ: Yes.

4 MS. MC NAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS. MC NAMARA: Mr. Fox?

7 MR. FOX: Yes.

8 MS. MC NAMARA: Mr. Light?

9 MR. LIGHT: Yes.

10 MR. DRAIKIWICZ: Thank you very
11 much.

12 MR. NEFF: Middlesex County.
13 (Leonard Roseman, Anthony Inverso,
14 being first duly sworn according to law by the
15 Notary).

16 MR. ROSEMAN: I'm Leonard Roseman.
17 I'm the Chairman of the Improvement Authority.

18 MR. INVERSO: Anthony Inverso.

19 MR. PANELLA: Tony Panella, Wilentz,
20 Goldman & Spitzer, bond counsel to the Middlesex
21 County Improvement Authority. The Authority is
22 submitting an application for the issuance of
23 County Guaranteed Lease Revenue Refunding Bonds
24 for projects originally financed in the year 2000
25 on behalf of the Middlesex County Educational

1 Services Commission, to finance two special
2 education school facilities. It is a vanilla
3 refinancing, level annual debt service. The
4 savings are approximately 7.6 percent on a
5 present value basis, approximately \$900,000 on a
6 cash flow basis.

7 We're happy to answer any
8 questions.

9 MR. NEFF: It saves money, it is
10 refunding, it makes sense. I would just repeat
11 the things I've said for the record in the past.
12 Fees that are being pulled in, any fees that are
13 being pulled in from the financings to the
14 Authority itself, and is paying what it's paying
15 to certain personnel there, I find extremely
16 objectionable and offensive, but I don't want to
17 belabor it. I've been through it before.

18 MR. AVERY: I make a motion to
19 approve.

20 MR. FOX: Second.

21 MR. NEFF: Roll call.

22 MS. MC NAMARA: Mr. Neff?

23 MR. NEFF: Yep.

24 MS. MC NAMARA: Mr. Avery?

25 MR. AVERY: Yes.

1 MS. MC NAMARA: Ms. Rodriguez?

2 MS. RODRIGUEZ: Yes.

3 MS. MC NAMARA: Mr. Blee?

4 MR. BLEE: Yes.

5 MS. MC NAMARA: Mr. Fox?

6 MR. FOX: Yes.

7 MS. MC NAMARA: Mr. Light?

8 MR. LIGHT: Yes.

9 MR. PANELLA: Thank you.

10 MR. NEFF: Robury.

11 (Robbi Acampora, Patrick Tierney,
12 John Gomez, being first duly sworn according to
13 law by the Notary).

14 MS. ACAMPORA: Robbi Acampora,
15 A-c-a-m-p-o-r-a.

16 MS. GORAB: Lisa Gorab, Wilentz,
17 Goldman & Spitzer, bond counsel to the Board.

18 MR. GOMEZ: John Gomez, Business
19 Administrator/Board Secretary.

20 MR. TIERNEY: Patrick Tierney,
21 Superintendent of Schools.

22 MS. GORAB: Good morning. My name
23 is Lisa Gorab. I'm from Wilentz, Goldman &
24 Spitzer. I'm representing the Board of Education
25 of Roxbury Township, with respect to the proposed

1 issuance of not to exceed \$8 million in Refunding
2 Bonds. These are not typical Refunding Bonds. They
3 are Refunding Bonds issued to finance an energy
4 savings program.

5 They are seeking specifically your
6 approval to finally adopt the Refunding Bond
7 Ordinance that would authorize those bonds.

8 As you know, an energy savings
9 improvement program is designed to allow local and
10 County entities to finance energy savings projects
11 where the savings exceed the bond payments.

12 This project for Roxbury started in
13 2012 when they had an audit done of the facility.
14 Over that two year period the audit was analyzed.
15 This ESP as it is called, is a little different
16 from the few that you've seen. In that is a do it
17 yourself project, not at ESCO project.

18 So the Board hired its own
19 professionals to put the plan together. Over the
20 two year period, the architects, engineers, Board
21 administration, financial advisor and myself, have
22 worked putting this energy savings plan together.

23 It has been through the energy
24 savings plan process and the audit process. It
25 has been gone through a third party verifier and

1 approved by the BPU.

2 The plan includes improvements to
3 eight schools; lighting, boilers, hot water
4 improvements, controls, ventilation, heating and
5 other various energy conservation measures.

6 As I said before, the savings have
7 been vetted and verified. They do exceed the
8 proposed bond payments. The bonds would be issued
9 for twenty-one years with, as the law allows, one
10 year period of no payment while the projects are
11 being constructed.

12 So after that one year the savings
13 kicks in, the amortization kicks in and the
14 savings pay for the bond. So there are no new
15 taxes to be raised.

16 In the end we anticipate that this
17 project will kick-off in excess of \$400,000 to the
18 School District. So we think we're ready to start
19 moving with the project, with your approval.

20 MR. NEFF: There are no sort of
21 speculative solar projects associated with this
22 project?

23 MS. GORAB: There are no solar
24 projects and no speculative ones either.

25 MR. AVERY: I'll make a motion to

1 approve.

2 MS. RODRIGUEZ: Second.

3 MR. NEFF: Roll call

4 MS. MC NAMARA: Mr. Neff?

5 MR. NEFF: Yes.

6 MS. MC NAMARA: Mr. Avery?

7 MR. AVERY: Yes.

8 MS. MC NAMARA: Ms. Rodriguez?

9 MS. RODRIGUEZ: Yes.

10 MS. MC NAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS. MC NAMARA: Mr. Fox?

13 MR. FOX: Yes.

14 MS. MC NAMARA: Mr. Light?

15 MR. LIGHT: Yes.

16 MS. GORAB: Thank you.

17 MR. TIERNEY: Thank you very much.

18 MR. NEFF: Jersey City Parking

19 Authority.

20 (Michael Hanley, Robert Kakoleski,
21 Tim Eismeier, being first duly sworn according to
22 law by the Notary).

23 MR. HANLEY: Mike Hanley, NW
24 Financial, financial advisor to the City of Jersey
25 City.

1 MR. KAKOLESKI: Robert Kakoleski,
2 Acting Business Administrator, Jersey City,
3 K-a-k-o-l-e-s-k-i.

4 MR. HACK: Brian Hack, from Weiner,
5 Lesniak, special counsel to the City.

6 MR. EISMEIER: Tim Eismeier, NW
7 Financial, financial advisor to the City,
8 E-i-s-m-e-i-e-r.

9 MR. HANLEY: My names is Mike
10 Hanley, from NW Financial. I am with Bob
11 Kakoleski, who is the City Administrator, Brian
12 Hack who is special counsel and Tim Eismeier, who
13 is with NW Financial as well.

14 We are here seeking the ability to
15 dissolve the Jersey City Parking Authority. The
16 City began last year looking at many different
17 items within the City and its independent agencies
18 to see if they can provide some services in a less
19 expensive or more efficient manner.

20 The report that was included as
21 part of your application, was a result of many
22 months of work looking at how this Authority
23 operates and whether they are more efficiently run
24 as an independent authority or as part of the City
25 government.

1 The conclusion the City has come
2 to, with the help of the working group, is that
3 because they are not an enterprise entity that
4 really developments lots, they don't issue their
5 own debt and are really an enforcement entity that
6 is paid by the City to provide enforcement. That,
7 in fact, the extra costs associated with being an
8 independent authority, include having a Board,
9 having their own payroll, their own insurance
10 services, et cetera, are not really accruing to
11 the benefit of the City.

12 There have also been lack of
13 efficiencies as relate to the collecting of
14 revenue from scofflaws. The City believes there
15 will be a real benefit once the City and the
16 enforcement entities are merged.

17 The idea is that there will be both
18 savings from eliminating unneeded duplication of
19 services and increased revenue from having the
20 enforcement coincide with City operations.

21 MR. NEFF: So at the staff level we
22 looked at this yesterday. We had discussion with
23 the City and some other folks. Like the other
24 requests to dissolve an authority, I don't think
25 we're ready to vote on it today, but wanted to

1 have some discussion.

2 The Parking Authority sent us a
3 letter, I think all of you have it, that raises
4 their objections to it. You can review that at
5 your leisure.

6 Our questions at the staff level
7 pertain to some of the information that was in the
8 application that didn't seem to be substantiated,
9 not that it wasn't substantiatable. One had to do
10 with the application to suggest there is going to
11 be \$1.6 million savings by eliminating the Parking
12 Authority.

13 There was no math that really
14 explained where that number came from. There was
15 no indication as to which employees who currently
16 work on parking enforcement will no longer be
17 doing so in the future. There is no Table of
18 Organization for the-- how the division within the
19 City would handle parking issues.

20 So we had asked at the staff level
21 that those things be made available. We got
22 something, I think last night, a Table of
23 Organization and maybe some additional information
24 about the math. We'll take a look at those
25 things.

1 After the staff has an opportunity
2 to review those things and verify whether they are
3 accurate or not, verify whether the Table of
4 Organization looks appropriate, so they can
5 continue to deliver the services that the Parking
6 Authority delivers. That then we'd be able to
7 give a better recommendation to the Board. We
8 just didn't have that information until last
9 night.

10 If folks have questions here we can
11 go through some questions. Then we would be back
12 to vote on this presumably in April.

13 The last thing I would mention is
14 part of the application requirement is for a
15 signed letter from the Treasurer and the Chairman
16 of the Parking Authority listing their obligors,
17 obligees, assets. We didn't get that.

18 We think it is probably because the
19 Parking Authority thinks if they just don't sign
20 this letter they can be never be dissolved. That's
21 not the case. We'll convey that to them, that
22 they need to provide that to you. If they don't
23 provide it to you, it's not going to stop this
24 from moving forward.

25 With that-- I mean, the one

1 question I do have is, it was my understanding
2 that there was some sort of a review as to whether
3 it made sense to put the Parking Authority
4 functions within the City over the last year or
5 two. Do you have a copy of whatever that study was
6 and what its findings were?

7 Because my understanding was that
8 the last review that was done suggested that it
9 would you be more expensive, not less, to go into
10 the City. I haven't seen the study. I don't know
11 who prepared it. But it would probably be nice to
12 see that in context with the other information
13 that we receive.

14 MR. HACK: Mr. Chairman, our report
15 was prepared that was prepared by Weiner, Lesniak,
16 was a part the application, was appended to the
17 application. So you should have it.

18 MR. NEFF: We have that report. It
19 is our understanding at the staff level that there
20 was another report or analysis done approximately
21 a year and a half or two years ago under a prior
22 administration. That came to the opposite
23 conclusion, that it would be more expensive to
24 move Authority functions into the City. I'm just
25 wondering if anybody had a copy of that?

1 MR. HACK: We'll try to track it
2 down.

3 MR. NEFF: I would assume the
4 Parking Authority did the study.

5 MR. HANLEY: It will come with a
6 certification.

7 MR. FOX: Good luck finding it.

8 MR. NEFF: Just one last issue that
9 we raise at the Division with the City. It's
10 certainly something that we'll have to work
11 through if this goes forward. The Authority is
12 not Civil Service and the City is Civil Service.
13 As somebody who has had to manage through Civil
14 Service myself, it ain't pretty.

15 That's certainly one drawback. So
16 I certainly hope the City understands some of the
17 challenges it's getting into. It's got to start
18 hiring people and then worrying whether the people
19 are on re-employment lists or whether there is a
20 competitive test for the positions they hire and
21 the people that are in them somehow get bumped
22 out. But I think we'll want to hear something on
23 the record either today or next month, in
24 preparation for that. To make sure you've got the
25 personnel ready.

1 Because at the end of the day, it
2 all sounds boring, parking. But it's not just some
3 parking garage like the one across the street.
4 It's making sure that people are parking on the
5 street appropriately and enforcing that so that
6 you don't have double parking. Deciding they are
7 going to park wherever they want, when an
8 ambulance or fire truck can't get by and something
9 burns down. It is, like, serious stuff, even
10 though it sounds boring.

11 MR. KAKOLESKI: We have initiated
12 those conversations with Civil Service
13 approximately a month ago. They came to Jersey
14 City. We talked about what our plans were.

15 There is a Special Re-employment
16 List from 1991 on the Parking Enforcement Officer
17 title. So they provided that to the City.

18 MR. NEFF: If dead people can vote
19 in Hudson County, they can do parking enforcement.

20 MR. KAKOLESKI: Exactly.

21 MR. NEFF: Is that appropriate?

22 MR. FOX: I think they do that in
23 Ocean County.

24 MR. NEFF: They do it in Monmouth,
25 too.

1 MR. AVERY: Once you live south of
2 the Manasquan you can vote forever.

3 Can I just ask what the status is?
4 The letter that what was received by the Parking
5 Authority indicated some or all of this was
6 tabled. The ordinances that would implement this
7 were tabled. Has that moved forward?

8 MR. KAKOLESKI: The Council
9 introduced the Ordinance two Council meetings ago
10 and they tabled it, because the Council wanted to
11 from its own subcommittee to thorough review the
12 Weinter, Lesniak report, meet with the Parking
13 Authority. We had our first meeting Monday, I
14 guess it was, with the Council, NJC, the Parking
15 Authority, just to discuss the dynamics of the
16 report, you know, the current structure and how we
17 can move forward with this.

18 So when will it be untabled? I
19 think probably in the next meeting or two and
20 voted on, after the Council has had a better idea
21 of --

22 MR. AVERY: It is not ripe for a
23 decision yet?

24 MR. KAKOLESKI: At the Council
25 meeting tonight, it is not going to be entertained

1 tonight.

2 MR. LIGHT: It might possibly be
3 before our April meeting?

4 MR. KAKOLESKI: It could be on the
5 26th.

6 MR. NEFF: March 26th?

7 MR. KAKOLESKI: Correct.

8 MR. NEFF: That would be just for a
9 hearing only?

10 MR. KAKOLESKI: It would be a second
11 reading of the Ordinance.

12 MR. HANLEY: We can't wait for a
13 decision.

14 MR. NEFF: It would be very, very
15 helpful to us that if prior to our April meeting
16 that if you had the public meeting where people
17 can testify. So that if we had the minutes or a
18 transcript or something from that, it would be
19 helpful to make sure no new issues come flushing
20 out.

21 MS. RODRIGUEZ: How many employees
22 do you have at the Authority?

23 MR. KAKOLESKI: Eighty-six.

24 MS. RODRIGUEZ: Mostly Jersey City?

25 MR. KAKOLESKI: Yes.

1 MS. RODRIGUEZ: So waiting for the
2 Council makes sense.

3 MR. LIGHT: It will be deferred, so
4 I guess you don't need a motion?

5 MR. NEFF: No. Any other comments
6 for the record?

7 (No response).

8 Okay, all right. Thanks, hope to
9 see you next month.

10 We have proposed Rules that we need
11 to adopt. They are just the rules and regulations
12 for ethics complaints. We proposed to adopt the
13 existing rules.

14 We have a received a number of
15 complaints-- not complaints, but comments about
16 the Rules. We received a number of comments from
17 people who suggested that our Rules should somehow
18 be changed to supercede law, which, obviously, we
19 can't do.

20 We has a number of comments from
21 folks who suggested that we should have a more
22 transparent rule proceedings process. Which in
23 some cases with respect to their comments, are
24 just not possible, given how the Local Government
25 Ethics Law is structured.

1 Some of the requests were things
2 like we should have a more user friendly web site
3 that allows people to be able track what it is
4 that is happening with respect to ethics. Those
5 would be things that we'd be happy to try to do at
6 the Division level.

7 I don't think they need to be
8 written into the rules and regulations. They
9 certainly can't be written into the rules until we
10 know we have funding and staff available to make
11 this thing happen.

12 So for now we're recommending that
13 we move forward with the adoption of the existing
14 Rules. We will at the staff level take a look at
15 our processes to see if additional rule changes
16 are appropriate. If we think that they are we'll
17 be back to you with recommendations within the
18 next six months or so.

19 MS. RODRIGUEZ: I make a motion to
20 move the re-adoption.

21 MR. BLEE: Second.

22 MR. NEFF: Roll call.

23 MS. MC NAMARA: Mr. Neff?

24 MR. NEFF: Yes.

25 MS. MC NAMARA: Mr. Avery?

1 MR. AVERY: Yes.

2 MS. MC NAMARA: Ms. Rodriguez?

3 MS. RODRIGUEZ: Yes.

4 MS. MC NAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS. MC NAMARA: Mr. Fox?

7 MR. FOX: Yes.

8 MS. MC NAMARA: Mr. Light?

9 MR. LIGHT: Yes.

10 MR. NEFF: One last item. I have
11 to make one very quick comment. There is an act
12 called the Mehra Act, that pretty much pertains to
13 Camden and only Camden. It is 52:27B(b)(b)-6(e)6).

14 There is a requirement that the
15 Director of the Division of Local Government
16 Services essentially monitor Camden and make sure
17 that they are complying with that law.

18 Pursuant to that law, I need to
19 report back to the Board that we have done that
20 review and that Camden City has been in compliance
21 with that law for the last three years, while I've
22 been here and farther back than that, as far as we
23 know.

24 That's just a simple report that I
25 needed to make, so that's reflected.

1 MR. LIGHT: Do you want a motion to
2 confer with the report?

3 MR. NEFF: I don't think we need a
4 motion. It is really just a report from me.
5 There is no action that needs to be taken. But I
6 need--by law I'm required to report back to the
7 Board and let you know that we believe they are in
8 compliance with the law and they are-- the
9 requirements under the law aren't terribly
10 specific. Other than--the main thing is that they
11 need to be getting the Commissioner of our
12 Department to review their ordinances and
13 resolutions. That's been happening for the last
14 three years.

15 Where appropriate under the law, if
16 the Commissioner believes that their ordinances or
17 resolutions should be vetoed, he vetoes them. Then
18 their Council has the ability to override his veto
19 by a two-third's vote. They have been submitting
20 all of their resolutions and ordinances over the
21 last three years for review.

22 In addition to that, their
23 oversight is even more strict here, because they
24 are in Transitional Aid and all of their hires and
25 all of their contracts are reviewed by the monitor

1 who is assigned to them by the Division. So they
2 are more than in compliance with Mehra actually. I
3 just need to report that to the Board.

4 MR. LIGHT: Motion to adjourn.

5 MR. AVERY: I second that.

6 MR. NEFF: All those in favor?

7 (Upon a unanimous affirmative
8 response, the meeting stands adjourned at 12:03
9 p.m.)

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1 C E R T I F I C A T E

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3 I, CHARLES R. SENDERS, a Certified
4 Shorthand Reporter and Notary Public of the State
5 of New Jersey, do hereby certify that prior to the
6 commencement of the examination, the witness was
7 duly sworn by me to testify to the truth, the
8 whole truth and nothing but the truth.

9 I DO FURTHER CERTIFY that the foregoing is
10 a true and accurate transcript of the testimony as
11 taken stenographically by and before me at the
12 time, place and on the date hereinbefore set
13 forth, to the best of my ability.

14 I DO FURTHER CERTIFY that I am neither
15 a relative nor employee nor attorney nor counsel
16 of any of the parties to this action, and that I
17 am neither a relative nor employee of such
18 attorney or counsel, and that I am not financially
19 interested in the action.

20

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24 CHARLES R. SENDERS, CSR NO. 596

25 Dated: March 25, 2014

STATE SHORTHAND REPORTING SERVICE, INC.

