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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, May 14, 2014

B E F O R E: THOMAS NEFF-CHAIRMAN
ALAN AVERY-MEMBER
JAIME FOX-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, ACTING ATTORNEY
GENERAL
BY: PATRICIA 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, May 14, 2014,
2 commencing at 10:42 a.m.)

3 MR. NEFF: Okay. We're going to
4 start the meeting. We're going to catch up to the
5 time schedule fairly quickly, because there are a
6 couple of applications that aren't going to be
7 heard.

8 First up on the agenda is four
9 consent items. They are four fire district
10 districts that have financings, where staff
11 reviewed them. They had competitive bids or they
12 took products off the state contract. They have
13 reasonable financing costs that also had
14 competitive bids sought.

15 The first is Parsippany-Troy Hills
16 Township fire District Number 4, \$547,705 proposed
17 project financing.

18 Montville Township fire District
19 Number 2, \$575,994 proposed project financing.

20 Old Bridge Township fire District
21 Number 4, \$311,740 proposed project financing.

22 Ocean Township Fire District Number
23 1, Monmouth County, \$850,000 proposed project
24 financing.

25 I would move those four

1 applications.

2 MR. BLEE: Second.

3 MR. NEFF: Take a 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: Mr. Blee?

9 MR. BLEE: Yes.

10 MS. MC NAMARA: Mr. Fox?

11 MR. FOX: Yes.

12 MR. NEFF: We also have two

13 applications on consent. One is Elizabeth City
14 Parking Authority. They are refunding bonds with
15 more than three percent present value savings and
16 equal savings over the time of the debt, not
17 extending maturity.

18 They wouldn't need approval except
19 they are an Authority. We don't have the
20 statutory authority to not prior their approval.
21 So they they come here but we put them on consent.
22 They also have a municipal guarantee behind that
23 refunding.

24 We have the Willingboro Municipal
25 Utilities Authority, Water and Sewer revenue

1 refunding bonds. The same issue, for \$6 million.

2 Is there a motion?

3 MR. FOX: Motion to approve.

4 MR. AVERY: Second.

5 MR. NEFF: Motion by Mr. Fox, second

6 by Mr. Avery. 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: Mr. Blee?

12 MR. BLEE: Yes.

13 MS. MC NAMARA: Mr. Fox?

14 MR. FOX: Yes.

15 MR. NEFF: Okay. Next up is East

16 Orange City, \$3.165 million proposed Refunding

17 Bond Ordinance.

18 I'm sorry, I skipped Deptford,

19 Deptford is up.

20 Deptford is \$1,515,000 Proposed

21 Refunding bond Ordinance for tax appeals.

22 (Robert Hatalovsky, Kimberly

23 Bastien, Michael Welding, being first duly sworn

24 according to law by the Notary.)

25 MR. HATALOVSKY: Robert Hatalovsky,

1 Township Manager, H-a-t-a-l-o-v-s-k-y.

2 MS. BASTIEN: Kimberly Bastien,
3 B-a-s-t-i-e-n.

4 MR. WELDING: Michael Welding,
5 W-e-l-d-i-n-g, Bowman & Company.

6 MR. WINITSKY: Jeffrey Winitzky,
7 W-i-n-i-t-s-k-y, Parker, Mc Cay.

8 Good morning. We are here on
9 behalf of the Township of Deptford seeking
10 approval to finally adopt a Refunding Bond
11 Ordinance for the purpose of refunding three
12 temporary emergency appropriations that were made
13 by the Township to resolve outstanding tax
14 appeals.

15 Those tax appeals--excuse me, those
16 appropriations totalled \$1,499,068. We're seeking
17 to adopt the Refunding Bond Ordinance in the
18 amount of \$1,515,000 to fully fund those
19 appropriations and to pay for costs of issuance
20 related to the issuance of a note.

21 The Township seeks to roll the note
22 for a maturity of three years, paying one third
23 down and in each year. The issuance of the
24 Refunding Notes is reasonable and proper given the
25 amount of the temporary emergency appropriations

1 and the relatively low tax effect of the same upon
2 the Township.

3 I have with me the Township's
4 auditor, CFO and other representatives, if you
5 have any specific questions related to the
6 application.

7 MR. NEFF: I have a couple of quick
8 comments. So one thing you've got going for you,
9 is the Township did a reval, I think relatively
10 recently, in the last.

11 MR. WINITSKY: 2011.

12 MR. NEFF: 2011. But I think this
13 IS maybe the third time the Township has been
14 before the Board. It is becoming a regular
15 occurrence of just borrowing to pay tax appeals.
16 Most municipalities don't do that.

17 I tell you, I read the
18 questionnaire, the supplemental questionnaire that
19 came to the staff to review for what is the Town
20 doing other than just resorting to debt to pay for
21 these things?

22 To say I'm not impressed would be
23 an understatement. I noted that there were
24 contract settlements in 2012, I think, with the
25 PBA that have four percent pay increases.

1 I don't know why a municipality
2 that can't pay for these things like other towns
3 do is running around giving out four percent pay
4 increases while they are struggling with their
5 budget. There are members of Council who are
6 receiving health benefits. It is not the end of
7 the world.

8 The municipality just-- I'm not
9 seeing much of anything by way of what is the
10 municipality doing to keep its finances under
11 control, short of coming to this Board and asking
12 for the ability to borrow. There is still room
13 under the levy cap where you could be raising
14 funds to pay for the some of this without
15 resorting to this option.

16 My personal opinion, I will not be
17 voting for another one of these in the future
18 unless we get something from the municipality that
19 fairly clearly states what are they doing to
20 address the problems without coming to this Board
21 and asking for a refunding?

22 I don't care-- I don't know if
23 anybody cares to comment in response to that.
24 I'll also be recommending that this be a two year,
25 not a three year maturity. A two year maturity is

1 about \$50.00, which is what the standard Board has
2 always been trying for refundings. I actually
3 struggled with this one. I actually was close to
4 coming in here and say I'm voting no. Because I
5 see nothing that's being done.

6 Maybe there is and it's just not
7 reflected in the record, in the application. If
8 somebody wants to comment on those issues?

9 MR. HATALOVSKY: We're currently in
10 contract negotiations with the PBA. At this point
11 we are taking a much tougher stance in regard to
12 those negotiations and those pay increases.
13 That's my, I guess, response in regard to the four
14 percent increase, the step increase that the
15 police received in the prior year contract. We
16 are trying to address that in this year's
17 negotiations with the PBA.

18 MR. NEFF: You can feel free in
19 those negotiations to use me as a bad cop and say
20 you are going to have financial difficulties in
21 the future paying any sorts of increases for
22 contracts when you know you have another, I think,
23 what is it, sixty-four properties that are under
24 appeal?

25 MR. WINITSKY: Correct.

1 MR. NEFF: I don't know from
2 memory.

3 MR. WINITSKY: That's about right.

4 MR. NEFF: Feel free to go back and
5 share this transcript with them and say they need
6 to come to the table and have some sort of give
7 back and accept something that's realistic.

8 If you come back and there is a
9 contract that says you gave raises to the police
10 and other people and I would note that raises were
11 given to nonunion employees as well, I'm not
12 voting for this again. This is the last time.

13 I'm always not the fun person.

14 MS. BASTIEN: Hopefully with the
15 tax appeal work that we've been doing with the
16 county wide tax assessor, we're to going to be
17 setting good numbers coming forward and we won't
18 have to come to you again.

19 MR. NEFF: Any other comments or
20 questions on this one?

21 Let me just give me one second. I
22 want to make sure I'm not missing anything.

23 (Pause in proceedings).

24 I'll make a motion to approve it at
25 two years.

1 MR. BLEE: Second.

2 MR. NEFF: Take a roll call.

3 MS. MC NAMARA: Mr. Neff?

4 MR. NEFF: Yes.

5 MS. MC NAMARA: Mr. Avery?

6 MR. AVERY: Yes.

7 MS. MC NAMARA: Mr. Blee?

8 MR. BLEE: Yes.

9 MS. MC NAMARA: Mr. Fox?

10 MR. FOX: Yes.

11 MR. NEFF: Thanks.

12 MR. WINITSKY: Thank you. Next up

13 is East Orange. Now you're up. East Orange will

14 be for discussion only, I think we had that

15 discussion with professionals yesterday at the

16 staff level.

17 (Lestor Taylor, Victoria Walker,

18 Steven Wielkoltz, being first duly sworn according

19 to law by the Notary).

20 MR. MURPHY: Dennis G. Murphy of

21 Schwartz, Simon, Edelstein & Celso. We are general

22 counsel to the East Orange Water Commission.

23 MS. WALKER: Victoria Walker.

24 MAYOR TAYLOR: Lestor Taylor, Mayor

25 of East Orange.

1 MR. WIELKOTZ: Steven Wielkoltz,
2 Auditor for East Orange.

3 MR. JOHNSON: Everett Johnson, from
4 Wilentz, Goldman & Spitzer, bond counsel to the
5 City of East Orange.

6 Again, I would introduce everyone,
7 but that just happened, so I'll skip that
8 formality.

9 I want to have the Mayor first
10 begin with a statement to the Board and then I
11 will present the application.

12 MAYOR TAYLOR: Good morning, Mr.
13 Chairman, commissioners. First I want to thank
14 you for the opportunity to present our application
15 for a \$3.165 Refunding Bond Ordinance.

16 Just in general, as the chairman
17 referenced, there have been some prior
18 communications between our team and your team or
19 representatives from your team.

20 But I come before you today
21 respectfully humbled, A, seeking financial
22 assistance or an arrangement to assist our City
23 financially. But also, quite frankly, not happy
24 with the City being in the financial condition
25 that it is.

1 I just took office on January 1st.
2 My predecessor was in office for sixteen years.
3 So inherited what I call a bag of bricks when I
4 took office. There are a lot of financial issues,
5 a lot of foundations literally and figuratively,
6 that are crumbling in our city. I'm trying my
7 best to work with my team of competent
8 professionals both here, but also in city hall, to
9 bring about a change in the City's fiscal affairs,
10 but also in the culture of how the City conducts
11 business going forward.

12 I'm asking for your assistance in
13 that. I just recently introduced a budget which
14 had approximately a five percent tax increase.
15 Now, most people say, well, why, I thought the law
16 said you can only do it two percent?

17 Well, because the prior
18 administration over the last number of years did
19 not increase taxes. They banked the money and
20 things like that, so they could look good. But
21 what it did, it contributed to worsening the
22 financial and fiscal affairs of not just the City
23 but also the Water Commission.

24 I will note that the five percent
25 increase brings with it an average of a \$460 tax

1 increase to the average homeowner in the City of
2 East Orange, myself included. I'm not happy about
3 that.

4 The Water Commission just
5 introduced a budget which had about a five percent
6 rate increase. Which brings along with it an
7 approximate \$65 per homeowner or per customer rate
8 increase, myself included. I'm not happy about
9 that.

10 You know, the approval of this
11 Refunding Bond Ordinance, if approved, it would
12 help me, it would help my constituents, it would
13 help our tea out significantly. Because, quite
14 frankly, we are already overtaxed and
15 overburdened.

16 Over the last seven years taxes
17 have gone up in East Orange about forty-five
18 percent. If this is not approved, quite frankly,
19 my five percent tax increase will likely go up
20 even more. Or we'll significantly have to cut
21 services in our community and/or layoff a number
22 of employees. Which is not something that is off
23 the table. But when we have an unemployment rate
24 in East Orange that's already forty-two percent
25 higher than the statewide average, the majority of

1 the thousand employees of the City of East Orange
2 live in the City of East Orange. So it would have
3 a catastrophic effect to be in that position after
4 having just taken office.

5 Some other issues that complicate
6 our ability to work with the Water Commission is
7 the sad and unfortunate reality, albeit some may
8 say deserved subject to what the jury may
9 conclude, is that the prior Executive Director and
10 Deputy Executive Director the East Orange Water
11 Commission were indicted.

12 The most recent news of the
13 Executive Director, former, recently past away.
14 So he is not here, obviously, they are not here.
15 The Acting Executive Director who is also the
16 municipality's Director of Public Works, also
17 recently resigned.

18 Since we took office we have been
19 working actively with the Water Commission Board
20 as well as with the then Acting Executive
21 Director, to recruit a qualified-- a highly
22 qualified individual or firm to manage the day to
23 day operations of the Water Commission, as well as
24 the fiscal affairs and finances of the Water
25 Commission, and also explore all options

1 available. Whether the City of East Orange, by
2 way of the Commission, should be in the water
3 business. Whether and how it can increase
4 capacity to create jobs and lower rates, increase
5 services for providing safe quality drinking
6 water, and/or to contract out that asset.

7 These are all decisions that are
8 big ticket items, that, quite frankly, I have not
9 had the opportunity to study to make informed
10 decisions.

11 I could have easily come in, press
12 reset and said you're gone. I didn't think that
13 was the best way to manage the situation. I'm
14 thinking differently about that now, quite
15 frankly.

16 We are working with the Water
17 Commission, as I said, to find a qualified person.
18 We're working with them, quite frankly, to reduce
19 the stipend that they receive, to reduce the
20 travel they go on, the conferences. No offense to
21 Dennis, the professional fees that they are
22 paying, and the list goes on and on, to gain a
23 responsible rein in that organization.

24 I will say, I seriously thought on
25 day one because of, first and foremost, an issue

1 last year wherein there was a significant lack of
2 transparency, in my personal opinion, regarding
3 some contamination that was discovered at the
4 Water Commission.

5 Obviously, I wasn't aware of the
6 financial condition of the Water Commission last
7 year. When I took office my first inclination was
8 to ask all commissioners to resign. But because I
9 know better, when we know better you do better,
10 that I don't have the legal authority to make them
11 resign.

12 I thought thought it would be
13 better to try to work with them, versus create
14 five enemies on day one. Our efforts to work with
15 them, I will say, have been met with cooperation.
16 They haven't moved as fast as I would like them to
17 move. But we are working expeditiously to bring
18 about change in how that entity is operated.

19 I do have veto power, control over
20 what they do. So I think it's best to be involved
21 to try to--I don't want to say exert, to provide
22 my input as to what I think will be best for our
23 city, best for their customers and best for our
24 taxpayers and rate payers.

25 With that, I respectfully request

1 that our application be approved. Thank you.

2 MR. JOHNSON: After that I think
3 I'll just ask for a vote.

4 MR. FOX: Didn't I hear you, that
5 the money you are using in the increase is going
6 for infrastructure improvements so you can
7 attract, clean up the City, infrastructure
8 improvements so you can attract development?

9 MAYOR TAYLOR: Yes. We are, for all
10 the investors in the room, conveniently located
11 and situated in the County of Essex. We have two
12 train stations with direct access to Penns Station
13 within twenty-four minutes.

14 The City was recognized eligible
15 for a transit village designation about two years
16 ago. The prior administration did absolutely
17 nothing in furtherance of that half application
18 that they submitted.

19 We are in the process of trying to
20 attract quality redevelopment to the City of East
21 Orange so that we can increase ratables, not just
22 residential but but commercial ratable. So we can,
23 quite frankly, increase the tax base to stabilize
24 and reduce taxes.

25 All of these issues and items are

1 on the table. I think I come here based upon my
2 personal and professional background, you know, as
3 as well as complemented by the people that I have
4 hired in my administration. I have a chief of
5 staff, my business administrator. My chief of
6 staff is Missy Balmir. My business administrator
7 is Michele Ralph Rauls. They come to the table
8 with a wealth of governmental and political
9 experience, to, quite frankly, do the right thing.

10 You don't see a bunch of my friends
11 hired at City Hall. We are in the process of
12 exploring a layoff plan in City Hall. Quite
13 frankly, we are trying to manage our work force.
14 Those who are not working are being assisted to
15 find other means of employment.

16 That's how we operate. This is a
17 business. This is a new way of delivering
18 municipal governmental services to our community.
19 I think we just need a little bit more time to be
20 able to get our arms fully around the challenges
21 which I, in turn, intend to create opportunities
22 out of.

23 MR. NEFF: I would add to the
24 record, and we have had these discussions with the
25 municipality, I appreciate it, at the staff. The

1 municipality came to us early on to identify some
2 of these issues, let us know they are working on
3 them, gave us a heads up, gave us a chance to ask
4 questions. We've had a little bit of back and
5 forth.

6 The main reason why we are not able
7 to vote on this today, is simply that I think at
8 the time we had some discussions with the City,
9 the budget had not been introduced yet. Although
10 they provided us with a draft of what they
11 intended to introduce.

12 When did the actual introduction
13 happen?

14 MS. WALKER: April 14th.

15 MAYOR TAYLOR: April 14th.

16 MR. NEFF: April 14th, okay. I
17 know as of at least last week, our Division still
18 didn't physically have the document and haven't
19 completed a review of it. They are in the process
20 of doing that. As soon as they are done with their
21 review we'll get a better idea of the actual need
22 to move forward with what's specifically being
23 proposed here. So that's the only reason why it's
24 not being voted on today.

25 I would ask that, for the record,

1 if you could walk through, what are the specific
2 four or five areas that the refundings are for?
3 Most of them, I think are litigation, a couple of
4 other things.

5

6 MR. JOHNSON: Sure. As the Mayor
7 said, the City is here today to request the
8 approval for adoption of a Refunding Bond
9 Ordinance in the amount of \$3,165,000.

10 These are liabilities that were
11 incurred by the East Orange Water Commission that
12 were not included in its original temporary
13 budget. The liabilities consist of legal
14 settlements with the Township of South Orange and
15 the City of Newark, a tax appeal settlement with
16 the Township of Livingston, penalties assessed
17 against the Water Commission by the New Jersey
18 Department of Environmental Protection,
19 settlements with the New Jersey American Water
20 Company and the removal of contaminated soil.

21 Although the Commission has its own
22 water commissioners, they are not a separate
23 utilities authority. They treated like a
24 utilities of the city and their budget is included
25 within the City's budget.

1 So to the extent that these
2 liabilities are assessed in this year, the
3 resultant impact to the local rate payers and the
4 local taxpayers will be unduly burdensome.
5 Therefore, we are requesting that this be paid off
6 over a five year period, to lessen the impact to
7 the taxpayers and the rate payers of the City. So
8 I'll open it for any questions.

9 MR. NEFF: But could you just walk
10 through what are the different-- what are the
11 specific amounts that are asked for refunding,
12 what they are related to?

13 MR. JOHNSON: Sure. With regard to
14 the Township of South Orange and the City of
15 Newark, the amount us \$888,556. The original
16 settlement was for \$1.7 million, a little bit over
17 that. Half of that was paid last year. The other
18 half that wasn't paid was including in this.

19 The tax appeal with Livingston,
20 the City of Livingston, for the years 2009, '10,
21 '11 and '12 and the first quarterly of 2013. The
22 amount of that was \$2 million of which half was
23 paid last year and I think the other \$1 million
24 which we are including in this particular
25 application.

1 The penalties of DEP are for
2 violation of the State Drinking Water Act that
3 were committed by the prior executive director,
4 who the mayor previously spoke about. And those
5 amounts are for \$360,000, approximately. The
6 American Water, that was a dispute with the water
7 company for usage of water. That bill is
8 approximately \$390,000.

9 And there is also the removal of
10 contaminated soil from various sites. And the
11 estimation of that removal will be \$500,000.

12 The aggregate of those amounts plus
13 cost of issuance get us to about the \$3.165
14 million amount.

15 MR. NEFF: Okay. If you were to
16 pay the entire amount of all of these funds in
17 2014 and you had to fund it with a tax increase, I
18 think it would be something like \$1,000 on an
19 average assessed home. If you spread it over five
20 years it comes out to about \$200 on the averaged
21 assessed home. Is that correct?

22 MR. WIELKOLTZ: That's correct.

23 MR. NEFF: Obviously, generically,
24 you are right to come and look for something like
25 this because you can't afford a \$1,000 increase in

1 in East Orange. It gives you a little bit of time
2 to get the budget otherwise in shape, get the
3 water rates increased, which you otherwise need to
4 do.

5 The \$200 average annual impact that
6 would otherwise be assessed to a homeowner, what's
7 the intent or thought in terms of paying that by
8 way of a water rate increase so it doesn't hit
9 taxpayers, so it's actually hitting the users of
10 the system?

11 MR. WIELKOTZ: The water budget
12 introduced has a five percent increase included in
13 the budget starting July 1st.

14 MR. NEFF: Is that enough to pay
15 this.

16 MR. WIELKOTZ: It's enough to
17 balance the budget for 2014, in conjunction with
18 the Refunding Bond Ordinance. Obviously, the mayor
19 in conjunction with the commissioners, will be
20 looking at additional increases--I mean, the
21 bottom line is, yes, we'd rather have it paid by
22 rates than raise it by taxes.

23 MAYOR TAYLOR: If I may and stop
24 me, but we just had a meeting with the Department
25 of Environmental Protection regarding some other

1 ancillary issues. A rate increase, an additional
2 rate increase won't scratch the surface on shoring
3 up the financial footing of the Water Commission,
4 when you have over sixteen years of neglect in the
5 infrastructure of that utility.

6 We are also exploring other loans
7 and bond-- or other financing vehicles that's
8 above my pay grade. But trying to reinvest in the
9 utility, so, quite frankly, next year we won't
10 have yet another rate increase, to operate day to
11 day versus trying to situate the utility to be,
12 you know, viable and competitive.

13 MR. NEFF: Okay.

14 MR. WIELKOTZ: Again, that's part
15 of the City's position that they are looking to
16 bring in and I believe a company met with the
17 commissioners last night. They are going to
18 submit a proposal to at least temporarily operate
19 the utility and come back with specific
20 recommendations as to operations and capital. And
21 this particular company is worldwide, so it is not
22 anything that's local, fly by fight or politically
23 connected. It is a company that does this all
24 over the world.

25 MR. NEFF: Okay. So generically, I

1 think you were going in the general right
2 direction. Like I said, we still have to review
3 the budget to make sure that this was actually
4 truly necessary, and it seems like it is.

5 But a couple of other questions I
6 just wanted to ask. I know you've only been there
7 for five months?

8 MAYOR TAYLOR: Four.

9 MR. NEFF: Four.

10 MAYOR TAYLOR: Four months, fourteen
11 days.

12 MR. NEFF: You clearly inherited a
13 mess that you --

14 MAYOR TAYLOR: No, a bag of bricks,
15 not a mess.

16 MR. NEFF: A bag of bricks. But
17 what I would ask is, what else is being done at
18 the City level to try and curtail costs? In
19 particular, I note that you have a self-insurance
20 in the City. Perhaps there is a way to get the
21 cost of the health insurance down by moving either
22 to the State Health Benefits Plan or some other
23 plan. Are you moving to review that as an option?

24 MAYOR TAYLOR: We currently have an
25 RFP out now for insurance services. We are

1 reviewing that as a potential route, based upon
2 input of my team, as well as the current
3 professionals we have in that regard.

4 We have taken a look at all outside
5 vendors, professional services and otherwise,
6 trying to reduce and contain costs. As we said,
7 we are going through-- we do have a proposed
8 layoff plan that Ms. Ralph Rauls is going to be
9 submitting soon to the State. But we are also,
10 again, managing the work force.

11 Quite frankly, I didn't think it
12 was fair to the people who work in the City of
13 East Orange, just because it is a new mayor, to
14 come in and fire everybody. I don't think that's
15 healthy for the organization. I don't think it's
16 healthy for our local economy.

17 I wanted to come in and make an
18 informed decision of the work force, people who
19 were performing and meeting the expectations that,
20 quite frankly, were never set before, to the ones
21 that I set, and those who can't.

22 Like I said, last week we just
23 fired three people because they weren't cutting
24 it. If we did a layoff plan, they wouldn't have
25 been on that list. So what good would that have

1 done for my constituents or my City?

2 I'm going to run the City like a
3 business. We're going to look to generate as much
4 revenue from ancillary sources as we possibly can.
5 We're looking at bargaining with the Housing
6 Authority and/or creating another redevelopment
7 entity, or using a parking authority to create or
8 construct parking garages around these train
9 stations I talked about.

10 We have a lot of things in the
11 pipeline that I know can be done and will be done.
12 I'm not looking to be the mayor for twenty years.
13 So, quite frankly, I want to achieve a few things
14 before I say I'm not running again.

15 We're looking to really create and
16 change the dynamics of the City. I think that
17 this is a major, albeit small step in the scheme
18 of things, in the right direction, with your
19 assistance to allow us that opportunity.

20 MR. NEFF: I'm just curious, how is
21 the RFP for health insurance put out? Is the
22 insurance broker or whoever you use for insurance
23 services, going to be paid a flat fee or are they
24 going to be paid a commission?

25 At the Division level we always

1 recommend that people use a flat fee approach.
2 Because sometimes the commissions drive to create
3 inherent conflicts for the vendor, who sometimes
4 may see more expensive plans being better, because
5 they get a commission based on how expensive a
6 plan is. But sometimes we see a little bit better
7 work product from the insurance brokers with
8 better efforts to control costs if it's a flat fee
9 basis. What's the RFP process like for East
10 Orange?

11 MAYOR TAYLOR: If you bear with me
12 one second. I know I did read the report from a
13 few years ago regarding that issue, so I'm
14 familiar with it. I don't recall if--

15 MS. WALKER: Yes. We did a
16 competitive contract for the RFP for the insurance
17 brokerages. Our current insurance broker is paid
18 by a flat fee and we will continue with that. We
19 recommend that.

20 MR. NEFF: Okay, good. And the
21 Commission itself, I have to say when I learned
22 about your Water Commission, every day in this job
23 I learn of some new thing that I never heard of
24 before. I go, what is is this Commission? Is it
25 an authority, is it a utility, what is it? I think

1 the answer was something different. Then we
2 learned it was created in 1919 by referendum,
3 something that I never heard of before.

4 Obviously, my gut reaction when I
5 heard of your problems and issues was, what in the
6 world does a municipality need a Commission for?
7 Sometimes there is a a reason to have a completely
8 independent authority, I can understand that. But
9 this sort of commission where the Commission
10 members all get paid, I think close to \$10,000 a
11 year, plus stipends for special meetings. Last
12 year there were sixteen of them.

13 It seemed like this--and they are
14 also catering their meetings. We noticed that
15 they had quite expensive travel bills. And we
16 looked at that--I looked at it and thought, get
17 rid of this Commission. That's my gut. It may
18 not make sense.

19 Actually, my mind started thinking,
20 why not if the City won't do it, maybe the Board
21 can look into it. Because under other laws if
22 there is an authority, we can dissolve that
23 authority if it's truly not needed, if there is
24 some level of distress.

25 Clearly there is distress here. If

1 it were an authority, you'd probably be asking
2 this Board or letting the Board know that we're
3 looking into dissolving it unilaterally if the
4 City wouldn't do it itself.

5 So I throw that out there more so
6 that you can share that and discuss it with the
7 Commission. So you know the State is looking at
8 this and not understanding why this Commission
9 exists.

10 My personal belief is, it probably
11 does make sense at some point to look at getting
12 rid of it and maybe replacing it with a more
13 traditional authority model that has some checks
14 and balances in the way they budget what they are
15 handling.

16 What is your take on whether, at
17 the end of the day it may make sense? What are
18 you doing to take a look at that issue in more
19 detail or anything?

20 MAYOR TAYLOR: I believe I not only
21 reiterate what I said previously in my opening,
22 but I did touch on that. I will simply say I
23 agree with you. We are and intend to review all
24 of those issues.

25 We just needed to get through this

1 phase first in terms of introducing our budget and
2 hopefully getting this Refunding Bond Ordinance
3 passed. But we are actively engaged and interested
4 in that. That's one of the issues with respect to
5 the firm that we're intending to bring on to
6 manage the operations and the fiscal affairs of
7 the entity.

8 We are also exploring the
9 potential, albeit it is an expense so I'm kind of
10 hesitant, of doing a separate study as to from a
11 professional standpoint versus, you know, a we
12 just don't like it standpoint, to see the cost and
13 the benefits of the process legally, as well as
14 the time frame for converting it to an authority,
15 a traditional authority. Or perhaps I'll say
16 leasing--not so much selling the assets, because
17 that has other implications and issues as well,
18 but all are on the table.

19 MR. NEFF: Also, it is an awkward
20 issue to discuss, I note that East Orange I think
21 has ten council members. Is that right?

22 MAYOR TAYLOR: Are you trying to get
23 me unelected?

24 MR. NEFF: I note that they all
25 receive, I think, compensation in the area of

1 \$40,000. Some are entitled to health benefits,
2 too. At some point that becomes a little unwieldy
3 to have ten council members in a town of that size
4 in addition to being expensive.

5 Just, I guess more of a point than
6 a question, but it would seem to me that if East
7 Orange finds itself at some point with fiscal
8 distress again, and if it comes back and asks the
9 State for transitional aid, which you are not this
10 year, I would suggest that maybe one of those
11 items that could be looked at-- I know you are not
12 possessing it.

13 MAYOR TAYLOR: Can you underline
14 that please, sir?

15 MR. NEFF: But you certainly can
16 share with your colleagues in East Orange that the
17 State looks at that and sort of like a question
18 mark goes off overhead. The only town that I know
19 of that has ten council members is Harrison. I'm
20 sure there are a couple others out there
21 somewhere. But Newark can live with, I think
22 seven.

23 MR. JOHNSON: Nine.

24 MR. NEFF: They have nine?

25 MR. JOHNSON: Nine.

1 MR. NEFF: Never mind, if others
2 can live with less.

3 MAYOR TAYLOR: Can you think of a
4 better example for comparison? No offense.

5 MR. NEFF: It seems to me that might
6 be an area to look back, which will make the job
7 of the executive a little bit more manageable.

8 MAYOR TAYLOR: If I may, Mr.
9 Chairman, two things. One, I will say that I've--
10 you know, I enjoy and I use that word
11 purposefully, a very excellent, excellent
12 relationship with the entire municipal council in
13 the City of East Orange.

14 It's a relationship that I've
15 worked very hard to foster and create. It is one
16 that me and my staff work every day to maintain.

17 I say that because the prior mayor
18 and the prior council did not enjoy such a
19 relationship. I think that if we look at the
20 majority of other municipalities in our state,
21 both urban and suburban, there are very few where
22 the mayor and council can actually have a cup of
23 coffee together, let alone discuss a dialogue on
24 major important issues.

25 So I think that's important with

1 respect to the issues and initiatives, inclusive
2 of what we are doing with the Water Commission.

3 It's a very transparent and
4 cooperative relationship that the council is fully
5 on board with supporting the administration. That
6 hasn't happened in a long time and it doesn't
7 happen in a lot of other municipalities.

8 I also add that we are responsible
9 with, you know, the payments. I don't take
10 benefits from the City. I took approximately a
11 \$50,000 pay cut from what the prior mayor was
12 making. So we are putting our money where our
13 mouth is when it comes to being responsible with
14 public resources.

15 MR. NEFF: What was the prior mayor
16 being paid?

17 MAYOR TAYLOR: About \$150,000,
18 \$140,000.

19 MR. NEFF: Now it's down to \$90,000
20 or \$95,000 or something?

21 MAYOR TAYLOR: Yes.

22 MR. NEFF: All right. I don't have
23 any other questions. Does anybody else have
24 questions at this point?

25 (No response).

1 I just wanted to get all of that on
2 the record. This is one of the more unusual
3 applications that we have. I appreciate your
4 time. I think what we'll try and do for next
5 month is, when we have a record we'll more than
6 likely post this for the next agenda. Unless
7 something comes up in the course of our budget
8 review that I don't expect to come up, we won't
9 need to have you back. But we would post it again
10 on our agenda. If somebody wanted to comment on
11 it publicly against it, obviously, we'd allow them
12 to testify.

13 I think whether you are here or not
14 next month is your discretion. But my guess is we
15 probably won't need you here.

16 MAYOR TAYLOR: We'll have somebody
17 here just in case.

18 MR. NEFF: We'll be in touch between
19 now and then, to see what our budget review finds.

20 MR. AVERY: Before everybody goes,
21 I did have one question. On the payment--
22 borrowing money to pay a fine to DEP. I assume
23 you discussed either a waiver or reduction in the
24 penalties, the possibility of them considering
25 that, rather than borrowing--the taxpayers borrow

1 to pay another level of government?

2 MAYOR TAYLOR: I agree.

3 MR. MURPHY: The \$362,000 that's in
4 there, the actual fines from the Administrative
5 Order are much higher than that.

6 MR. AVERY: You've already gone
7 that route?

8 MR. MURPHY: We're negotiating with
9 the DEP. I can tell you one of the first--
10 without giving away our negotiations, one of the
11 first things that we requested was as part of the
12 Administrative Consent Order that we're arranging
13 with the DEP, there are significant capital
14 improvements, as the mayor discussed earlier, to
15 the Water Commission to the system. We're talking
16 in the neighborhood of probably, from an
17 engineer's estimate, \$10 to \$20 million.

18 That currently the East Orange
19 Water Commission uses six million gallons of water
20 a day. The operational capacity of the East Orange
21 Water Commission is eleven million gallons.
22 However, because of a VOC issue, we were required
23 to turn wells off at the instruction of the DEP.

24 So one of the first things that we
25 have requested from the DEP was, we'll take the

1 entire \$452,500 fine and we'll pay it. However,
2 allow us to use that directly to the capital
3 improvement, as opposed to paying it to the DEP.
4 They didn't agree with that. They said there had
5 to be, I mean, fines assessed.

6 MR. AVERY: Yes, been there, done
7 that.

8 MR. NEFF: Are some of these fines
9 related to a misreporting of water quality?

10 MR. MURPHY: The majority of the
11 fines are.

12 MR. NEFF: Which is related to the
13 criminal indictments?

14 MAYOR TAYLOR: : The alleged
15 criminal and negligent activities.

16 MR. NEFF: I think, without speaking
17 for the DEP, that this is one of those rare
18 cases--and I never defend that Department, even
19 though they are part of our administration. This
20 is one of those rare cases where the issues that
21 led to the fines were so egregious, that the
22 Department is not just going to let them walk
23 away, the City as an institution-- not these
24 people, they weren't there.

25 MR. MURPHY: I believe if you went

1 to the DEP today and asked the DEP the difference
2 in the relationship between the East Orange Water
3 Commission, as well as the City of East Orange
4 sitting here today versus sitting here three years
5 ago prior to the indictments, they would say-- I
6 mean, it is opposite sides of the spectrum.

7 Actually, the mayor, myself and the
8 administrator, actually met with the DEP, actually
9 it was last week. I mean, everyone sat-down to go
10 over the fines, as well as the capital
11 improvements that they require.

12 The longer term aspect is, in 2016
13 we hope that the water is back online, the full
14 eleven million gallons is back on line. We have
15 the additional five million gallons of water to do
16 one of two things; to promote economic
17 development, which the mayor just spoke about, as
18 well as possibly selling the water to South
19 Orange, to Orange or even to New Jersey American.

20 As opposed to--and there was a
21 Water Commission meeting last night. We approved
22 bill to pay Newark because we have to purchase the
23 water now to subsidize the system. We approved a
24 bill for a monthly water bill for Newark in the
25 amount of \$305,000. Without that VOC issue, that

1 \$305,000 didn't exist, because we were able to
2 pump all the water from within East Orange.

3 MR. AVERY: Thanks.

4 MR. NEFF: I do have one final
5 question about a small piece of the financing.
6 There is a payment to American Water that you are
7 looking to finance. American Water is reported to
8 have not given the city bills for water that was
9 provided about two, three years ago, until
10 recently.

11 So it was sort of you portrayed to
12 us that this was sort of a surprise to us. Well,
13 how much of a surprise really was that? Shouldn't
14 the City have known that the bills were coming
15 eventually or no?

16 MR. MURPHY: In fairness to the
17 City, I guess I'll jump in here. The East Orange
18 Water Commission, you are correct, it's a 1919
19 charter. It's the only Commission, I believe
20 within the state. The way they operate, they are
21 considered semi-autonomous. They are not allowed
22 to borrow. They would have to go to the City,
23 which they have done.

24 The operations of the Water
25 Commission would be, the Water Commission would

1 get the bill. The city would never get the bill.
2 Actually, the City probably wouldn't even know
3 that it was required to open the interconnection.
4 It is my understanding that the opening of that
5 interconnection is related to one of the-- to the
6 storm I think right around Halloween, where there
7 was a huge stow storm around Halloween. And the
8 other one was Hurricane Sandy.

9 I can tell you, my office first
10 received that bill, I mean, in February. It was a
11 lump sum bill. I don't know if it was \$390,000 or
12 \$436,000, but that's how it came in.

13 Initially from that --that was
14 after the indictments. So the people who turned
15 the wells-- the interconnection on and off,
16 weren't even with us anymore.

17 So we had to do an investigation
18 right off the bat of whether this was a legitimate
19 bill or not. So from the City's standpoint, I
20 don't believe it would have gotten to the City
21 until we had received it in February.

22 So it wasn't something that the
23 City had received bills and just threw them on the
24 side and said this is for the Water Commission.

25 MR. NEFF: American Water said they

1 are going to start billing you on a monthly basis
2 for those things, instead of a surprise bill three
3 years later?

4 MR. MURPHY: Exactly. We have kept
5 current with New Jersey American since that time.

6 MAYOR TAYLOR: I also will add that
7 we, given the unique arrangement and relationship
8 or lack thereof, that previously existed between
9 the Water Commission and the City, moving forward
10 starting on January 1st, I assigned a member of my
11 Corporation Counsel's office to be liaison/monitor
12 of what goes on at the Water Commission.

13 He attends every meeting, reviews
14 the minutes, reviews the resolution. And he is
15 really monitoring what they doing and the progress
16 that they are making to remedy these situations.

17 MR. NEFF: Anything else?

18 (No response).

19 No. I just want to thank you for
20 the openness and the transparency. It seems that
21 there is pretty thoughtful planning moving
22 forward. We'll try and deal with this
23 expeditiously at the next meeting.

24 MAYOR TAYLOR: Thank you.

25 MR. JOHNSON: Thank you.

1 MR. NEFF: Paterson City. We're
2 going to-- we'll address also at the same time as
3 the tax appeals, we'll also have a little bit of
4 exchange with the Municipal Authority issue that
5 was listed at the end of the agenda.

6 (Neil Grossman, John Emolo, Anthony
7 Zambrano, being first duly sworn according to law
8 by the Notary).

9 MR. GROSSMAN: Neil Grossman.

10 MR. EMOLO: John Emolo, E-m-o-l-o.

11 MR. MC MANIMON: Ed Mc Manimon, from
12 Mc Manimon, Scotland & Baumann, bond counsel to
13 the City.

14 MR. ZAMBRANO: Anthony Zambrano,
15 controller and acting finance director for the
16 City.

17 MR. MC MANIMON: Thank you. The
18 City is asking for the approval of the issuance of
19 \$3,300,000 of tax appeal refunding bonds or notes
20 to fund sixty-four tax appeals from the prior
21 year.

22 There are actually approximately
23 900 unresolved tax appeals. And they have
24 instituted a reval. They adopted the Special
25 Emergency last year. They awarded the contract and

1 it's in the process, to try to get better control
2 for the series of tax appeals that have come
3 before this Board.

4 The approval is under 40A:2-51.
5 Since they are a Qualified Bond Act, they also
6 need approval under the Qualified Bond Act. The
7 Qualified Bond Revenues that are payable to the
8 City are \$32,985,451. The highest qualified debt
9 service number for outstanding bonds that are
10 covered by that act, is \$10,695,000. So they are
11 more than three times the coverage under the
12 Qualified Bond Act program.

13 They are asking for the approval to
14 do this over a five year period with a straight
15 principal payment of \$660,000 a year. Their
16 current debt is about 1.3 percent after this
17 ordinance.

18 I'll be happy to answer any
19 questions. John is the attorney for the City
20 handling these. Tony has been the Chief Financial
21 Officer for a long time. So I think he has all the
22 institutional knowledge.

23 MR. NEFF: Our monitor for the City
24 of Paterson looked at this, approved it and signed
25 off on it as well, didn't have any issues with it.

1 While Paterson is at the table, the
2 only issue I wanted to raise, we had later listed
3 on the agenda a discussion item for the Municipal
4 Utilities Authority in Paterson. They don't have
5 really any the functions as far as I can see. Yet
6 there are members of this Commission, the
7 Commission raises money. It seems to engage in
8 activities that are unrelated to a municipal
9 utilities authority.

10 There was a new mayor elected last
11 night, so we'll obviously have discussions with
12 the incoming mayor about that authority. We asked
13 the City to eliminate that authority as a way to
14 save some money, streamline their services. They
15 haven't responded at all. But hopefully we'll
16 have a little more luck with the next
17 administration.

18 I guess we don't need to belabor
19 that today. Any questions on the refunding? I'm
20 sorry the request from the City was for a five
21 year refunding?

22 MR. MC MANIMON: Yes.

23 MR. NEFF: Three is what brings it
24 down to a \$50.00 impact. I know there are other
25 budget issues pending in 2015 and a lot of debt

1 service coming online for long term debtor, I
2 think in conjunction with past practice of the
3 Board, it would be appropriate to approve this at
4 the three year funding level. Which brings it to
5 the \$50.00 standard that the Board has always
6 used.

7 Obviously, there are much bigger
8 budgetary issues to deal with in Paterson. We'll
9 deal with them in conjunction with--

10 MR. GROSSMAN: The only other thing
11 I would note, when they considered both three and
12 five years, in addition to this set of tax appeals
13 and prior tax appeals that they are paying down
14 over three to five years, the future tax appeals
15 also this year, they had another Special Emergency
16 for sick and vacation buyouts. Which, while it's
17 not tax appeals, it is kind of similar in nature
18 in that they incurred an obligation this year that
19 they're going to pay over several years. That
20 adds about \$15.00 to the tax rate next year.

21 So that's why, you know, if the
22 five year tax appeal plus that sick and vacation
23 buyout, that gets them to \$50.00 a year for five
24 years. That was kind of the logic.

25 But, yes, tax appeals, this tax

1 appeal application adds about \$32.00 a year for
2 five years.

3 MR. NEFF: I just really-- my own
4 personal opinion, the Board ought to stick to the
5 standard of \$50.00. Paterson has been given a lot
6 of opportunities to just kick the can down the
7 road, for lack of a better phrase. The Division
8 has been a part of allowing that.

9 At some point you've got to draw
10 the line and slow it down a little bit. That is
11 the standard the Board has. I just recommend that
12 there be a three year pay down, which is a
13 standard that the Board has always been using.

14 Any other comments, questions for
15 Paterson?

16 MR. BLEE: Motion to approve.

17 MR. NEFF: I'll second that, if
18 it's a motion to have a three year--

19 MR. BLEE: Three year.

20 MR. NEFF: Three year payment.

21 Take a roll call.

22 MS. MC NAMARA: Mr. Neff?

23 MR. NEFF: Yes.

24 MS. MC NAMARA: Mr. Avery?

25 MR. AVERY: Yes.

1 MS. MC NAMARA: Mr. Blee?

2 MR. BLEE: Yes.

3 MS. MC NAMARA: Mr. Fox?

4 MR. FOX: Yes.

5 MR. MC MANIMON: Thank you. Can I
6 confirm that the Hudson County Improvement
7 Authority has been deferred?

8 MR. NEFF: It's deferred for lack of
9 quorum, on that issue today.

10 Next up is Bogota Borough, proposed
11 sale of municipal assets in support of
12 appropriation cap waiver.

13 (Frank Di Maria, being first duly
14 sworn according to law by the Notary.)

15 MR. DI MARIA: Frank Di Maria, D-i,
16 M-a-r-i-a.

17 Thank you, Mr. Neff, for allowing
18 me to appear. My name is Di Maria, Frank Di Maria,
19 the CFO part-time for the Borough of Bogota.

20 We're here today to request
21 permission for a cap waiver for the use of a sale
22 of municipal assets, which is a cell tower, which
23 is a carryover from the prior year.

24 I'm not going to begin to try and
25 justify Bogota's financial behavior leading up to

1 this. I've looked back-- I've been on board since
2 March 1st of this year. I've looked back as far
3 as 2010 and stopped there. There have been over
4 expenditures, deferred changes, operating
5 deficits, all kinds of fiscal problems dating at
6 least that far back.

7 My understanding is that the
8 required permission for the cap waiver last year
9 was not sought. They also adopted their levy cap
10 \$20,000 over.

11 We've taken the cap base adjustment
12 for it this year. Basically, part of my agreeing
13 to come on board was the governing body's
14 commitment to get the act together going forward.

15 There has been a number of things
16 that have happened. This is sort of the first
17 piece and I think it's the most critical in their
18 over cap in their budget as it is. This sort of
19 would make that situation worse.

20 The items that I'm looking to put
21 in this waiver are, one, \$73,000 of over
22 expenditures that were never raised from 2012 and
23 some excess from 2013. The balance are for the
24 three major cases, litigation cases that they have
25 outstanding. Two of which are covered by the GIF,

1 with the maximum exposure of \$75,000 each, the
2 balance left for an unsettled case of \$117,000.

3 In anticipating questions
4 regarding, you know, where does this litigation
5 and these costs end, how do we know that this is
6 the end of it, we had moved up a mediation
7 agreement to last Thursday. There is a settlement
8 agreement on for tomorrow night's consideration by
9 the council, which would put that out of pocket at
10 just under \$100,000.

11 If this is approved tomorrow night,
12 the cap waiver-- we would know for sure that the
13 cap waiver would be sufficient to cover the items
14 that we're looking to put in there. There would
15 be no contingencies.

16 Part of the-- some of the items
17 that have not been in place in Bogota that should
18 have been a long time ago, third party billing for
19 the ambulance fees, that's happening now. The
20 Municipal Court no outside, collection, third
21 party collection, a better route was out source to
22 a neighboring--a shared service with a
23 neighboring municipality. Accelerated tax sale
24 never done. It is authorized for this year, will
25 be done by December.

1 Most of the collective bargaining
2 agreements and the individual employment
3 agreements were up December 31st, 2013. White
4 collar is going to be zeros and the individual
5 ones are zeros at this point.

6 They got a little prematurely
7 aggressive with the PBA, or they have an FOP, out
8 of the box, against my recommendation. But that's
9 where we are at this point.

10 Again, step one to a number of
11 steps, is this request for the cap waiver.

12 MR. NEFF: If this approval were
13 delayed until June, what horrible, bad things
14 happen?

15 MR. DI MARIA: None.

16 MR. NEFF: Okay. I think-- usually
17 these cap applications, they are rare. Usually
18 when they come to us they are pretty routine. This
19 one is not. There are clearly issues here.

20 I'm not comfortable recommending to
21 the rest of the Board that we approve something
22 like this until we have some sort of meeting with
23 a representative from the governing body here.

24 MR. DI MARIA: Agreed,

25 MR. NEFF: With that, I would

1 suggest we defer this.

2 If anybody else has questions,
3 we'll try to finish the testimony today so we
4 don't have to reinvent the testimony next month.
5 But I think for now we would defer action. Okay.

6 MR. DI MARIA: Thank you.

7 MR. NEFF: Thanks for your
8 testimony. If you can please relate to them and
9 we'll reach out and try to have the mayor or
10 somebody from the administration talk to us about
11 what's going on.

12 MR. DI MARIA: Absolutely. Thank
13 you.

14 MR. NEFF: Thank you. Margate City.

15 (Lisa Mc Laughlin, being first duly
16 sworn according to law by the Notary).

17 MS. MC LAUGHLIN: Lisa Mc Laughlin.

18 Mr. Fleishman: Good morning Mr.
19 Chairman, members of the Board. Joel Fleishman,
20 appearing here this morning as bond counsel for
21 the City of Margate.

22 Appearing with me this morning is
23 Lisa Mc Laughlin, the CFO of the City. This
24 morning we're here requesting your approval for
25 the waiver of the normally required five percent

1 down payment in our bond ordinance.

2 Essentially this ordinance is for
3 emergency improvements required to the City Hall
4 building that were sustained as a result of
5 Hurricane Sandy.

6 I think this particular ordinance
7 and this request come clearly within the purview
8 of Section A of the Local Bond Law. Because the
9 City Hall building, which is a beautiful historic
10 building in the center of town, is a fully
11 functioning City Hall. It had about seven to
12 nine inches of water above the first floor, as a
13 result the flooding from the hurricane or
14 Superstorm Sandy.

15 As I said, this building was a
16 fully functioning municipal building. It had the
17 tax collector, the tax assessor, the city clerk,
18 the CFO's office, the planning and development
19 office. And it had our Commission chambers, which
20 also served as a Municipal Court. And also
21 attached to this building is a fire station, one
22 of the fire stations in the city, that has already
23 been renovated to the tune of about \$2 million.

24 So the concept here is we'd like
25 --we are working with FEMA. We expect that FEMA

1 is going to reimburse this project ninety percent.
2 We've had meetings with FEMA, so that's not just
3 speculation. It is pretty well known that the
4 assurances they have given us-- we have other
5 projects that were Hurricane Sandy related that
6 have already been reimbursed by FEMA, to the tune
7 of about ninety percent. So we believe that it is
8 going to happen again.

9 Again, this buildings really does
10 need to be rebuilt. It is a beautiful old,
11 historic building. The city has been functioning
12 out of a temporary location.

13 Lisa Mc Laughlin met yesterday with
14 some representatives of FEMA. I'll let her tell
15 you what happened as a result of that meeting.

16 MS. MC LAUGHLIN: We continue to
17 have ongoing meetings with the FEMA specialists,
18 along with our city engineer Ed Walberg and other
19 city officials.

20 At the time, right subsequent to
21 the storm occurring, FEMA specialists had come in
22 and written a project for this particular damage.
23 At that time they estimated approximately \$800,000
24 in damage. However, that project also incorporated
25 other locations, facilities in the City.

1 So we're in the process of having
2 the project rewritten for a scope alignment.
3 Because in addition to having to separate the City
4 Hall building into a separate project, at the time
5 the costs were estimated, it did not include
6 various codes and standards. The building needs
7 to be ADA compliant.

8 The last renovations for this
9 facility was done, I believe in 1975. So there are
10 various ADA regulations that need to be done. And
11 it also needs to be compliant with FEMA, with
12 flood standards, the NFIP, it is a critical
13 facility and local codes as well.

14 MR. NEFF: Okay. Just by way of
15 background, the Board pretty much routinely has
16 been granting waivers for down payments for storm
17 related reconstruction. But in this case we're
18 now a year and half out from the storm. And
19 information we have is that FEMA was, at least on
20 their project work sheets was, I think looking at
21 the municipal building as being something that was
22 approximately, by their estimate, about a \$500,000
23 expenditure. Then yet we saw something for \$1.7
24 million. So we had questions about it. That's why
25 we needed something on the record to explain why

1 is a down payment waiver needed for \$1.7 million,
2 when the FEMA documentation suggests that the cost
3 would be \$500,000.

4 We had discussions yesterday. I
5 think the discussion entailed a good faith
6 estimate or belief by the municipality that you
7 could be reimbursed somewhere in the neighborhood
8 of a million dollars toward the project?

9 MS. MC LAUGHLIN: Yes.

10 MR. NEFF: That you may have a
11 municipal exposure of \$500,000 for the project.

12 I think it would be appropriate, if
13 the municipality knows it is going to have a
14 \$500,000 obligation that is not being paid by FEMA
15 and there is room within the budget to make a down
16 payment, then some down payment should be made.
17 Not five percent of the entire costs, that would
18 be stupid. Because you are getting a fair amount
19 of money back from FEMA.

20 But I think five percent of your
21 liability, which is \$500,000, five percent of
22 that number would be \$25,000 and would be an
23 appropriate down payment.

24 I think our review of your budget
25 suggests that that's something that's feasible and

1 achievable.

2 MS. MC LAUGHLIN: Absolutely. And we
3 would be agreeable to that and appreciate your
4 consideration. We have budgeted sufficient funds
5 for the down payment and would be able to agree.

6 MR. NEFF: And for the record, you
7 have heard from somebody from FEMA, that has given
8 you at least verbal assurances that somewhere in
9 the ballpark of a million dollars is what would be
10 appropriate?

11 MS. MC LAUGHLIN: Absolutely. In
12 fact, we met again yesterday with various members.

13 MR. NEFF: So with that, unless
14 there are other questions, I would recommend or
15 make a motion that we approve the waiver of down
16 payment. But condition it on the municipality
17 applying \$25,000 in its 2014 calendar year budget,
18 toward the became of this building.

19 MS. MC LAUGHLIN: Thank you.

20 MR. BLEE: Second.

21 MR. NEFF: Have a roll call.

22 MS. MC NAMARA: Mr. Neff?

23 MR. NEFF: Yes.

24 MS. MC NAMARA: Mr. Avery?

25 MR. AVERY: Yes.

1 MS. MC NAMARA: Mr. Blee?

2 MR. BLEE: Yes.

3 MS. MC NAMARA: Mr. Fox?

4 MR. FOX: Yes.

5 MR. NEFF: Middlesex County has
6 withdrawn their application because they would
7 rather make a down payment than answer questions
8 about their finances.

9 Hudson County Improvement Authority
10 unfortunately was deferred. We have a lack of
11 quorum to handle that issue.

12 So we're moving right along and
13 moving to the Bergen County Improvement Authority.
14 County guaranteed School District Revenue Bonds
15 for the Elmwood Park Board of Education project
16 and the County Guarantee.

17 (Anthony Inverso, Wayne Demikoff,
18 Robert Garrison, John Glidden, being first duly
19 sworn according to law by the Notary.)

20 MR. INVERSO: Anthony Inverso,
21 I-n-v-e-r-s-o.

22 MR. GLIDDEN: John Glidden,
23 G-l-i-d-d-e-n.

24 MR. DEMIKOFF: Wayne Demikoff,
25 D-e-m-i-k-o-f-f.

1 MR. GARRISON: Robert Garrison.

2 MS. GORAB: Lisa Gorab, G-o-r-a-b.

3 Good morning. My name is Lisa
4 Gorab. I'm bond counsel to the BCIA with respect
5 to this transaction.

6 To my right is Rob Garrison, who is
7 the Executive Director of the Improvement
8 Authority; Wayne Demikoff, who is the Business
9 Administrator of the Elmwood Park Board of Ed;
10 John Glidden, financial advisor to the BCIA and
11 Anthony Inverso financial advisor to the Board of
12 Education.

13 The Improvement Authority is
14 seeking positive findings with respect to a
15 proposed financing in the amount of \$32,492,250.

16 The BCIA proposes to issue bonds
17 and loan the money to the Elmwood Park Board of
18 Education. The loan would have two purposes for
19 the Board of Education. The first would be to fund
20 the referendum that passed on January 28th of
21 2014.

22 The referendum that the Board
23 passed was a multi school improvement program of
24 about \$10 million. And that program will be
25 financed over a twenty year period. The State is

1 providing forty percent debt service aid for that
2 project.

3 The second purpose of the loan
4 would be to fund the Board's refunding of their
5 outstanding 2004 bonds. That refunding has already
6 been approved by this Local Finance Board. Since
7 that time, there have been a couple and
8 intervening issues that did not enable the Board
9 to move forward with the refunding.

10 The Board determined to wait and
11 see if the referendum passed, to see if they could
12 finance it together with the new money and have
13 one issue instead of two.

14 That refunding now produces about
15 \$2.5 million in savings for the Board of
16 Education. And the present value, as compared to
17 this Board's three percent benchmark, is 8.367
18 percent.

19 I would like to point out that the
20 Board could finance this on its own. It has chosen
21 to go through the BCIA for one very simple reason.
22 That is, it is saving over \$700,000 by financing
23 this project through the BCIA. Included in that
24 \$700,000 savings is all the costs of issuance to
25 finance this project.

1 MR. NEFF: Okay. The only issue I
2 have, and I raise it in the spirit of Ted Light
3 not being here and the past decisions of the
4 Board, there is what appears to me to be a very
5 high fee. Not for individual professional
6 services associated with this project, but for the
7 Authority itself.

8 I have yet-- I know the last time
9 this Board met and approved a financing for the
10 Bergen County Improvement Authority, we wanted to
11 ask that the Division be provided something that
12 showed that the fee is reasonably related to the
13 costs of providing the service. I have yet to see
14 something that mathematically shows that.

15 I'm not seeing anything that
16 mathematically justifies close to a \$250,000 fee
17 that will be paid to the Authority. I don't know
18 how \$250,000 is a reasonable cost of the Authority
19 related to this project.

20 So the Board only reviews these
21 projects. We don't approve or disapprove of them.
22 So my recommendation would simply be that we
23 would-- our findings for this would be positive
24 findings. But with respect to the fee itself,
25 that we find that the fee is on the high side.

1 That we think it ought to be adjusted such that
2 the costs of the Authority providing the service,
3 reflect the fee. And that there not be something
4 on top of that.

5 We've had that position in the past
6 with the Camden County Improvement Authority. They
7 lowered their fees in response to that, to more
8 closely track the actual costs of providing the
9 service. I think that we need to be fair and even
10 with how apply our standards here.

11 I'm willing to listen to comments
12 as to why it is that the fee relates to the actual
13 costs of the service. I want to hear some math as
14 to why that's accurate. But I don't see me
15 changing my mind. I don't see our opinion as
16 otherwise holding up the financing of the project
17 being able to move forward. The people who buy
18 these bonds aren't going to say, oh, gee, their
19 fee is high, therefore, we're worried about being
20 repaid.

21 I don't know that we need to have a
22 big fight about this. But I'm willing to hear a
23 little bit of commentary back.

24 MR. GARRISON: If you don't mind,
25 Mr. Neff, I'll certainly do that. No fighting

1 involved. I commend you and your staff for looking
2 at the fees, making sure, ensuring that the fees
3 are reasonable. We had this discussion before.

4 I'll state similar comments that I
5 had the past. Certainly we can revisit the fee
6 somewhere down the road and I'll explain what that
7 means once I get done with my comments.

8 I think we're in a tough spot with
9 the Improvement Authority. When I came into my
10 position three years ago. We had a significant
11 deficit. Every year that we sent our budgets down
12 to DCA, the folks down here said how are you going
13 to get rid of this deficit? We need proof. We
14 need revenues. We need a way for you to show to
15 us that you are going to put--that you are going
16 to reduce your deficit.

17 As a part of that did discussion,
18 at the same time, we were looking at-- I had done
19 an overview of the way the Improvement Authority
20 functions in terms of bond transactions.
21 Including fees not only that the Authority
22 charges, but those professionals that are involved
23 in those type of transactions.

24 Partly based on the discussion with
25 the DCA staff, we put together a new fee schedule

1 about a year and a half ago. So as part of what
2 we discussed with DCA, which satisfied their
3 requirement that we show that we're paying down
4 that deficit, we put into our budget each year a
5 certain amount of money that we thought we'd be
6 able to collect through various fees, including
7 the fees that we charge as the County guarantee
8 for part of a deal.

9 That satisfied the DCA. They were
10 happy with the fact that we were showing revenues
11 that were being generated through fees, including
12 bond transactions, to help that deficit be
13 reduced.

14 What I also committed to at that
15 time internally, both the County Executive, County
16 Administrator and others, is that as that deficit
17 is reduced and as we are able to get a handle on
18 being able to be as self-sustaining as possible
19 with our administrative fees, which you see
20 through the budget, as well as the supplemental
21 questionnaire information that you requested.

22 We pay-- we have about four
23 full-time and two part-time employees that are
24 loaned over from other departments. Their fees in
25 terms of--or shall I say the amounts of monies

1 that are concerned as far as our budget is
2 concerned, is approximately \$500,000 to \$800,000
3 between the salaries, the benefits and other costs
4 that the County charges us in terms of utilizing
5 office space and other equipment that we use.

6 So it took us a long time. It
7 probably took us about six months to come up with
8 the fee schedule that we did. At the time that we
9 came up with the new fee schedule, we also stated
10 that we would revisit this as necessary and as
11 needed.

12 We make it very clear to any entity
13 that comes through us, whether it is a
14 municipality, a school district a utilities
15 authority, what our fees are. I think we are as
16 transparent as anybody, if not more so, than any
17 other entity that does these transactions as
18 improvement authorities. I don't mean any
19 disrespect to any other improvement authority.

20 Because that my mission, to ensure
21 that every aspect, especially in the financial
22 sense, is part of the up front discussions that we
23 have. We have not had push back from any of the
24 entities that have so far--since we put in the new
25 fee schedule approximately sixteen months ago, on

1 our fees.

2 Of course, everybody would always
3 like the fees to be lower. Like I said, I will
4 commit to you that as we look at our financial
5 situation, that we will look to reducing those
6 fees as we can, according to the deficit and our
7 operating budget.

8 MR. NEFF: Any other comments on
9 this?

10 (No response).

11 No. I'll just make a recommendation
12 that we provide positive findings with respect to
13 the project in general, but note in the resolution
14 that we provide the Authority, that we have
15 concerns that the fee that is directly payable to
16 the Authority should be revisited and aligned in
17 the future to be more along the costs of providing
18 the service itself.

19 MR. GARRISON: Thank you for your
20 comments, I appreciate that.

21 MR. NEFF: I move it. Is there a
22 second?

23 MR. BLEE: Second.

24 Mr. NEFF: Roll call.

25 MS. MC NAMARA: Mr. Neff?

1 MR. NEFF: Yes.

2 MS. MC NAMARA: Mr. Avery?

3 MR. AVERY: Yes.

4 MS. MC NAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS. MC NAMARA: Mr. Fox?

7 MR. FOX: Yes.

8 MS. GORAB: Thank you.

9 MR. NEFF: Passaic County
10 Improvement Authority.

11 (Nicole Fox, Heather Litzebauer,
12 being first duly sworn according to law by the
13 Notary)

14 MS. FOX: Nicole Fox, Passaic
15 County Improvement Authority.

16 MS. LITZEBAUER: Heather Litzebauer,
17 financial advisor.

18 MR. JOHNSON: Everett Johnson, bond
19 counsel to the Improvement Authority, from
20 Wilentz, Goldman & Spitzer.

21

22 MR. NEFF: Okay.

23 MR. JOHNSON: The Passaic County
24 Improvement Authority--I guess before I begin I'll
25 introduced--I guess you already heard. I have with

1 me today Nicole Fox, who is the Executive Director
2 of the Passaic County Improvement Authority,
3 Heather Litzebauer from NW Financial, financial
4 advisor and myself, Everett Johnson, bond counsel,
5 with Wilentz, Goldman & Spitzer.

6 The Passaic County Improvement
7 Authority is seeking the Board's review and
8 positive findings with respect to a proposed not
9 to exceed \$15 million County guaranteed Passaic
10 County Improvement Authority capital lease program
11 and also the consent of the County guarantee on
12 the program itself.

13 Under this program, the PCIA enters
14 into a match lease agreement with a bank, in this
15 case US Bank. The Bank is the owner of the
16 assets. The PCIA then subleases the
17 various--subleases with various borrowers. In this
18 program we are opening the program to school
19 boards, utilities authorities, sewage authorities,
20 fire districts, the County itself and
21 municipalities.

22 Therefore, US Bank leases the asset
23 to PCIA. PCIA subleases the asset to the
24 borrowers. The borrowers then make payments, which
25 are assigned directly by PCIA to the Bank.

1 After the terms of the lease have
2 ended, for a nominal fee of a dollar, title is
3 transferred from the Bank to the individual
4 borrowers.

5 This particular application is
6 basically Phase 2. Last year we were approved for
7 the 2013-2014 Bank program. Due to the fact that
8 Wayne Board of Ed borrows annually, it has decided
9 to come to us to finance some ESIP projects, which
10 this is the first one that we're doing through our
11 program.

12 Their project is approximately \$11
13 million. That will pretty much absorb the room we
14 have in our Bank. And there are other borrowers
15 who are interested in coming through the PCIA bank
16 program over the next year. So basically we want
17 to expand our capacity to accommodate other
18 borrowers who are interested in our program over
19 the next year.

20
21 MR. NEFF: Okay. Just a quick
22 question. Is there a one percent of par amount
23 administrative fee for Passaic County projects?

24 MS. LITZEBAUER: That's the
25 Authority fee. It is a not to exceed amount.

1 Typically the the loans in the capital equipment
2 lease pool range from about \$250,000 to \$1
3 million. So typically on the those loans they
4 would get one percent.

5 Wayne Board of Education asked us
6 to reduce that fee, that authority fee, for their
7 ESIP program, so the Improvement Authority has
8 reduced that fee.

9 MR. NEFF: To reduce it to--

10 MS. LITZEBAUER: Point seven-five
11 percent.

12 MR. NEFF: How does that-- do you
13 know how that compares to your other clients who
14 have lease program, like, Middlesex County
15 Improvement Authority?

16 MR. JOHNSON: This is my only client
17 that actually has a lease program that I deal with
18 directly. So I'm not at liberty to respond to that
19 question.

20 MR. NEFF: Okay.

21 MS. LITZEBAUER: The same for me.

22 MR. NEFF: Does anybody else know?

23 (No response).

24 MR. NEFF: I guess I'm tired and I
25 fought enough.

1 MR. BLEE: Motion to approve.
2 MR. FOX: 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: Mr. Blee?
9 MR. BLEE: Yes.
10 MS. MC NAMARA: Mr. Fox?
11 MR. FOX: Yes.
12 MR. JOHNSON: Thank you very much.
13 MR. NEFF: Old business. The Morris
14 County Improvement Authority.
15 (Jennifer Edwards, Glenn Roe, being
16 first duly sworn according to law by the Notary).
17 MS. EDWARDS: Jennifer Edwards,
18 Acacia Financial Group.
19 MR. ROE: Glenn Roe, County of
20 Morris.
21 MR. PEARLMAN: Stephen Pearlman,
22 Pearlman, Miranda. We're bond counsel to the
23 Improvement Authority.
24 Good morning, we'll try and be
25 brief. In 2011 we were originally down here for

1 the County Public Safety Expansion Program and
2 borrowed some notes that year to get started.
3 Came back in 2012 and financed the project. The
4 project came in, the budget was around \$23.6
5 million.

6 Glenn was able to secure about
7 about \$3 million in grants, about \$3 million in
8 capital budget appropriation, taxes. So we bonded
9 the balance somewhere around \$20 million.

10 It looks like we are about a half a
11 million to \$600,000 of additional need to finalize
12 the project. We put in not to exceed a million,
13 only because he's still collecting the final
14 bills.

15 With that, they will come in either
16 at budget or at worst \$200,000 over budget on a
17 \$26.3 million project. So the County is pleased
18 with that.

19 This is old business because we are
20 issuing under the 2012 pooled bond resolution and
21 2011 lease revenue bond resolution.

22 Having sat through a few questions,
23 I can state that since this is an Authority/County
24 deal there is no Authority fee charged back to the
25 County. I'll be happy to take questions.

1 MR. NEFF: Do you know what the
2 Improvement Authority's fee is otherwise, for a
3 municipality or school district?

4 MR. PEARLMAN: I don't think we're
5 as frequent an issuer as the other authorities,
6 Tom. So it's in the standard.

7 I know that in the day when this
8 started it used to be twenty-five/ten. It was
9 kind of the standard that the improvement
10 authorities--you know, twenty-five bases points up
11 front, ten annual on a declining principal basis.
12 That's kind of where that started maybe twenty
13 years ago.

14 That's the benchmark, that some
15 people work off of that. I think when the bonding
16 amounts get high they come down, because those
17 numbers get pretty big.

18 They do like to charge them, I
19 think, to the private transactions and non-profits
20 because that's not government to government. I do
21 think there is courtesy back to the other forms of
22 government. So these standard fees do tend to
23 come down.

24 I know some people just take the
25 up front fee, not the annual fee or reduced annual

1 fee. But I would say the standard that, you know,
2 we were doing in Essex twenty years ago,
3 twenty-five/ten, you know, that's where it was for
4 a long time.

5 MR. NEFF: All right. Any
6 questions, concerns, comments on this one?

7 (No response)

8 MR. NEFF: I'll make a motion to
9 approve it.

10 MR. BLEE: Second.

11 MR. NEFF: Roll call.

12 MS. MC NAMARA: Mr. Neff?

13 MR. NEFF: Yes.

14 MS. MC NAMARA: Mr. Avery?

15 MR. AVERY: Yes.

16 MS. MC NAMARA: Mr. Blee?

17 MR. BLEE: Yes.

18 MS. MC NAMARA: Mr. Fox?

19 MR. FOX: Yes.

20 MR. PEARLMAN: Thank you.

21 MR. NEFF: We're going to go a
22 little bit out of order. We had a supplemental
23 agenda with Camden County. We're going to ask
24 them to come up. It will be quick.

25 (Josh Nikita, Jim Blanda, Mike

1 Sencindiver, being first duly sworn according to
2 law by the Notary).

3 MR. NIKITA: Josh Nikita.

4 MR. BLANDA: Jim Blanda.

5 MR. SENCINDIVER: Mike Sencindiver,
6 S-e-n-c-i-n-d-i-v-e-r.

7 MR. WINITSKY: Jeffrey Winitsky,
8 W-i-n-i-t-s-k-y.

9 MR. NEFF: Okay.

10 MR. WINITSKY: Good afternoon. We
11 are here on behalf of the Camden County
12 Improvement Authority for positive findings and
13 approval for the issuance of up to \$21 million
14 aggregate principal amount of County Guaranteed
15 Loan Revenue Bonds and the approval for final
16 adoption of the Section 80 guarantee by the County
17 of Camden.

18 The purpose of the issuance of
19 these bonds, is to permanently finance the
20 Authority's outstanding County Guaranteed Bond
21 Anticipation Notes that have been rolled several
22 times.

23 We've been before the Board several
24 times relating to a redevelopment project in the
25 Township of Pennsauken. The notes were originally

1 issued in 2003, in the principal amount of \$35
2 million. We have subsequently rolled them every
3 year since, appearing before this Board on several
4 occasions to do so.

5 We currently have outstanding
6 \$20,315,000 worth of notes. Meaning, we've paid
7 down a little over \$14 million in that amount of
8 time.

9 The original project was intended
10 to be much larger, to include a Civic center and a
11 lot of other projects. That project has been
12 whittled down over time to include, instead of a
13 sixty-five acre site, we are down to a thirty-five
14 acre site.

15 We ran into a lot of problems
16 related to the marketplace in general. We had
17 some environmental remediation to do. We've gone
18 through several redevelopers to get the project
19 done. And we're now finally in a position to
20 permanently finance these notes and go long, as a
21 result of final negotiations with two, actually,
22 nationally recognized multi family redevelopers.
23 We want to capture positive market conditions.

24 We were actually before the Board
25 in 2012 to go long. We determined not to do that

1 based on some changes in the project. We're back
2 now to finally permanently finance these through
3 the issuance of bonds.

4 Now, the project that we're going
5 to do is substantially similar to that which we
6 presented to the Board, I think last year or the
7 year prior. The discussions that we're having with
8 the two developers will assume the same or similar
9 project. Any changes that we will do will
10 actually enhance the revenue stream that we
11 expect, to offset debt service for these bonds.

12 While these bonds are not
13 specifically revenue bonds from PILOTs and other
14 revenue from the project, we expect those revenues
15 to come in to offset County debt service to pay.

16 So this is where we are at this
17 point. We've got the Executive Director of the
18 Authority, the financial advisor and our
19 redevelopment here to answer any questions that
20 you may have.

21 MR. NEFF: Just a question about the
22 payment terms. There is no payment in '15, no
23 payment in '16, \$195,000 payment in '17. Then it
24 ramps up eight-fold by 2035, where it goes up to
25 \$1.6 million. Certainly not a conforming maturity

1 schedule, far from it.

2 Can you explain why that will be
3 and why that's appropriate?

4 MR. NIKITA: I'll be glad to answer
5 that question. This structure is designed to
6 match the revenue stream from the project, which
7 is going to be phased in over the first several
8 years. They don't expect to realize revenue until
9 the first three years of the project. And then
10 really beginning in years four and out is when
11 revenues will be realized by the County and the
12 Township to help offset the debt service.

13 In addition, we structured it to
14 wrap-around the County's existing debt service
15 structure, which is also shown on that schedule.
16 You can see their debt service drops from \$42
17 million down to \$30 million and continues to drop
18 thereafter in every year. Providing additional
19 support and additional comfort in the event that
20 revenues are not received from the project as
21 expected. It will minimize the impact to the
22 County.

23 MR. NEFF: Did I misstate the total
24 debt service for this? It looks like actually the
25 debt service for the project starts with a

1 \$918,000 payment?

2 MR. NIKITA: You were referring to
3 the principal repayment structure. The total debt
4 service is that third column from the right. You
5 are correct, it starts out about \$900,000.

6 MR. NEFF: All right. Did you
7 provide anything to the Board that provides for
8 the estimates of these revenues that are coming
9 in? What are these revenues from?

10 MR. NIKITA: They are principally
11 from PILOT payments that we received from the
12 developer. Which are going to be split
13 approximately fifty/fifty. Fifty for the County,
14 fifty percent to the Township. So the County's
15 revenues will be used to help offset this debt
16 service.

17 MR. WINITSKY: Correct.

18 MR. NEFF: There are no PILOT
19 payments being made right now?

20 MR. NIKITA: Not at the present
21 time.

22 MR. WINITSKY: Not at present,
23 because there have been developers coming in and
24 out. We finally have one ready to go. We wanted
25 make sure that they were comfortable with the

1 PILOT that had been originally proposed for this
2 project and they are. So we just need to implement
3 it now that they are on board.

4 MR. NEFF: Okay. I'll make-- I
5 think what I would recommend is make a motion to
6 approve this contingent on the County providing a
7 copy of the PILOT agreement when it is obtained.

8 MR. WINITSKY: Correct.

9 MR. NEFF: That the PILOT
10 arrangement, the revenues, match this debt service
11 schedule. If they are higher, that the debt be
12 issued such that it track the PILOT payments. So
13 that there is no, gee, let's take money from the
14 PILOT and not make any payments on the debt
15 service and kick it down the road.

16 MR. WINITSKY: Certainly.

17 MR. AVERY: Second.

18 MR. NEFF: I make that motion and
19 we have a second. Take a roll call, unless there
20 are other questions?

21 (No response).

22 MS. MC NAMARA: Mr. Neff?

23 MR. NEFF: Yes.

24 MS. MC NAMARA: Mr. Avery?

25 MR. AVERY: Yes.

1 MS. MC NAMARA: Mr. Blee?

2 MR. BLEE: Yes.

3 MS. MC NAMARA: Mr. Fox?

4 MR. FOX: Yes.

5 MR. WINITSKY: Thank you.

6 MR. NEFF: Thank you very much.

7 Weymouth.

8 MR. BLEE: Mr. Chairman, I'll be
9 recusing on Weymouth.

10 MR. NEFF: Is there anybody here
11 who is in opposition to this proposal?

12 (Response).

13 There is, okay. I apologize for us
14 running so late. Sometimes we can't estimate how
15 long these already thoroughly reviewed things will
16 take. We do the best we can. So we are running a
17 little behind.

18 We'll take testimony from the
19 advocates for this first. Then we're going to
20 take testimony from anybody else who wants to
21 testify. And at the end of the day, we're not
22 going to be able to vote on this today, because we
23 are not going to have a quorum because one of the
24 members had to recuse himself. But we'll have a
25 transcript of the full testimony of what the folks

1 had to say. It will be shared with all our Board
2 members at our next monthly meeting. Then we would
3 take a vote at the next meeting, probably will not
4 take additional testimony at that time. But
5 everybody will have a copy of the transcript to
6 review prior to casting a vote one way or the
7 other on this project.

8 (Jesse Hand, Sharon Smith, Ken
9 Haeser, being first duly sworn according to law by
10 the Notary).

11 MR. HAND: Jesse Hand, H-a-n-d.

12 MS. SMITH: Sharon Smith.

13 MAYOR HAESER: Ken Haeser.

14 MR. PEACOCK: Michael Peacock, like
15 the bird, Township solicitor.

16 MR. NEFF: Okay.

17 MR. PEACOCK: Mr. Neff, thank you.
18 My name is Mike Peacock, with the firm of Nehmad,
19 Perillo & Davis. I'm here as the Township
20 solicitor for Weymouth Township. We are here to
21 seek the approval of the creation of a fire
22 district that would serve the entire Township.

23 This matter, unfortunately, has a
24 long and storied history at this point, which I
25 know Mr. Neff is intimately familiar.

1 We originally created this fire
2 district. Fire districts don't often come before
3 this Board, as I'm aware. We created the fire
4 district initially last year, unbeknownst to the
5 fact that we had to seek Local Finance Board
6 approval. We unfortunately did that. We were made
7 aware of it by the Board. We since rescinded our
8 ordinance creating the fire district and we're
9 coming to you seeking it anew, doing it the right
10 away.

11 Just as a way of background,
12 Weymouth Township is approximately a twelve square
13 mile municipality, about 2,700 people live there,
14 very small, largely rural municipality in Atlantic
15 County.

16 It is largely comprised of two
17 areas. Roughly the shape of the Township you can
18 say is a bowtie. There is Belcoville and
19 Dorothy. For many years the Township was served
20 by two volunteer fire companies, one for
21 Belcoville and one for Dorothy.

22 Unfortunately, the Belcoville Fire
23 Company had a history of financial problems, we
24 could say. They were mismanaged. And in the late
25 '90s they were dissolved by the Township because

1 its members refused to seek proper training, as
2 volunteer fire company members.

3 So for the past fifteen years or so
4 the Township has been served exclusively by the
5 Dorothy Volunteer Fire Company. I think the one
6 thing that everyone can agree upon is that the
7 Dorothy Volunteer Fire Company has done an
8 exemplary job in providing fire and EMS services
9 to the entirety of the Township, given their small
10 membership and especially given the fact that they
11 are a volunteer organization that is largely
12 funded through donations and a budget
13 appropriation from the Township.

14 Unfortunately that has not become
15 sustainable due to the relatively small membership
16 of the fire company and due to the fact that we
17 have a large senior population that resides
18 largely in the Oaks at Weymouth, which is a senior
19 manufactured home community within the Township.

20 This is-- approximately two years
21 ago at this point, knowing that the volunteer fire
22 company was going to be-- was starting to be
23 stretched thin financially and knowing that their
24 equipment, including their ambulances and related
25 fire equipment were aging, in accordance with the

1 Fire District Statute, citizens of the Township
2 presented a petition to the Township Committee
3 asking for the creation of the fire district.

4 Through many months of research and
5 interaction, including several public
6 informational hearings with the Township at large,
7 the Township Committee decided to move forward
8 with the fire district as being the best
9 alternative to having to simply just letting the
10 Volunteer Fire Company continue to run itself into
11 the ground, so to speak, due to their limited
12 funds.

13 And after also seeking out price
14 quotes from several commercial EMS providers,
15 including Atlantic Care, the most financially
16 sound option to the Township, was the creation of
17 a fire district.

18 Again, I know not many of these are
19 done these days. And first off, I just want to
20 also now, given that historical background, I went
21 to note for the record that Mayor Ken Haeser is
22 here. Our Township Auditor Sharon Smith from
23 Bowman & Company is here. And Mr. Hand, who is the
24 Chief of the Dorothy Volunteer Fire Company is
25 also here, to advocate in support of this

1 application.

2 I want to also start off by
3 commending Mr. Neff, Ms. Mc Namara stepped out of
4 the room, but they both worked with us intimately
5 in trying to get everything up to speed and
6 getting the information to all of you to consider
7 this application appropriately.

8 I want to thank Mr. Neff personally
9 for that, for going out of his way and speaking to
10 the Township on numerous occasions to do so.

11 Lastly, I want to apologize for the
12 first time this came around. This is the second
13 time this has been brought to your attention and
14 on your agenda. There was a miscommunication. We
15 don't appear often before the Local Finance Board.
16 Maybe that's a good thing that we don't often seek
17 relief. So there was a miscommunication as to
18 whether we were on the January 2014 agenda. And
19 unfortunately we missed that meeting just by sheer
20 oversight.

21 So with that being said, I know
22 that you probably have a number of questions and
23 we're ready to take them.

24 MR. NEFF: So first off let me just
25 comment on the procedural history of this. I think

1 there may have been a belief by some people that I
2 was being an undue bureaucrat by saying this
3 wasn't done right, therefore, this would be
4 rejected. But at the end of the day if something
5 as important as an authority with taxing powers is
6 created, it better be done right. Otherwise if
7 people just sort of glibly approve it and lawsuits
8 happen, then it gets unwound, there is even a
9 bigger problem and it has to just start all over
10 again anyway.

11 I'm trying to make sure this is
12 being considered on its merits. We don't fault the
13 municipality for having pursued it in the wrong
14 manner in the first place. The laws aren't
15 clearly written. They are very poorly written.
16 They could be a lot more clear about the process
17 for creating a fire district.

18 There is a law that is still on the
19 books that says you can create a fire district the
20 way the Township created it. However, that law
21 was superceded by a later law. But that later law
22 that superceded, it doesn't eliminate the old law.

23 Unless you knew about this other
24 law and you were to look for it, you would have no
25 idea that was an inappropriate way of filing

1 something. It's sort of no harm, no foul. I
2 don't think the taxes were collected in
3 furtherance of the fire district after it was--

4 MR. PEACOCK: No, they were not--

5 MR. NEFF: After it was not really
6 created, but sort of, kind of created. At least
7 we're dealing with things the right way.

8 I just want to ask a general
9 question about the creation of the fire district.
10 If the municipality had the option of providing
11 more funds from its budget in support of the fire
12 company to perform the fire services and the EMS
13 services, would that be a preferable route, than
14 creating a new authority with taxing power?

15 MR. PEACOCK: I'll leave that to
16 Mr. Haeser or Mr. Hand to address.

17 MAYOR HAESER: I know recently the
18 state has upped the amount of contribution that a
19 municipality can make to their fire company.

20 I still see the ability of the
21 taxpayer to vote on a budget and see where their
22 money goes is a better option.

23 MR. HAND: If I could add to that?
24 Just the--the Dorothy Fire Company is in existence
25 for eighty years. We're the only municipality in

1 Atlantic County, that a piece of apparatus has
2 never been bonded for. All of our equipment has
3 been through, you know, partial appropriation from
4 the Township, most of it fund raising.

5 We presently raise almost seventy
6 percent of our budget from outside means other
7 than direct payment from Weymouth Township.

8 In the last five years and what
9 prompted this on our part, we had come to the
10 Township Committee, previous committees on several
11 occasions, expressing, you know, we can't continue
12 to fund ourselves the way we are. We can only flip
13 so many chickens at a chicken barbeque to buy a
14 \$400,000 pumper.

15 Previous administrations of the
16 Township used to provide us all of our fuel costs.
17 They took that away and gave us an extra \$1,000.
18 Which is wonderful, except we spent \$9,000 last
19 year on fuel.

20 There was an ordinance introduced
21 in the Township to increase the pad fee on the
22 manufactured home park, to attempt to generate
23 capital money to be put aside for this very
24 purpose.

25 The fire company took a political

1 beating from the community for that. But the
2 residents were in agreement, as long as it went to
3 the fire company, which would have generated about
4 \$30,000 annually for capital improvement.

5 That money was then never earmarked
6 after that point for that. It went into the
7 general fund and that's where it remained to this
8 point.

9 The funding we're actually
10 receiving at this point is less than what the two
11 fire companies combined were receiving in 2000
12 when we took over the rest of the Township.

13 So there is a political aspect that
14 we continuously fought for many, many years, that
15 we've been made a lot of promises. And actually
16 residents in the community are quite upset that
17 they have been told that certain funding that has
18 been raised is going for this very purpose and
19 then it have been diverted.

20 MR. NEFF: I'm sorry, it's been
21 diverted by--

22 MR. HAND: It was never earmarked
23 for the purpose that it was discussed.

24 MAYOR HAESER: It went into the
25 general budget.

1 MR. HAND: It went into the general
2 budget and and then there is no money there for
3 capital.

4 MAYOR HAESER: I also think that a
5 fire district takes that away. Three years from
6 now there could be three different people on the
7 Township Committee that, if we rely on giving them
8 a donation every year, that you could have three
9 people who were not in favor of the fire company
10 at all, that could cut that budget any time they
11 want.

12 I think the fire district goes a
13 long way into letting the people of the Township
14 be involved in their own public safety. I think
15 it is a public safety issue.

16 One of the things that will happen
17 with this fire district is, I believe-- I live
18 across the street from the fire house. I'm an ex
19 fire company and ambulance driver. I know that
20 daytime coverage during the week is not good. It
21 is-- no one works in town any more.

22 Twenty years ago you can have first
23 aid, you can work on the ambulance, you can drive
24 it and you can help people. Now nobody works in
25 town any more. During the day coverage is slim to

1 none. So nights, weekends and holidays their
2 volunteers are there. Part of this Fire District
3 is to have people on call during the day, which is
4 a good thing.

5 MR. AVERY: Is your financial
6 problems because of a capital project or a capital
7 cost problem?

8 MR. HAND: There are two main
9 issues. The capital purchases going forward, you
10 know, in 1973 the engine we purchased cost
11 \$27,000. The replacement for one of our units that
12 is going to age out, I provided a list of the age
13 of our apparatus. We replace our apparatus after
14 thirty years. It is obsolete in many respects.
15 Actually one of our ambulances is beginning to
16 have parts issues that we can't be --the chasis on
17 it is obsolete. They don't make the braking
18 system for it any more. So there is the capital
19 aspect.

20 But we are the--there is only one
21 all volunteer rescue squad left in Atlantic County
22 and that's the Dorothy Volunteer Fire Company. All
23 of the other communities are either paying for EMS
24 services internally or they have a third party
25 providing the service-- or that they are being

1 covered by a neighboring community. We're trying
2 to-- many of those instances when these
3 communities reach that point that they need to
4 augment their voluntary service, they started in
5 this very fashion. They didn't just remove the
6 service and send it to someone like Atlantic Care.

7 Hamilton Township, which borders
8 us, is a perfect example. They began with a paid
9 crew daytime. That they then covered them and
10 the volunteers continued to take care of it on
11 nights and weekend.

12 As I mentioned in our conference
13 call, if anyone wasn't privy to that, our call
14 volume is not enough to justify billing for calls.
15 A large percentage of our income is by donation or
16 by municipal appropriation. We were providing
17 shared services before that was a catchy phrase.
18 We cover two communities entirely with EMS. We
19 cover two other communities partially with EMS. We
20 cover seventy square miles, covering about six
21 thousand residents.

22 If I send somebody a bill for \$850
23 for an ambulance call, I don't think I'm going to
24 be getting a \$50.00 donation later that year.

25 So even though there could be

1 revenue generated in that respect, it is not
2 going to be enough to offset what we're presently
3 receive in municipal and what we're presently
4 raising through fund-raising.

5 MR. NEFF: Okay. Could you just
6 walk us through, somebody, what the proposed
7 budget was that was submitted to the Board as part
8 of the application for the new fire district, what
9 it looked like?

10 MR. HAND: It was a total of
11 \$115,000, \$105,000 being for operating expenses
12 and \$10,000 being set aside annually for capital
13 improvement.

14 MR. NEFF: That compares to the
15 level of support that the municipality provides to
16 the fire district now by how much?

17 Mr. Hand: It would be an increase
18 of about--they presently make a monetary donation
19 of \$50,000. And then they currently cover our
20 insurance cost, which is a little under \$9,000.

21 MR. NEFF: So essentially the
22 taxpayer subsidy toward the fire company would go
23 from \$60,000 to \$115,000. Not all of which,
24 because some of which is going to have to be spent
25 for an auditor, attorney.

1 MR. HAND: That's all in the
2 proposed budget.

3 MR. NEFF: \$50,000, is there
4 anybody who could answer, what does \$50,000 mean
5 to an averaged assessed home --\$50.00?

6 MR. HAND: It is a penny on the the
7 tax bill, it is around \$10,000 in revenue. The
8 one thing I will note in conjunction with this is
9 that parts of this, the fire company made a very
10 strong effort to help the residents in other ways.

11 I don't know if you are familiar
12 with the ISO ratings? But that's basically how
13 your homeowners insurance is figured in your
14 community.

15 By having ISO come in, we did some
16 specialized drills, we showed we can flow water,
17 we were able to reduce the average homeowner's
18 insurance between ten and fifteen percent.

19 I personally, my homeowner's
20 insurance went down \$200 a year. The additional
21 cost for the fire district to me personally will
22 be around \$60.00a year.

23 MR. NEFF: Has the new, not yet
24 created fire district, but almost created fire
25 district, have you decided who would be your

1 attorney to advise you on the legal requirements
2 of submitting a budget, having an audit done as a
3 public entity, how to go about the tax collection
4 process?

5 MR. HAND: We received--we're
6 bordered by several fire districts in Atlantic
7 County. We received recommendations from them of
8 who they normally use that was-- you know, because
9 it was specialized.

10 MR. NEFF: But you would obtain
11 professionals who understand the requirements of
12 an authority?

13 MR. HAND: We had, actually before
14 everything and we found out that things were done
15 out of order, we already retained a--someone to do
16 the budget that did basically the fire district
17 budgets for all the local communities.

18 MR. NEFF: Any other comments or
19 questions for people here?

20 MR. AVERY: Yes, just one question.
21 Would the municipality continue to make the same
22 level of donation to the fire district?

23 MR. HAND: That would be completely
24 eliminated.

25 MR. AVERY: Would that then be

1 reflected in a reduction in the municipal tax
2 rate?

3 MAYOR HAESER: Yes.

4 MR. NEFF: It would. I can answer
5 that one. Whatever payments that had previously
6 been made by the municipality to the fire district
7 will lower the levy cap allowable taxable amount
8 for the municipality. Our staff would make sure
9 that that's enforced.

10 MR. HAND: The one other note with
11 the budget I would like to mention, is that what
12 we are requesting from fire district funds is
13 actually about fifty percent of what our operating
14 budget would be. The rest would be coming
15 neighboring communities, contributions,
16 fund-raising that we do directly.

17 MR. NEFF: If you had--as Patty Mc
18 Namara was just sort of correcting me, augmenting,
19 the real impact to taxpayers here is not \$50.00,
20 it's something less. It would be offsetting
21 what's currently being funded. It is quite closer
22 to \$30.00 for the averaged assessed home.

23 And our statutory standards for
24 reviewing whether an authority can be created, is
25 whether whether it can be efficient and feasible

1 as a means of providing financing for the proposed
2 project or projects.

3 And it seems to me that it is not a
4 lot of money, at least for the first year, of
5 what's being proposed. And so I wouldn't--it seems
6 to me the statutory standards to move forward, if
7 that's what the municipality wants, that's my gut,
8 without hearing some additional testimony.

9 But can you just give us an
10 indication of what would the costs be if the
11 volunteer service were to disband and the
12 municipality had to contract out to Atlantic Care
13 or some other entity?

14 MR. HAND: Atlantic Care has given
15 the Township a quote of \$200,000 up front. If the
16 Township was going to bill for services, they
17 would be responsible for that. Which that cost,
18 through speaking to other organizations that bill,
19 is about seven percent of your billable.

20 The average call being billed by
21 other municipalities that are funding it that way,
22 is about \$850 per ambulance call.

23 MR. NEFF: They would have charged
24 \$200,000 up front?

25 MR. HAND: Up front.

1 MR. NEFF: Not given it to them, the
2 \$200,000?

3 MR. HAND: \$200,000 up front.
4 Because our apparatus is now out of the picture.
5 Right off the bat they have to provide an
6 ambulance for the community.

7 Also, the efficiencies that we're
8 gaining by what we're providing is because it's
9 spread across four municipalities. Two of those
10 municipalities are served by other services. If we
11 disbanded, the call volume would not go to whoever
12 took over our service.

13 When you look at a break even point
14 for providing the service, you know, by a billing
15 standard there is not going to be enough call
16 volume. There are about fifteen percent of calls
17 for EMS that are not chargeable. If you go to
18 somebody's house because their house is on fire
19 and it sits there to protect the firemen, you
20 don't bill anyone for that.

21 If you go help an elderly person
22 that fell and they don't want to go to the
23 hospital and you help them back up into bed, you
24 don't bill for that.

25 MR. NEFF: Anybody else have any

1 other questions, comments?

2 (No response).

3 No, okay any other questions or
4 comments?

5 (No response).

6 I would just ask that you guys take
7 a step back. Then for the folks who want to
8 testify in opposition, they can come up.

9 (Henry Goldsmith, being first duly
10 sworn according to law by the Notary).

11 MR. GOLDSMITH: Henry Goldsmith,
12 G-o-l-d-s-m-i-t-h.

13 Mr. Chairman, you are absolutely
14 right in your first question. The issue is whether
15 or not Weymouth Township, a small municipality
16 with a limited number of residents, a limited tax
17 base needs another authority and another taxing
18 authority.

19 The two bills that are before the
20 legislature now, A2779 and the companion Senate
21 bill, would raise the limits that municipalities
22 can contribute to the fire companies in their
23 municipalities. If approved and passed, would
24 allow the municipality to contribute \$120,000 per
25 year.

1 If that that were in fact in place
2 now, the municipality could well cover that
3 amount.

4 We feel that having a separate
5 authority, a district, creates a entity, which
6 creates budgeting problems. It is another layer
7 of bureaucracy that may or may not be necessary.

8 I'm not absolutely-- I'm not saying
9 anything negative about the fire company. I think
10 they do a fabulous job. Their fund-raisers are
11 very good. But the question is whether that is
12 the most efficient way to address the problem.

13 The issue of capital expense, and
14 Mr. Hands is quite correct, the price of fire
15 engines and ambulances have gone through the roof,
16 as you all know. It's going to require bonding
17 from some agency to do it.

18 I think if the bonding comes
19 through the municipality, that's probably as
20 effective as having a second entity, a fire
21 district, do it. With the fire district you are
22 going to have a fire district and a volunteer fire
23 company. So you have two halves of the puzzle, so
24 to speak.

25 The budget that Mr. Hand gave you,

1 the \$115,000, is a fire district budget. There is
2 a separate budget of \$110,000, \$115,000, which is
3 the volunteer fire company budget, which they are
4 still going to have to raise. That will be a
5 separate amount and they have to be meshed
6 together.

7 If we left it--the total budget is
8 \$218,000, the proposed budget is \$218,000. So if
9 they have the two separate halves, you now are
10 dealing with fire district budget on one hand and
11 a volunteer fire company. Whereas if we just
12 leave it as a volunteer fire company, then they
13 will receive all of their funding through--from
14 the municipality, through the municipality. Not
15 the least of which problems are the logistics of
16 having two separate entities.

17 Another issue that has been raised
18 and I'm not sure what the answer is, but I will put
19 it out there is, we have a mobile home park, the
20 Oaks of Weymouth. The residents of which do not
21 pay property tax on the value of their homes.
22 They pay a municipal services fee. And it has
23 been proposed to raise the municipal services fee
24 to equate to the value of additional costs for the
25 fire district, as if they were paying a property

1 tax on it.

2 There has been some question as to
3 whether the fire district, as a separate taxing
4 authority, has the ability to raise that as a tax.
5 As opposed to if it's just the municipality, the
6 municipal services fee can be raised to reflect
7 that.

8 So those are the reasons --the
9 information that I would like to ask you to
10 consider before you vote on this. I'd be happy to
11 answer your questions.

12 MR. NEFF: Anybody have any
13 questions?

14 MR. AVERY: I don't have a
15 question, but I would like to answer that issue of
16 fire district taxing authority.

17 MR. NEFF: We'll have an answer for
18 our next meeting. We'll ask our DAG to take a
19 look at that and give us an answer.

20 I think the answer is no. I think
21 they wouldn't, but I shouldn't spew off the top of
22 my head. That's how we all get into problems.

23 MR. AVERY: So I just did.

24 MR. NEFF: If there are no more
25 questions, we'll conclude for today. If either

1 you or anyone else wants to provide the Board with
2 written comments about the application, we would
3 ask that we receive it in the next two weeks. It
4 is very likely that this is going to be heard and
5 a vote will be taken on it in June, which is the
6 second Wednesday of June, which is when the Board
7 meets again.

8 So anything you want to get us in
9 writing, go ahead and we'll review and submit it
10 as part of the record so we'll have it. We'll get
11 this question answered.

12 And I just share with you, my
13 predisposition on something like this, I hate to
14 see more authorities created. I think at the end
15 of the day there is usually a creative way around
16 that, to sustain services that are needed.

17 But maybe statutorily that the
18 Board will-- could approve it. Our judgment may
19 be otherwise, but statutorily they may have met
20 their burden for proving what they need to prove
21 under the statute.

22 I'm going to--I'll tell you, I'm
23 going to grapple with this one myself. Because
24 I know this Board has gotten rid of a few
25 authorities. We've allowed for the dissolution of

1 authorities, which is what my goal is. I want to
2 see less of these authorities, not more.

3 But that buying said, it's not an
4 unreasonable plan that's been put forward to us.
5 It doesn't look malicious or clearly
6 inappropriate. So we'll take a little bit closer
7 look at this. Any testimony you want to provide us
8 that we have not already received, we'll be glad
9 to receive it. Then we'll be back in June on this
10 issue.

11 MR. AVERY: Tom, could I just add, I
12 understand how the costs of providing EMS training
13 and services has gone up and fire equipment has
14 gotten outrageously expensive. It would be
15 helpful if a municipality could increase the
16 amount of money that they can donate for those
17 services to volunteer groups. That's, obviously,
18 the cheaper way of going about things.

19 But you can't base a decision on
20 what may pass the legislature. That's the
21 problem. I don't know when those two pieces of
22 legislative--those two bills are scheduled for
23 action either.

24 MR. NEFF: They don't seem to be
25 scheduled for action any time soon. I actually

1 asked folks in the legislature about those bills
2 and where they are going. They are not here today.
3 God knows when they may pass, so we'll see.

4 I actually do want to make one more
5 comment for the Township. I know that a comment
6 was made that if the voters get a chance to vote
7 on budgets, that's like good form of oversight. I
8 will tell you from experience on this Board, that
9 in theory that may sound good, but in reality we
10 routinely receive budgets at the Division that
11 pass with eleven votes, twelve votes, thirteen
12 votes.

13 I don't think anybody believes--

14 MS. MC NAMARA: The total.

15 MR. NEFF: I don't think anybody
16 believes these elections are well understood.
17 They are not well attended or participated in.
18 And very quickly there becomes real, very little
19 oversight of the fire district itself, other than
20 the commissioners who are elected to it.

21 Sometimes and I'll be honest, the
22 commissioners wind up being the people who are
23 part of the fire company that is served.

24 With that said, we all love the
25 volunteer fire districts. But I want to point out

1 for the record, I personally don't believe that in
2 theory voters approving for budgets which no one
3 goes to the vote, as opposed to the governing body
4 which has to answer to voters when their elections
5 come up. Those elections are well attended. I
6 don't think there is much of a comparison between
7 the oversight that exists.

8 With that said, we'll take
9 additional comments. Anybody who wants to come
10 and testify at the next meeting in June, you are
11 welcome to. I would ask if it's something you've
12 already covered, you don't feel the need to
13 testify, don't. But if you have new information
14 that you want us to have, we'll be glad to hear
15 it.

16 MR. PEACOCK: Thank you.

17 MR. NEFF: Motion for adjournment?

18 MR. FOX: So moved.

19 MR. BLEE: Second.

20 MS. MC NAMARA: All in favor?

21 (Whereupon, unanimous affirmative
22 response).

23 MS. MC NAMARA: Nays?

24 (No response).

25 (Whereupon, the matter concludes at

1 12:45 p.m.)

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

2

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

21

C:\TINYTRAN\Charles Senders.bmp

22

23

24 CHARLES R. SENDERS, CSR NO. 596

25 Dated: June 3, 2014

