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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, June 11, 2014

B E F O R E: THOMAS NEFF-CHAIRMAN
ALAN AVERY-MEMBER
JAMIE FOX-MEMBER
FRANCIS BLEE-MEMBER
IDIDA RODRIGUEZ-MEMBER
TED LIGHT-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: DONALD PALUMBO, 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, June
2 11, 2014, commencing at 10:31 a.m.)

3 MR. NEFF: Okay. We're going to
4 get this started here. We have two consent
5 matters, Environmental Infrastructure Trust items.

6 One is Hopatcong Borough, Sussex
7 County, \$11,,776.405, Proposed Nonconforming
8 Maturity Schedule program.

9 The second is Tuckerton Borough,
10 \$4,525,000, Proposed Environmental Infrastructure
11 Turst Loan Program, Proposed Nonconforming
12 Maturity Schedule and Proposed Waiver of Down
13 Payment.

14 Those items are on consent. Do we
15 have a motion?

16 MR. FOX: So moved.

17 MR. AVERY: Second.

18 MR. NEFF: Roll call.

19 MS. MC NAMARA: Mr. Neff?

20 MR. NEFF: Yes.

21 MS. MC NAMARA: Mr. Avery?

22 MR. AVERY: Yes.

23 MS. MC NAMARA: Ms. Rodriguez is not
24 in the room. Mr. Blee?

25 MR. BLEE: Yes.

1 MS. MC NAMARA: Mr. Fox?

2 MR. FOX: Yes.

3 MS. MC NAMARA: Mr. Light?

4 MR. LIGHT: Yes.

5 MR. NEFF: We also have two items on
6 consent that are USDA loans. One is a \$1.585
7 million Proposed Nonconforming Maturity Schedule
8 for Cape May City.

9 The other is Keyport Borough, \$3.89
10 million Proposed Nonconforming Maturity Schedule
11 and Proposed Waiver of Down Payment.

12 Take a motion on those USDA
13 applications?

14 MR. FOX: So moved.

15 MR. LIGHT: Second.

16 MR. NEFF: Roll call.

17 MS. MC NAMARA: Mr. Neff?

18 MR. NEFF: Yes.

19 MS. MC NAMARA: Mr. Avery?

20 MR. AVERY: Yes.

21 MS. MC NAMARA: Ms. Rodriguez is not
22 here. Mr. Blee?

23 MR. BLEE: Yes.

24 MS. MC NAMARA: Mr. Fox?

25 MR. FOX: Yes.

1 MS. MC NAMARA: Mr. Light?

2 MR. LIGHT: Yes.

3 MR. NEFF: Next up is Lopatcong
4 Township. They have Tax Appeals, \$1,085,000
5 Proposed Refunding Bond Ordinance.

6 (David Evans, being first duly
7 sworn according to law by the Notary).

8 MR. EVANS: David Evans, Auditor for
9 Lopatcong Township.

10 Good morning. I'm David Evans, from
11 Nitzovachia, representing Lopatcong Township in
12 Warren County.

13 We are before you today seeking
14 approval to adopt a Tax Refunding Ordinance in the
15 amount of \$1,085,000, to refund substantially all
16 of the settled tax appeals for the Township.

17 If this application is granted this
18 will fund substantially all the material tax
19 appeals in the Township. The impact to the
20 average homeowner for a five year repayment
21 period, will be approximately sixty-three dollars
22 a year.

23 MR. NEFF: Staff had reviewed the
24 questionnaire that the municipality submitted. It
25 looked pretty much in order, nothing unusual.

1 I'll just make a general comment.
2 There was some international travel, I think, for
3 the clerk?

4 MR. EVANS: The Clerk attends on
5 out-of-state-- the annual Clerk's conference
6 out-of-state once a year. That's the only
7 overnight travel for the twenty-two employees?

8 MR. NEFF: Where is-- it is not an
9 international travel?

10 MR. EVANS: It's not international.
11 It is, like, Pennsylvania.

12 MR. BLEE: That's international.

13 MR. EVANS: To some people it is.
14 There is no international travel.

15 MR. NEFF: It looked like it was. I
16 was going to suggest you might want to scale that
17 one back.

18 MR. EVANS: No, no, sir. There is--I
19 spoke-- I had correspondence with Mr. Bennett.
20 It is overnight travel out-of-state, no
21 international travel. No, Lopatcong, we're just
22 not that big and sophisticated.

23 MR. NEFF: Okay. So with that, if
24 the maturity would be five years, which would
25 bring you just down to the fifty dollar --

1 MR. EVANS: It would bring it to
2 sixty-three dollars a year.

3 MR. NEFF: Close to the fifty dollar
4 level?

5 MR. EVANS: That is sort of the
6 Board has used in approving these, absent any
7 substantial exceptions.

8 I would make a motion unless anyone
9 has any questions or concerns?

10 MR. FOX: Second.

11 MR. NEFF: Are you okay, Ted?

12 MR. LIGHT: Fine.

13 MR. NEFF: Take a roll call.

14 MS. MC NAMARA: Mr. Neff?

15 MR. NEFF: Yes.

16 MS. MC NAMARA: Mr. Avery?

17 MR. AVERY: Yes.

18 MS. MC NAMARA: Ms. Rodriguez?

19 MS. RODRIGUEZ: Sustained. I wasn't
20 here.

21 MS. MC NAMARA: Mr. Blee?

22 MR. BLEE: Yes.

23 MS. MC NAMARA: Mr. Fox?

24 MR. FOX: Yes.

25 MS. MC NAMARA: Mr. Light?

1 MR. LIGHT: Yes.

2 MR. NEFF: I'm going to go out of
3 order just a little bit here. I'm going to move
4 to--

5 (Pause in Proceedings).

6 Never mind. We'll stick on the
7 schedule.

8 We'll go to South Orange.

9 (Mary Lyons, Barry Lewis, being
10 first duly sworn according to law by the notary.)

11 MS. LYONS: Mary Lyons, L-y-o-n-s.

12 MR. DAVIS: Bernard Davis, Wolf &
13 Samson.

14 MR. LEWIS: Barry Lewis, Village
15 Administrator.

16 MR. DAVIS: Good morning. Bernard
17 Davis, Wolf & Sampson. We're bond counsel to the
18 Township of South Orange Village.

19 We're seeking approval for the
20 issuance of current refunding bonds, the refunding
21 of the Village's 2001 General Improvement Bonds.

22 These bonds were sold to the Essex
23 County Improvement Authority as part of their
24 general governmental pool back in 2001.

25 The current bonds bear interest at

1 a variable rate. And each year the pool of fees
2 seems to grow as the pool shrinks.

3 We're looking to issue refunding
4 bonds on a current refunding basis in the amount
5 of approximately \$2,500,000. The refunding bonds
6 would have the same maturity as the existing
7 bonds. The new bonds will bear interest at a fixed
8 rate and will be federally taxable.

9 MR. NEFF: Okay. So my
10 understanding here is that the refunding is
11 really being done not so much to get interest rate
12 saving, but really just to convert variable rate
13 debt into something fixed while the interest rates
14 are low?

15 MR. DAVIS: That's the primary
16 thrust.

17 MR. NEFF: Presumably you would need
18 some sort of approval from the Essex County
19 Improvement Authority where the debt is currently
20 outstanding?

21 MR. DAVIS: Basically to give them
22 notice of redemption.

23 MR. NEFF: You are required to give
24 them notice but not get their approval?

25 MR. DAVIS: Correct.

1 MR. NEFF: Is there anyone from the
2 Essex County Improvement Authority here?

3 MS. EDWARDS: Financial advisors,
4 but Jim Paginelli is running late for his later
5 application.

6 MR. NEFF: Is there--do you
7 know--can you state your name for the record?

8 MS. EDWARDS: Jennifer Edwards,
9 Acacia Financial Group.

10 MR. NEFF: Is there any intent of
11 Essex County to otherwise refund that debt or
12 convert it into fixed rate securities, as opposed
13 to variable rate, that you are aware of?

14 MS. EDWARDS: Not that I'm aware of
15 at this time.

16 MR. NEFF: One concern I have is if
17 it makes sense to convert the debt into fixed rate
18 securities, it seems strange to me that if the
19 Authority could do its own and cover everything as
20 opposed to pieces of it being done piecemeal,
21 would probably seem to me to be more efficient.

22 If it was my understanding that
23 there was some effort of the County to move
24 forward with something like that, then I would be
25 hesitant to support something like this today, if

1 it would avoid bifurcating a deal into multiple
2 tranches and also increasing the overall fees
3 associated fees associated with it. It doesn't
4 sound like that that's really under consideration
5 at the moment.

6 MS. EDWARDS: I wouldn't know.

7 MR. NEFF: Okay.

8 MR. DAVIS: We're basically
9 following the lead of a number of other
10 municipalities that have repaid their obligations
11 and left the pool.

12 MS. LYONS: I'm Mary Lyons, Pheonix
13 Advisors. The only two participants actually left
14 in the pool are the County and the Village. One
15 of the County's loans will be maturing in 2016, so
16 they do have the ability as well.

17 MR. NEFF: Other municipalities--

18 MS. LYONS: There is no one left.

19 MR. NEFF: Everyone refunded their
20 debt.

21 MR. LEWIS: Some of them reached
22 maturity.

23 MR. NEFF: I don't remember them
24 coming to this Board to do that.

25 MR. LEWIS: I don't know

1 specifically if the others refunded or reached
2 maturity and paid them off, but they are all out.
3 We're left as sort of the last person standing.

4 The concern is when the County's
5 other issue gets paid off, we pickup a bigger
6 percentage of the overall cost.

7 MR. NEFF: If you are to do this
8 refunding, does South Orange Village continue each
9 year to make at least the same amount of payments
10 in their budget toward retiring debt? Is this
11 going to be some sort of refunding where a year
12 gets skipped on a payment?

13 MR. DAVIS: I believe we're going
14 to stay to the same principal schedule. And the
15 final maturity will be the same, but there is no
16 intent to spread out principal.

17 MR. LEWIS: We don't skip a year. We
18 pay each guy this year if this happens. Then we
19 immediately pickup next year with full principal,
20 the full payments.

21 MR. NEFF: I guess my suggestion
22 would be go ahead and allow it. It converts a
23 variable rate security and it moves it to a fixed
24 rate when the market is low.

25 MR. FOX: Make a motion to approve.

1 MR. LIGHT: I'll 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: Ms. Rodriguez?

8 MS. RODRIGUEZ: Yes.

9 MS. MC NAMARA: Mr. Blee?

10 MR. BLEE: Yes.

11 MS. MC NAMARA: Mr. Fox?

12 MR. FOX: Yes.

13 MS. MC NAMARA: Mr. Light?

14 MR. LIGHT: Yes.

15 MR. NEFF: Thank you very much.

16 Orange City, Qualified Bond Act

17 Ordinance.

18 MR. MAPP: We're just waiting for

19 bond counsel to walk in.

20 MR. NEFF: Is East Orange here?

21 (Joy Lascari, Dwayne Warren, Adrian

22 Mapp, Frank Mc Enerney, being first duly sworn

23 according to law by the Notary).

24 MS. LASCARI: Joy Lascari,

25 L-a-s-c-a-r-i.

1 MAYOR WARREN: Dwayne Warren,
2 W-a-r-r-e-n.

3 MR. JOHNSON:1 Everett Johnson.

4 MR. MAPP: Adrian Mapp, M-a-p-p,
5 Director of Finance.

6 MR. MC ENERNEY: Frank Mc Enerney,
7 M-c E-n-e-r-n-e-y, RMA

8 MR. NEFF: Ordinarily when we get a
9 Qualified Bond Act Ordinances like this that are
10 for routine sorts of borrowings, we don't spend a
11 lot of time scrutinizing them. But Orange has had
12 some issues financially over the last few years.
13 There are a number of people there who actively
14 watch over what happens in Orange. They comment
15 on these sorts of things.

16 And the Board received a number of
17 comments about this particular Bond Ordinance. We
18 at the staff level have followed up on some of
19 these issues that were raised by people in Orange.

20 Is there anybody from Orange here
21 who wants to testify in opposition to this?

22 (No response).

23 No. So just for the record I want
24 to go through a few issues that where raised to
25 us. Some relate directly to this particular Bond

1 Ordinance, some are just with respect to finances
2 in general through the municipality.

3 One issue that was raised was that
4 Orange has some sort of outstanding unemployment
5 insurance bill that's due to the Department of
6 Labor and that it hasn't been paid. If somebody
7 could--from Orange, could just explain what is the
8 unemployment insurance bill for? How how long is
9 it overdue and what's the repayment process for
10 that bill?

11 MR. MAPP: Yes, Director. That is
12 a bill that dates back to around 2001. Interest
13 and penalties. And we have an arrangement with
14 the Department to pay \$26,000 per month, which is
15 in the budget.

16 MR. NEFF: How long ago was that
17 payment schedule arranged.

18 MR. MAPP: The payment schedule was
19 arranged sometime earlier this year. We do have
20 an arrangement that's dated April 10th of 2014.
21 And we have vouchers whereby we are to make
22 \$26,000 on a monthly basis.

23 MR. NEFF: Why was there --what is
24 it for, a million dollars.

25 MR. MAPP: The million dollars

1 pertains --it is-- at this point it is \$872,000.
2 That is made up of interest and penalties. And it
3 is something that we are-- I'm committed to paying
4 off over a --I think a three year period of time.

5 MR. NEFF: Okay. So one of the
6 things that the Division does, it tries to make
7 sure the municipalities are actually paying the
8 obligations that they have. How is it that there
9 was a million dollar Department of Labor
10 obligation that went unpaid for thirteen years? I
11 don't understand that at all.

12 MR. MAPP: We were quite surprised,
13 quite honestly, as an administration when we took
14 over in 2012, that this was an outstanding
15 obligation that dates back for quite some time.

16 We immediately, upon receiving
17 notices from the State, we embarked on putting a
18 plan in place to correct this issue with the
19 Department that was outstanding for a very long
20 time.

21 MR. NEFF: Are there any other
22 liabilities like this that are this old or not
23 even quite as old? Are there any other
24 liabilities that the municipality hasn't paid?

25 MR. MAPP: We also discovered, upon

1 this administration coming in, that there is an
2 amount of \$1.2 million that is owed to vendors as
3 a result of cost overruns that were not provided
4 for in the Capital Ordinance at the time.

5 We currently have an application
6 before NJ EIT for it being approved. We are
7 waiting to finalize that process.

8 After that we will be having and
9 are seeking a Capital Ordinance from the governing
10 body to authorize the payment of this \$1.2
11 million.

12 MR. NEFF: All right. There were a
13 few other issues raised that I wanted to raise
14 here for the record as well.

15 The objectors had noted that there
16 were computers being purchased as part of this
17 Bond Ordinance. And their objection was that
18 computers don't really last very long, so why
19 should you borrow for them?

20 The response back from the
21 municipality is that, well, it is legal to do it.
22 And I went back and looked at the law after
23 talking to Mr. Everett or Everett Johnson. And
24 realized there is a law that passed in 2007 as
25 part of some bill that allowed for computers to be

1 be bonded for. It is legal.

2 I'm going to go on record as
3 thinking I don't think it is very good policy to
4 issue debt for eight years, ten years or fifteen
5 years, do things like buy computers with borrowed
6 funds. When we all know they really have a life
7 expectancy of a few years before they are worth
8 nothing.

9 With that being said, I know other
10 municipalities, it is legal. It is done routinely
11 in other municipalities as well.

12 I don't know that Orange should be
13 held to a different standard than other
14 municipalities. I would at least like to explain
15 that on the record. So the record reflects that we
16 viewed the folks concerns and thought about them.
17 There is a reason for why-- that's not something
18 that we think should hold up the application.

19 There are also general comments by
20 the folks who are opposing this, that they believe
21 that there is no planning for capital expenditures
22 in Orange. Could you just walk us through what
23 the capital planning process is in Orange for
24 prioritizing what is being done and what's not?

25 MR. MAPP: With do meet with the

1 respective departments to get a sense as to what
2 the capital needs are.

3 Based on those meetings with the
4 respective departments, we do come up with a
5 capital plan. And I should state that the capital
6 plan has been included in the approved budget that
7 the Council approved back in April of this year.
8 So there is, indeed, a long term capital plan.

9 MR. NEFF: So there is a capital
10 budget plan in the municipality?

11 MR. MAPP: That's correct.

12 MR. JOHNSON: Director can I add
13 for the record at least, that the municipality has
14 been contemplating this Bond Ordinance since
15 probably late 2012.

16 So there have been significant
17 discussions about what is to be included and what
18 is not to be included. Because the administration
19 and Council are very concerned about not entering
20 into too much unnecessary debt.

21 So there have been significant
22 conversations about what it is they are going to
23 be borrowing, what's going to be included in this
24 Ordinance. This Ordinance is a result of months of
25 dialogue with regard to what's needed and what's

1 necessary for the municipality.

2 MR. NEFF: Just to be clear, is that
3 months of dialogue internally or is this--have you
4 had public hearings where the public has an
5 opportunity to comment on this? Or is this
6 primarily just internal planning?

7 MR. JOHNSON: It has actually been
8 a little bit of both. In that there were
9 ordinances that were proposed, there was public
10 comment. The Council listened to the public
11 comment. They revised the ordinances based on some
12 public comment before. There have been,
13 obviously, some internal discussion as well.

14 So there has been public input, in
15 general, on some of the items in this Ordinance,
16 but not necessarily everything.

17 MR. MAPP: I should add, Director,
18 that there was an application that was approved by
19 this Board last year for an amount that was in
20 excess of \$9 million. We did not move forward
21 with that, based on additional dialogue between
22 the administration, the governing body and the
23 public.

24 What you have before you is an
25 Ordinance for \$8.3 million of debt to be

1 authorized.

2 MR. NEFF: So what happened to the
3 old \$9 million authorization?

4 MR. JOHNSON: It didn't go
5 anywhere.

6 MR. NEFF: It never got adopted?

7 MR. JOHNSON: No, it did not.

8 MR. NEFF: Okay. That was part of
9 what I was wondering, since I wasn't sure whether
10 that had been adopted.

11 MR. JOHNSON: No.

12 MR. NEFF: My understanding is the
13 impact to the average assessed home on a property
14 tax bill of this debt to be issued, the debt
15 service on a million dollars a year, \$1,200,000,
16 is \$160?

17 MR. MAPP: Yes, sir.

18 MR. NEFF: And that the Council has
19 determined--"Council" with an c-i-l, has
20 determined that is an appropriate amount of burden
21 to be placed for capital needs that are important
22 for the municipality?

23 MR. MAPP: Absolutely. This has
24 been as a result of much discussion between the
25 Council and the administration. And this is also

1 in light of the fact that there hasn't been any
2 capital ordinances in several years, probably
3 fifteen or twenty years or so.

4 And so we do believe that this is
5 essential to the needs of the City in terms of
6 public safety, in terms of infrastructure. So the
7 administration and the Council at this point in
8 time believe that this is the way we should move
9 forward.

10 MR. NEFF: There were comments made
11 in writing by the opponents of this application,
12 who were concerned about the level of tax appeals
13 that were facing the municipal. What will that
14 mean in the long term, in terms of whether you
15 will be able to pay those. Whether you will have
16 to refinance and refund them.

17 Can you just give us a quick update
18 on what sort of appeals are facing the
19 municipality and what the plans are to deal with
20 those?

21 MR. MAPP: We should state that as
22 of June of this year we have roughly 339 cases
23 docketed in the Tax Court of New Jersey. There
24 were only fifty-seven new docket numbers for 2014.

25 There was a reval that just

1 occurred toward the end of last year. Therefore,
2 there are still about 282 matters pending from the
3 Tax Court prior to the revaluation, primarily
4 dating back to 2008 to 2013. But appeals have
5 gone down significantly, by more than fifty
6 percent.

7 MR. NEFF: And the impact of those
8 pending appeals, does the Municipality envision
9 coming to this Board to ask for a refunding for
10 tax appeals?

11 MR. MAPP: At this time we don't
12 have a plan to do so. Primarily, these
13 settlements have been either credited or in some
14 instances refunds have been made and the impact
15 has been on operations.

16 We don't foresee coming for any
17 refunding ordinance to take care of this.

18 MR. NEFF: Are there municipal I was
19 officials being apprised as to what the total
20 possible liability of these appeals is? We have
21 the wrong numbers for what the appeals are. But
22 what's the potential exposure in terms of the
23 appeals? I mean, are they very large or are these
24 all very small appeals?

25 MR. MAPP: Although it is difficult

1 to put a number on the what the potential exposure
2 might be, I can tell you that from January through
3 May of this year, the impact has been roughly
4 \$141,000.

5 MR. NEFF: Okay. It's not like the
6 overall level of exposure so much that you are
7 certain you are coming back to this Board for the
8 refunding or won't otherwise be able to address
9 those appeals in the ordinary course?

10 MR. MAPP: The plan is that we will
11 address the appeals as we have been. There is no
12 plan to come before this body for a refunding
13 ordinance --

14 MR. NEFF: You had a reval, in
15 what--

16 MR. MAPP: -- at this time. No plan
17 to come to the Board at this time for a refunding
18 ordinance.

19 MR. NEFF: The last time that a
20 reval was done was when?

21 MR. MAPP: The reval was completed
22 on or about October of 2013.

23 MR. NEFF: The weighted average
24 maturity for all of this debt is, I think, your
25 bond counsel determined to be about fifteen years?

1 MR. JOHNSON: Eight years.

2 MR. NEFF: The weighted average
3 maturity is eight years?

4 MR. JOHNSON: For the whole entire
5 ordinance, yeah. There were certain multi purposes
6 that had fifteen, eight and five, but the overall
7 bond ordinance is eight years.

8 MR. NEFF: Okay. There are no
9 operating costs that are being borrowed in this
10 Ordinance; correct?

11 MR. JOHNSON: Capital items.

12 MR. NEFF: For all the items that
13 are set forth in the statute, that have
14 statutorily recognized terms of maturities?

15 MR. JOHNSON: Yes.

16 MR. NEFF: Okay. I think we pretty
17 much covered the concerns that were raised by the
18 residents. I just want the record to reflect that
19 we thought about them, reviewed much, asked you
20 questions about them. I think your answers were
21 reasonable. I see no reason to hold up the
22 application.

23 MR. FOX: Motion to approve.

24 MR. BLEE: Second.

25 MR. NEFF: Roll call.

1 MS. MC NAMARA: Mr. Neff?
2 MR. NEFF: Yes.
3 MS. MC NAMARA: Mr. Avery?
4 MR. AVERY: Yes.
5 MS. MC NAMARA: Ms. Rodriguez?
6 MS. RODRIGUEZ: Yes.
7 MS. MC NAMARA: Mr. Blee?
8 MR. BLEE: Yes.
9 MS. MC NAMARA: Mr. Fox?
10 MR. FOX: Yes.
11 MS. MC NAMARA: Mr. Light?
12 MR. LIGHT: Yes.
13 MR. NEFF: Thank yo.
14 MAYOR WARREN: Thank you very much.
15 MR. NEFF: East Orange.
16 (Michele Ralph Rawls, Victoria
17 Walker, Steven Wielkotz, being first duly sworn
18 according to law by the Notary).
19
20 MS. RALPH RAWLS: Michele Ralph
21 Rawls, Acting Business Administrator.
22 MS. WALKER: Victoria Walker, Acting
23 Director of Finance.
24 MR. JOHNSON: Everett Johnson.
25 MR. WIELKOTZ: Steve Wielkotz, the

1 Auditor.

2 MR. JOHNSON: Ready?

3 MR. NEFF: I can sort of make this
4 more painless for you, I think. So we had this
5 conversation last month.

6 The one thing that was holding up,
7 I think, approval of what was being requested, was
8 we didn't have an introduced budget yet or you
9 haven't had a chance to review it yet?

10 MR. JOHNSON: Correct.

11 MR. NEFF: Our staff reviewed it.
12 And I think your tax rate, your tax levy, are
13 going up at a reasonable rate. And it is not as
14 if this refunding is being done to artificially
15 keep the tax rate or levy low.

16 MR. WIELKOTZ: That's correct.

17 MR. NEFF: I think that was the last
18 objection that the Division-- or concern at the
19 Division staff that we had. I think that's in the
20 past. So unless there is anything different, any
21 questions or concerns?.

22 MR. FOX: Motion to approve.

23 MR. BLEE: Second.

24 MR. NEFF: Second by Mr. Blee. Roll
25 call.

1 MS. MC NAMARA: Mr. Neff?

2 MR. NEFF: Yes.

3 MS. MC NAMARA: Mr. Avery?

4 MR. AVERY: Yes.

5 MS. MC NAMARA: Ms. Rodriguez?

6 MS. RODRIGUEZ: Yes.

7 MS. MC NAMARA: Mr. Blee?

8 MR. BLEE: Yes.

9 MS. MC NAMARA: Mr. Fox?

10 MR. FOX: Yes.

11 MS. MC NAMARA: Mr. Light?

12 MR. LIGHT: Yes.

13 MR. NEFF: Trenton City.

14 (Janet Schoenhaar, Neil Grossman,
15 being first duly sworn according to law by the
16 Notary).

17 MR. MC MANIMON: Thank you. Ed Mc
18 Manimon, Mc Manimon, Scotland & Baumann. Our firm
19 is the Bond Council to the City of Trenton. To my
20 right is Janet Schoenhaar, who is the City's Chief
21 Financial Officer. To her right is Neill Grossman,
22 who serves as the city's Financial Advisor.

23 The City is asking for the
24 approval of four bond ordinances and one capital
25 ordinance, under the Qualified Bond Act. They are

1 excess of their borrowing capacity. So we are
2 also asking for approval under 40:2-7(d), which
3 permits this Board to approve bond ordinances that
4 are in excess of the borrowing capacity of the
5 City, to the extent that it is deemed in the best
6 interests of the City.

7 We have had several discussions and
8 communications with the Local Finance Board staff,
9 particularly Nick Bennett, and have supplied them
10 with multiple backup documentation that was
11 requested in connection with most of the projects
12 that are in these ordinances.

13 There are also some questions
14 raised about the amount that was reflected in
15 these ordinances for what is commonly referred to
16 as Section 20 costs. Which are the soft costs,
17 architects, engineering, legal, bonding, et
18 cetera.

19 And for most part the results of
20 those inquiries has indicated that the estimate
21 that's in these bond ordinances for those Section
22 20 costs, exceed the amounts that are actually the
23 product of the backup work product, that was
24 produced from the requests that were made by Nick
25 Bennett.

1 So we are aware of that. We're
2 prepared to answer any questions about that or any
3 of that information.

4 The Qualified Bond Revenue for the
5 City of Trenton that's available to support the
6 bond issue, is \$71,580,989.

7 Currently, Maximum Annual Debt
8 Service as supported by the Qualified Bond Act
9 revenues, is \$23,991,215. That occurs in 2015 and
10 goes down.

11 So from the standpoint of the
12 Qualified Bond Act coverage, there is more than
13 three times-- or three times the coverage in terms
14 of the value of the Qualified Bond Revenues to
15 support the bonds.

16 With regard to the extension of
17 credit in excess of the borrowing capacity and the
18 other questions, Janet is here, as is Neil, to
19 answer any questions you have with regard to those
20 inquiries.

21 MR. NEFF: I'm going to cut right to
22 the chase with this one. The Municipality hasn't
23 received it transitional aid yet, its transitional
24 aid to the Municipality. The reason that it hasn't
25 received its transitional aid, is that it will

1 require such a grant agreement that hasn't been
2 signed by the City. If it is not signed by June
3 30th, the City is going to wind up at the end of
4 the year with a sizeable cash deficit that will be
5 a concern for rating agencies. It can result in
6 delayed payments to vendors and others, that
7 trigger interest and penalty payments.

8 I don't understand the holdup. The
9 Division has communicated a willingness to work
10 with the City and treat it no differently than any
11 other city that is in the Transitional Aid
12 Program. For whatever reason reason that
13 agreement is not signed yet.

14 So my recommendation would be that
15 we approve this adoption of this ordinance on the
16 condition that prior to being adopted by the City
17 Council, to have the MOU executed. If it hasn't
18 then no ordinance, no MOU.

19 I'm concerned about debt being
20 issued in bringing more liabilities on the books
21 of the City, if they are going to be ending the
22 year with cash deficits of this sizeable amount.

23 MR. FOX: I would assume that the
24 incoming Mayor has not seen any of this?

25 MR. NEFF: Has not seen -- -

1 MR. FOX: Is not, obviously, part
2 of this?

3 MR. NEFF: He is not. He would take
4 office on July 1st. We're trying to treat the
5 City and the new administration no differently
6 than any other municipality. We are relaxing what
7 are otherwise significant restraints on Trenton
8 that don't exist elsewhere.

9 We don't think it's appropriate to
10 extend those restrictions to the new Mayor. He
11 should be treated no differently than anyone else.

12 So that's where we are. We don't
13 understand why the City then would want somehow
14 even more special consideration.

15 MR. RODRIGUEZ: Basically, we are
16 looking for a signed MOU?

17 MR. NEFF: A Signed MOU. To me it's
18 fairly simple. That MOU will no longer contain the
19 special restrictions that were unique to Trenton.
20 It will be treated like every other municipality
21 in the Transitional Aid system.

22 I'm a little confused about why it
23 is not being signed. I'm a little bit concerned
24 that the city is on course for making its
25 financial situation worse by incurring penalties

1 and interest on bills because they can't pay them,
2 because they don't have the revenue that we want
3 to give them and are ready to give them because
4 there is a MOU to sign.

5 That's why I raise the issue. I
6 just don't want the city to make things worse by
7 delaying the receipt of funds that they should
8 have received three months ago.

9 MR. MC MANIMON: The date of
10 adoption of these five ordinances is June 24th. So
11 there is time to make sure that your comments are
12 communicated to the current mayor, as well as the
13 income mayor, who maybe us the one who says to the
14 current mayor to sign the MOU. That may be what's
15 part and parcel of that.

16 But regardless, we understand if
17 this comes up on the 24th for final adoption and
18 the MOU hasn't been signed, we don't have your
19 approval to adopt these ordinances, that's
20 basically what I'm saying.

21 MR. NEFF: I'm leaving here in
22 twenty-five minutes to go meet with the new mayor
23 to discuss the issues of Trenton. We'll raise
24 this issue.

25 I think he'll be pleased to hear

1 that we intend to treat him no differently than we
2 would treat any other municipality. The State
3 would want him to be able to have a clean slate
4 and to be able to move forward.

5 MR. FOX: So you are proposing
6 approval, with a condition?

7 MR. NEFF: With the condition that
8 prior to adoption, the MOU be executed.

9 MS. RODRIGUEZ: I'll move it.

10 MR. FOX: 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: Ms. Rodriguez?

17 MS. RODRIGUEZ: Yes.

18 MS. MC NAMARA: MR. BLEE?

19 MR. BLEE: Yes.

20 MS. MC NAMARA: Mr. Fox?

21 MR. FOX: Yes.

22 MS. MC NAMARA: Mr. Light?

23 MR. LIGHT: Yes.

24 MR. MC MANIMON: I was going to ask
25 for testimony from the Mayor. I understand that

1 you are the Mayor of Trenton.

2 MR. NEFF: Don't even go there.

3 The matter of Bogota is being
4 deferred.

5 Monmouth County Improvement
6 Authority, Lease Revenue Bonds, Monmouth Beach
7 First Aid/Fire Company Project.

8 (Steven Adams, Douglas Bacher,
9 David Gallagher, being first duly sworn according
10 to law by the Notary, testifies under oath as
11 follows).

12 MR. ADAMS: Steve Adams, A-d-a-m-s.

13 MR. BACHER: Doug Bacher, Financial
14 Advisor to the Improvement Authority.

15 MR. DRAIKIWICZ: John Draikiwicz,
16 from Gibbons, bond counsel to the Authority.

17 MR. GALLAGHER: Dave Gallagher,
18 Treasurer of the Monmouth Beach First Aid Squad
19 and Assistant to the Treasurer of the Monmouth
20 Beach Fire Company.

21 MR. DRAIKIWICZ: The Monmouth County
22 Improvement Authority proposes to issue bonds in
23 an amount not to exceed \$900,000. The proceeds of
24 which will be loaned to the Monmouth Beach Fire
25 Company and to the Monmouth Beach First Aid Squad,

1 to renovate buildings which house their equipment
2 and operations. The buildings were damaged during
3 Superstorm Sandy.

4 The bonds will be secured by lease
5 payments to be made by the Fire Company and the
6 First Aid Squad. In addition, the bonds will be
7 guaranteed by the Borough of Monmouth Beach as
8 well as the County of Monmouth.

9 We hereby seek positive findings
10 for the bond financing, as well as in connection
11 with the two guarantees.

12 We also seek your approval with
13 respect to the loan to the two not-for-profits,
14 pursuant to NJSA 40:37A-54(1).

15 We're ask for your findings and we
16 are here to answer any questions that you may have
17 at this time.

18 MR. NEFF: Is there anybody-- I'm
19 sorry, Monmouth Beach is here?

20 MR. GALLAGHER: Yes.

21 MR. NEFF: Could you just explain,
22 what has Monmouth Beach done by way of trying to,
23 not necessarily consolidate, maybe share resources
24 or buildings with neighboring towns? I know that
25 Sea Bright has a need for a new fire building, as

1 well, and the towns are right next door to each
2 other.

3 It seems strange to me that Sea
4 Bright is running forward and building a new fire
5 house and Monmouth Beach is building their own
6 buildings. What sort of discussions are held with
7 Sea Bright? Why isn't there an option to build
8 one facility?

9 MR. ADAMS: We do work very closely
10 with Sea Bright. I'm here representing the First
11 Aid Squad. We're both representatives of both
12 organizations, actually.

13 We're not trying to replace the
14 fire house in Monmouth Beach. We're trying to
15 repair the damage and do some flood proofing, such
16 that during the next event we can provide for
17 a continuity of operation.

18 If you can look at--the best
19 example I can give to explain this, would be the
20 Sandy event, where you couldn't even get from Sea
21 Bright to Monmouth Beach really for days after the
22 event.

23 We really need facilities in both
24 communities to support the emergency service needs
25 in both communities.

1 That said, we do have a very close
2 working relationship. For instance, on fire calls,
3 organizations actually respond to calls in both
4 towns. We are sharing services, but we have a
5 little bit of distribution geographically, so we
6 can access the different points in the shore
7 communities in the expected kinds of time lines.

8 MR. NEFF: No formal discussions
9 with Sea Bright?

10 MR. GALLAGHER: We've had no formal
11 discussions with Sea Bright. The main issue that
12 came out of Sandy and the reason why our buildings
13 were destroyed, is because we actually-- the town
14 is a very there thin strip of land.

15 When Sandy hit, the thin strip of
16 land was completely under water. It was not,
17 like, just washed out. There was[[nobody, not
18 even the National Guard, could make it from our
19 town to Sea Bright.

20 And the problem is that, as we all
21 know, Sea Bright is subject to flooding at a much,
22 much greater level and much deeper. The problem
23 is, for the type of services that we volunteer to
24 provide, which is fire and emergency medical
25 services, the minutes do count. That's the issue.

1 We could look even to other towns
2 around us. The problem is, that we get isolated
3 during flooding. It doesn't have to be just with
4 Sandy. If you come into our town there is a
5 warning label to tune to a radio that will tell
6 you when the streets are open, so that you know
7 when to get in and when to get back out again.

8 Unfortunately, trying to-- we all
9 have mutual services. All the first aid and fire
10 companies, they do have mutual services.

11 The issue insight here is that we
12 literally have to be in the town to provide the
13 type of services that we provide.

14 MR. ADAMS: Toward the shared
15 services question though, it's worth noting that
16 the fire company and first aid, which are separate
17 organizations, are attempting by this plan to
18 actually combine their buildings and share
19 services between the two.

20 So we are trying to consolidate and
21 reduce the-- you know, the financial drain of
22 operating two organizations.

23 MR. DRAIKIWICZ: They are basically
24 next door to each other?

25 MR. ADAMS: What we have done

1 through this is, we are eliminating any
2 duplication.

3 MR. NEFF: I don't have other
4 questions on this. Anybody else?

5 MR. LIGHT: I'll move the
6 application.

7 MS. RODRIGUEZ: Second.

8 MR. NEFF: Take a roll call.

9 MS. MC NAMARA: Mr. Neff?

10 MR. NEFF: Yes.

11 MS. MC NAMARA: Mr. Avery?

12 MR. AVERY: Yes.

13 MS. MC NAMARA: Ms. Rodriguez?

14 MS. RODRIGUEZ: Yes.

15 MS. MC NAMARA: Mr. Blee?

16 MR. BLEE: Yes.

17 MS. MC NAMARA: Mr. Fox?

18 MR. FOX: Yes.

19 MS. MC NAMARA: Mr. Light?

20 MR. LIGHT: Yes.

21 MR. NEFF: I know there is one other
22 Monmouth County Improvement Authority application.
23 Ordinarily we probably would have put that on
24 consent. This is just a refunding matter for
25 savings. But because you are an authority, you can

1 otherwise do it automatically as we allow for
2 municipalities and school districts.

3 I make a motion to we approve the
4 refunding portion of the application.

5 MR. FOX: Second.

6 MR. NEFF: Roll call.

7 MS. MC NAMARA: Mr. Neff?

8 MR. NEFF: Yes.

9 MS. MC NAMARA: Mr. Avery?

10 MR. AVERY: Yes.

11 MS. MC NAMARA: Ms. Rodriguez?

12 MS. RODRIGUEZ: Yes.

13 MS. MC NAMARA: Mr. Blee?

14 MR. BLEE: Yes.

15 MS. MC NAMARA: Mr. Fox?

16 MR. FOX: Yes.

17 MS. MC NAMARA: Mr. Light?

18 MR. LIGHT: Yes.

19 MR. ADAMS: Thank you.

20 MR. DRAIKIWICZ: Thank you very

21 much.

22 MR. NEFF: Next up have old
23 business. Morris County Improvement Authority.

24 Essentially, what they are doing is
25 asking to extend for another year their guaranteed

1 leasing program, lease program for the
2 municipalities they serve, fire districts and
3 whoever else, school boards that they work with.
4 It's always been a good program. The County
5 doesn't even have any staff--not the County, but
6 the Improvement Authority, doesn't have any staff.
7 It is a pretty well run program.

8 Just to cut to the chase, I doubt
9 anyone is going to have any questions about this.
10 We approved it every year for, I think, eight
11 years in a row.

12 The only question I would have is,
13 if you can tell us what is the interest rate and
14 when is the last time that you went to try and get
15 the lowest interest rate you could?

16 (Jennifer Edwards, being first duly
17 sworn according to law by the Notary).

18 MS. EDWARDS: Jennifer Edwards,
19 Acacia Financial Group. We renegotiated the rates
20 last summer.

21 We have been talking to TD again,
22 about looking to reduce those rates once more this
23 summer. Right now the three year interest rate is
24 1.85 and the five year interest rate is 2.1
25 percent, with very minimal fees.

1 MR. PEARLMAN: We had a couple of
2 fire districts call us as just a comparison. They
3 were going with a private vendor. They heard the
4 rates and are coming into the program. It's been
5 very favorable.

6 MR. NEFF: We tell them to come
7 contact you.

8 MR. PEARLMAN: There you go.

9 MR. NEFF: Unless there are any
10 questions on this one?

11 MR. AVERY: Move to approve.

12 MR. NEFF: Is there a second?

13 MR. BLEE: Second.

14 MR. NEFF: Roll call.

15 MS. MC NAMARA: Mr. Neff?

16 MR. NEFF: Yes.

17 MS. MC NAMARA: Mr. Avery?

18 MR. AVERY: Yes.

19 MS. MC NAMARA: Ms. Rodriguez?

20 MS. RODRIGUEZ: Yes.

21 MS. MC NAMARA: Mr. Blee?

22 MR. BLEE: Yes.

23 MS. MC NAMARA: Mr. Fox?

24 MR. FOX: Yes.

25 MS. MC NAMARA: Mr. Light?

1 MR. LIGHT: Yes.

2 MR. PEARLMAN: Thank you.

3 MR. NEFF: Camden County Improvement
4 Authority.

5 (James Blanda, Josh Nyikita, being
6 first duly sworn according to law by the Notary)

7 MS. STIEFEL: Jean Stiefel, partner
8 with Parker, Mc Cay, bond counsel to the Camden
9 County Improvement Authority.

10 MR. BLANDA: Good morning. Jim
11 Blanda, Executive Director, Camden County
12 Improvement Authority.

13 MR. NYIKITA: Josh Nyikita, with
14 Acacia Financial Group. We're the financial
15 advisor to the Camden County Improvement
16 Authority.

17 MS. STIEFEL: Good morning. The
18 application--or the letter request before you is a
19 request to extend a 2013 Local Finance Board
20 approval that we received in connection with a
21 proposed advance refunding, and in addition, a
22 County guarantee approval for that refunding.

23 The interest rate environment since
24 we got that approval last June has moved away
25 significantly from the transaction. Such that we

1 could not proceed to achieve the minimal three
2 percent PV savings.

3 Upon further analysis over the last
4 several months, it is now apparent that the
5 refunding is very favorable and we are up against
6 the one year deadline which is due to expire at
7 the end of this month.

8 So the letter request pending is to
9 seek an extension of that 2013 approval on the
10 same terms and conditions originally granted.
11 Furthermore, for the record, the current refunding
12 analysis reflects an approximately \$1.359 million
13 PV savings, which represent approximately 6.8
14 percent of the refunding bonds.

15 If there are further questions
16 we're happy to entertain them.

17 MR. NEFF: The financing fee that's
18 charged by the Authority, how is that determined,
19 what's their rate?

20 MR. BLANDA: It's one quarter of a
21 percent of the funding of the bonds.

22 MR. NEFF: One quarter of one
23 percent, so .25 percent.

24 It is not going to slow anything
25 down for you, but I think last month the same rate

1 was charged by Bergen County, which we-- I believe
2 was too high. I think the same standard-- we give
3 you positive findings to move forward with
4 financing, obviously, to get savings.

5 We will just put a note in our
6 resolution that we do believe the fee is too high.
7 That doesn't mean you can't charge it, because all
8 we do provide for review and findings, so you can
9 move forward.

10 MS. STIEFEL: Thank you. I was
11 going to say, for the record also, we do have a
12 resolution scheduled. I know there had been a
13 request for your files. The Authority is meeting
14 tomorrow. And it will, let me say affirm the
15 resubmission and request for the extension. So
16 we'll forward it upon adoption.

17 MR. NEFF: That's fine. We can
18 approve it with the condition that we receive
19 that.

20 MR. FOX: Motion to approve.

21 MS. RODRIGUEZ: Second.

22 MR. NEFF: Roll call.

23 MS. MC NAMARA: Mr. Neff?

24 MR. NEFF: Yes.

25 MS. MC NAMARA: Mr. Avery?

1 MR. AVERY: Yes.

2 MS. MC NAMARA: Ms. Rodriguez?

3 MS. RODRIGUEZ: Yes.

4 MS. MC NAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS. MC NAMARA: Mr. Fox?

7 MR. FOX: Yes.

8 MS. MC NAMARA: Mr. Light?

9 MR. LIGHT: Yes.

10 MR. NEFF: The Charter School issue.

11 (Riscee Langhorne, William

12 Helibrant, being first duly sworn according to law

13 by the Notary).

14 MS. LANGHORNE: Riscee Langhorne,

15 R-i-s-c-e-e, L-a-n-g-h-o-r-n-e, Director, Charter

16 Network.

17 MR. HELMBRANT: Camden Charter

18 School Network.

19 MS. STEIFEL: Thank you and good

20 morning. The application that is currently before

21 the Board is seeking approval pursuant to the

22 County Improvement Authorities Law, and

23 specifically NJSA 40:37A-54(1).

24 That provision allows a County

25 Improvement Authority to finance projects on

1 behalf of not-for-profit corporations, except for
2 corporations-- not-for-profit corporations that
3 are proposing projects that are financeable by the
4 New Jersey Healthcare Facilities Financing
5 Authority.

6 The ability to finance such a
7 project by an Improvement Authority would be
8 contingent upon the prior approval of this Board.

9 So the application presently
10 presented before you is seeking authorization to
11 issue a Qualified 501C3 Revenue Bond, in the not
12 to exceed principal amount of \$16 million.

13 It is proposed that this bond will
14 be directly purchased by banks-- it is essentially
15 a private placement, not a public offering.

16 The borrower and obligor on the
17 Revenue bond is a New Jersey Nonprofit Corporation
18 providing educational charter school services and
19 assisting the facility needs of three existing
20 grammar, middle and high schools in Camden, New
21 Jersey.

22 The Improvement Authority, as the
23 conduit bond issuer, has no obligation and there
24 is no direct recourse to either the IA or the
25 County of Camden.

1 We are happy to answer any
2 questions regarding either the refinancing or the
3 new money project that was described in this
4 application.

5 MR. NEFF: Just on the fees on
6 this. It is a half percent as opposed to .25
7 percent?

8 MR. BLANDA: That's correct.

9 MR. NEFF: What's the difference?
10 It's all for a public purpose; right?

11 MR. BLANDA: Yes. The refunding--our
12 fee schedule on the refunding is one quarter
13 percent if the refunding comes back to us. And
14 generally a one percent fee for new issues.

15 Because it's a 501C3, our feed
16 schedule provided for is one a half percent.

17 MR. NEFF: Ordinarily it would be
18 one percent as a government agency, with a new
19 project that you are providing?

20 MR. BLANDA: Yes. The standard fee
21 has been one percent.

22 MR. NEFF: Okay.

23 MR. BLANDA: I should say it scales
24 down. It is one percent, but it goes goes down
25 to-- for the first \$5 million. Then it goes down,

1 I should say.

2 Go generally you will see, on the
3 traditional capital financing that the Authority
4 has issued for the County, it would equate to
5 probably somewhere a little over a half a percent,
6 maybe three quarter's of a percent.

7 MR. NEFF: Who-- it says Charter
8 School counsel gets \$20,000, purchaser's counsel
9 gets \$25,000 and the purchaser gets \$100,000. Who
10 are they and why are they getting these--who is
11 the purchaser and why are they getting \$100,000?

12 MR. NYIKITA: The purchaser, as bond
13 counsel mentioned, we anticipate doing this as a
14 private placement with a banking institution.

15 The Authority is currently in the
16 process of doing an RFP to select a bank. As part
17 of that RFP process, the bank, in exchange for
18 underwriting the loan and taking the placement of
19 those bonds, will charge a fee associated with
20 that.

21 So these are estimated fees at this
22 point, which will be determined through our RFP
23 process. These numbers are based on a prior
24 transaction that the Authority has done with the
25 Charter School and with other entities, with the

1 same basic underlying structure in terms of the
2 direct purchase with a bank.

3 MR. NEFF: The purchaser fee is
4 really no different than an underwriter fee?

5 MR. NYIKITA: That's correct.

6 Mr. Neff: There is no liability to
7 either Camden County or Camden City for any of
8 this debt. It is not being issued with a
9 guarantee?

10 MR. NYIKITA: Correct.

11 MR. STIEFEL: And the Improvement
12 Authority as well.

13 MR. NEFF: So at the end of the day,
14 the the Charter Schools get into a problem, for
15 whatever reason they can't pay their bills, it is
16 just sort of conduit debt. Like any other conduit
17 debt it wouldn't impact the rating of the city,
18 the County or anybody else?

19 MS. STIEFEL: We're not here to
20 represent the bank, who is the ultimate purchase.
21 But in all likelihood I'm assuming that they will
22 attempt to publicly secure some sort of a mortgage
23 lien financing on the assets that they have--what
24 they say, essentially purchased through the loan.

25 Yes. To answer your question,

1 there is no direct recourse back to the
2 Improvement Authority, the City of Camden or the
3 County of Camden.

4 MR. NEFF: At the end of the day
5 that's what we are primarily here to be concerned
6 about.

7 Any questions on this?

8 MR. AVERY: Move to approve.

9 MR. BLEE: Second.

10 MR. NEFF: Roll call.

11 MS. MC NAMARA: Mr. Neff?

12 MR. NEFF: Yes.

13 MS. MC NAMARA: Mr. Avery?

14 MR. AVERY: Yes.

15 MS. MC NAMARA: Ms. Rodriguez?

16 MS. RODRIGUEZ: Yes.

17 MS. MC NAMARA: Mr. Blee?

18 MR. BLEE: Yes.

19 MR. MC NAMARA: Mr. Fox?

20 MR. FOX: I'm recusing, only
21 because I have a number of Charter School clients.
22 I'm not sure what Mr. Light's vote is, but to be
23 safe.

24 MS. MC NAMARA: Mr. Light?

25 MR. LIGHT: Yes.

1 MR. NEFF: Okay, thank you.

2 Deptford Township Municipal
3 Utilities Authority.

4 (Siamac Afshar, Jennifer Edwards,
5 Robert Hatalovsky, Michael Welding, being first
6 duly sworn according to law by the Notary).

7 MR. AFSHAR: Siamac Afshar,
8 financial advisor.

9 MR. STIEFEL: Jean Stiefel, Parker,
10 Mc Cay, bond counsel.

11 MS. EDWARDS: Jennifer Edwards,
12 Acacia Financial Group, financial advisor.

13 MR. HATALOVSKY: Robert Hatalovsky,
14 Executive Director, Deptford Township MUA.

15 MR. WELDING: Michael Welding,
16 Bowman & Company, Auditor.

17 MS. EDWARDS: Good morning. The
18 Deptford Township MUA is seeking approval for not
19 to exceed \$3.8 million in Revenue Bonds and not to
20 exceed \$7.25 million in Revenue Refunding bonds.

21 The Revenue Bonds will be issued
22 for several capital improvements, including a
23 sewer main, cured in place pipe, water main
24 replacement and related roadwork in the Woodbury
25 Gardens section of the Township.

1 The Refunding Bonds will be issued
2 to currently refund the Authority's outstanding
3 Series 2005 bonds, which is currently projected to
4 save over six percent present value savings.

5 The authority at this time is
6 seeking to issue the bonds together, since they
7 have to go to market with the current refunding of
8 the 2005. That they are looking to do the project
9 this summer while school is out of session.
10 Therefore would be intending to issue the bonds
11 together by late summer, early fall.

12 MR. NEFF: So a couple of questions.
13 Whenever I see a sewer project going through a
14 municipality instead of the Environmental
15 Environmental Infrastructure Trust, it raises all
16 sorts of red flags.

17 You can get a much better deal
18 through them than principal forgiveness. They have
19 a better interest rate capacity. I'm not
20 understanding why this project is coming here
21 before it went to the NJ EIT. I understand the
22 timing issues. These are some major repairs;
23 right, or changes? So why would they go, just
24 suddenly we found out about it? There was no
25 capital planning at the MUA, where these needs

1 were understood in a timely manner, so you could
2 go to EIT and get a better rate for your utility
3 payers?

4 If I were a resident in your town I
5 would be upset, because they are going to pay a
6 higher rate through this than they would through
7 the NJ EIT.

8 MR. HATALOVSKY: By way of
9 background, Mr. Chairman, we have gone through the
10 NJ EIT in prior years. We actually went through
11 the program in 2009 and 2010 for six different
12 projects. So we are familiar with the program. We
13 are not trying to do an end-around the NJ EIT.

14 When we look at capital
15 infrastructure programs, we also talk closely with
16 the Township and their road engineer, look at
17 their road program.

18 As the road program came up for the
19 Township, there were a number of streets on that
20 road program that happened to fall within this
21 project area. When that happens we take a step
22 back, take a look at our capital program and
23 decide whether or not it would make sense to move
24 that project up a little bit sooner.

25 While we were doing that, we also

1 noticed that we had a large increase in flow
2 through a metering station at the Red Bank Avenue
3 Metering Station, which happens to be very-- not
4 very, it is adjacent to this neighborhood.

5 So what we were looking to do was
6 to alleviate a lot of the infiltration that we
7 believe we're getting on this development. It's
8 old Terra Cotta pipe with hemp joints.

9 Also, the water mains out there are
10 old ACP, not PV valve and spicate, just with
11 clamp. So we know we are losing, not only potable
12 water out there, but we're getting infiltration
13 into the sewer system out there.

14 As evidenced by the readings that
15 we've been getting from December 2013 to present,
16 once we took a look at those and realized that we
17 have a more serious issue out there than once
18 anticipated, we decided that we wanted to move
19 this Woodbury Gardens project up quickly, to try
20 to alleviate that infiltration, tighten up not
21 only the sewer system there, but also our water
22 system there.

23 That's why this project came up,
24 didn't go through the NJ EIT, but something that
25 just came to light with us in December of 2013.

1 MR. NEFF: Any other questions from
2 Board members?

3 MR. LIGHT: No.

4 MR. AVERY: Yes.

5 MS. MC NAMARA: Mr. Avery?

6 MR. AVERY: Yes. I just ask, Mr.
7 Chairman, do you have a capacity issue with your
8 treatment plants?

9 MR. HATALOVSKY: Actually, we don't
10 do our treatment. We are just a conveyance system.
11 GCUA is our treatment provider. I know they are
12 going to be knocking on our door at some point in
13 time in the near future, telling us to start doing
14 ionization to tighten up our system. Much as they
15 are probably going to do with every other
16 municipality that that they serve.

17 MR. AVERY: So they have capacity?

18 MR. HATALOVSKY: I don't know if
19 they have a capacity issue now. But I'm assuming
20 that in the next few years that they are going to
21 be knocking on everybody's door telling them to
22 tighten their system up, so they don't run into a
23 capacity issue.

24 MR. AVERY: Thank you.

25 MR. HATALOVSKY: You're welcome.

1 MR. NEFF: Okay. Somebody wants to
2 move it?

3 MR. FOX: Motion to approve.

4 MR. BLEE: Second.

5 MR. NEFF: Roll call.

6 MS. MC NAMARA: Mr. Avery?

7 MR. AVERY: Yes.

8 MS. MC NAMARA: Ms. Rodriguez?

9 MS. RODRIGUEZ: Yes.

10 MS. MC NAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS. MC NAMARA: Mr. Fox?

13 MR. FOX: Yes.

14 MS. MC NAMARA: Mr. Light?

15 MR. LIGHT: Yes.

16 MR. NEFF: I'm going to abstain on
17 this one. There are a couple of other issues that
18 I want to discuss with you off-line.

19 MR. HATALOVSKY: Sure.

20 Mr. NEFF: Thank you.

21 MR. HATALOVSKY: Thank you very
22 much.

23 MS. EDWARDS: Mr. Chairman, Mr.
24 PagInelli of the ECIA had a flat tire this
25 morning. He is still on his way. I don't know his

1 timing at this point. I'm not even sure if you
2 move us to the end if we'll even get there in time
3 for the end, because he was held up quite a bit on
4 the roadway this morning. I'm not sure if you
5 want to take our testimony or do this--

6 MR. NEFF: I think we can handle
7 this one in his absence. It is a revenue
8 refunding. It is for savings. The only reason it
9 wasn't on consent is because of, again, a fee
10 issue, where the fee is the same level as Bergen
11 County was charging, I think, .25 percent, which
12 we had said was too high before.

13 We want to make a point that the
14 fee seemed to be high, not necessarily related to
15 the cost of issuance. It's not going to stop the
16 project from moving forward. I at least just
17 wanted to go on record with that.

18 Otherwise it is a refunding, and,
19 of course, we're not going to get in the way of
20 getting the savings.

21 The findings will be, just with the
22 exception that we find the fee to be too high.
23 That's not going to stop it from moving forward or
24 stop you from charging the fee. We don't have the
25 authority to stop you.

1 So with that I make the motion.
2 Unless, somebody else has a question on this one?
3 MS. RODRIGUEZ: I'll second.
4 MR. NEFF: Roll call.
5 MS. MC NAMARA: Mr. Neff?
6 MR. NEFF: Yep
7 MS. MC NAMARA: Mr. Avery?
8 MR. AVERY: Yes.
9 MS. MC NAMARA: Ms. Rodriguez?
10 MS. RODRIGUEZ: Yes.
11 MS. MC NAMARA: Mr. Blee?
12 MR. BLEE: Yes.
13 MS. MC NAMARA: Mr. Fox?
14 MR. FOX: Yes.
15 MS. MC NAMARA: Mr. Light?
16 MR. LIGHT: Yes.
17 MS. EDWARDS: Thank you.
18 MR. NEFF: Hudson County Improvement
19 Authority.
20 (Mr. Fox leaves the room)
21 (Brian Morris, Kurt Cherry, being
22 first duly sworn according to law by the Notary).
23 MR. MC MANIMON: Thank you. Ed Mc
24 Manimon, from Mc Manimon, Scotland & Baumann, bond
25 counsel to the Hudson County Improvement

1 Authority. I have Kurt Cherry to my left, who is
2 the Executive Director and Chief Financial Officer
3 of the Authority and Brian Morris from NW, who is
4 the financial advisor to the Authority.

5 This is a continuation of a series
6 of note pools with the County guarantee, that
7 provide a benefit to the lower credit rated
8 municipalities in the County.

9 This particular note pool is for
10 \$109 million. It deals with previously issued
11 notes that are coming due on July 25th, 2014. It
12 is \$22,007,000 on behalf of Weehawken, which
13 consists of \$13,700,000 which are tax exempt,
14 originally issued for tax appeals, a property
15 acquisition and a variety of other capital
16 projects. And there is \$9 million of new money
17 which is a tax anticipation note dealing with cash
18 flow issues involving Weehawken.

19 Bayonne has \$78 million, which
20 consists of \$17,091,000 tax exempt. Which were
21 originally issued, again, for similar things, tax
22 appeals, school facility improvements, land
23 acquisition, et cetera.

24 There is \$61 million of taxable
25 notes, which were part of the Bayonne Hospital,

1 the school improvements and for the dissolution of
2 the Bayonne Redevelopment Agency.

3 Lastly, there is Jersey City, which
4 is \$7,300,000 of tax exempt issues which were were
5 for the acquisition of property.

6 This is a County Guarantee. The
7 rates that are projected here net of the various
8 fees, are substantially lower than any one of
9 these entities could get in the bond market.

10 There are substantial savings from
11 engaging in this form of transaction, which is a
12 note with a County guarantee, than one with a
13 credit--Weehawken's credit is BAA-3, so that
14 couldn't be a whole lot lower. Bayonne's is BAA-1
15 and Jersey City is an A-2.

16 So anyway, there is a perception
17 that there is a significant benefit to doing this
18 pool. So we would answer any questions.

19 MR. NEFF: I have one really
20 technical question. It's almost like a gotcha
21 question on your application. Get ready.

22 MR. MC MANIMON: Okay.

23 MR. NEFF: It's a real net.

24 MR. MC MANIMON: This came from
25 Patty; right?

1 MR. NEFF: So anyway, on Tab C of
2 the application, it says that some County
3 guarantee pool notes of 2013, Q and R, would be
4 defeased by this issuance. But those two
5 issuances are 150-- the amount outstanding is \$152
6 million, and this is for \$109 million.

7 MR. MORRIS: I can answer that.
8 Hoboken was originally in the 2013 Q pool.
9 Subsequently they were upgraded to a AA Plus
10 credit, so they removed themselves from the pool.

11 MR. MC MANIMON: They did their own
12 financing.

13 MR. MORRIS: They pulled out and did
14 their own financing.

15 MR. MC MANIMON: They paid off
16 their portion of the note.

17 MR. MORRIS: Correct.

18 MS. MC NAMARA: How much was that?

19 MR. MORRIS: Approximately \$40
20 million, 40, 45.

21 MR. NEFF: They are not really part
22 of this transaction?

23 MR. MORRIS: Correct.

24 MR. MC MANIMON: Correct. Other
25 than they are getting paid.

1 MR. NEFF: The way it was worded
2 made me think that they were.

3 MR. MC MANIMON: It is a good
4 gotcha question.

5 MR. NEFF: Just for the record, I
6 know we had a separate discussion in the hallway
7 on it. But the Division is concerned about
8 Weehawken's finances. They have a very high level
9 of debt. Part of this issuance is a TAN, which I
10 think extends from one fiscal year to the next.

11 They seem to have a structural
12 financial deficit. And we're going to need to
13 have a much more in-depth conversation prior to
14 doing another BAN or TAN like this next year. So
15 several months prior to needing approval from the
16 Board, I would ask that for a BAN or TAN for
17 Weehawken, that we all sit-down and sort of have
18 that discussion with Weehawken about what their
19 finances are and where they are going.

20 They have significant debt. Our
21 staff informs us that they are actually very close
22 to getting a statutory trigger that would require
23 this Board to consider whether or not to place
24 them under supervision, under the Supervision Act,
25 where their debt service is actually close to

1 twenty-five percent of their budget.

2 So it is pretty concerning. I
3 just wanted to make that clear. I wanted to state
4 it for the record. Because I don't want to have
5 to deal with an application like this next year
6 before those discussions happen. So we'll all try
7 and remember it and deal with that.

8 MR. MORRIS: I can relay the
9 comments and make sure we organize something
10 shortly.

11 MR. NEFF: Otherwise, it is a BAN
12 rollover. You get a better rate through the
13 Authority than you would as a municipality, when
14 you issue the debt itself.

15 With that I would make the motion
16 to approve this, unless anyone has a question on
17 it?

18 MS. RODRIGUEZ: Second.

19 MR. NEFF: Take a roll call

20 MS. MC NAMARA: Mr. Neff?

21 MR. NEFF: Yes.

22 MS. MC NAMARA: Mr. Avery?

23 MR. AVERY: Yes.

24 MS. MC NAMARA: Ms. Rodriguez?

25 MS. RODRIGUEZ: Yes.

1 MS. MC NAMARA: Mr. Blee?

2 MR. BLEE: Yes.

3 MS. MC NAMARA: Mr. Light?

4 MR. LIGHT: Yes.

5 (Whereupon, Mr. Fox enters the
6 room).

7 MR. NEFF: Bridgeton is being
8 deferred, so we're on to Weymouth. Is anybody from
9 Weymouth here?

10 MR. RALSON: Dave Rollison, Bowman &
11 Company.

12 MR. NEFF: Okay. I know we had a
13 lengthy discussion last month on this one legal
14 issue which was raised. Which was whether or not
15 the fire district can charge certain fees that
16 other municipalities could charge. The legal
17 conclusion to that was that yes, they could. The
18 statute is very clear, so they can. That was an
19 issue. I think Mr. Avery raised that issue.

20 So what we have is a pretty clear
21 cut and dry case. The municipality wanted to
22 create an authority. We had a lot of discussion
23 about it on the merits.

24 I'll tell you, after sleeping on
25 this, my personal opinion is that authorities are

1 a bad route to go. They tend to sometimes get out
2 of control. But I don't like to substitute my
3 judgment for a municipality's judgment, if they
4 are entering into a decision fully understanding
5 the risks and consequences and they made their own
6 decision themselves.

7 But my personal plea would be to
8 you, you know, think about long and hard before
9 you adopt an ordinance like this.

10 There is legislation pending that
11 would allow municipalities to make a greater
12 contribution to their fire companies. And I don't
13 ordinarily handicap such things, but I would have
14 to guess that something like that would pass in
15 the next year.

16 I think that there is pretty broad
17 support for it.

18 I spoke to the League of
19 Municipalities. They support the legislation.
20 For the life of me I don't know who would
21 necessarily oppose it if they are supporting it.
22 So it has a pretty decent chance of passing from
23 my experience.

24 And with that, I'd be willing to
25 support this thing. But I at least wanted to go on

1 record saying I don't think it's a good idea. If
2 I were sitting in your shoes I don't think I would
3 do it. I think I would try and wait for the
4 legislation to pass. Or I would try and find some
5 creative way to help with financing capital
6 repairs, in addition to making a contribution.

7 But with that said, if it is
8 something that the municipality feels strongly
9 about, wants to move forward, the municipality is
10 willing to observe a little bit of oversight with
11 the Authority after they create it, to try and
12 make sure that it is doesn't run off--run amuck,
13 then that's certainly the municipality's purview
14 to do it. I wouldn't get in the way of it.

15 For all of the reasons you guys
16 stated on the record last month, it is not like
17 this is being done for no good reason at all.
18 There are reasons for it, but I just think there
19 would be a better way.

20 If there is any other discussion on
21 this?

22 MR. AVERY: Mr. Chairman, I would
23 just concur with the bulk of your statements. I'm
24 not really in favor of this approach to solving
25 these problems. On the other hand, I don't want

1 to interject my opinion for the town fathers of
2 Weymouth.

3 I would maybe check--hold off doing
4 this until you find out if this legislation passes
5 or not this session. That might be something
6 helpful to the town and to the other towns that it
7 serves. Also, I believe this is more than one
8 town it serves?

9 MR. ROLLISON: Yes, it does. It's
10 other neighboring towns that participate.

11 MR. AVERY: You might allow them to
12 increase their donations as well.

13 MR. ROLLISON: That's easier said
14 than done sometimes. If I may, I'm not under oath,
15 but the only question I had, being the auditor for
16 the community, does this proposed legislation give
17 some type of cap exclusion with the increase?
18 They are, obviously, under the gun for the cap
19 levy every year, just to increase.

20 MR. NEFF: No, it doesn't have an
21 exception.

22 MR. ROLLISON: That's a tough call
23 on their part. They are a small community. I
24 don't think they can go to the full amount that
25 the proposed legislation would allow them to do,

1 because of the cap levy.

2 MR. NEFF: Ironically, when the
3 Authority is created, there is going to be a
4 deduction in the amount of their levy cap.
5 Because whatever is shifted to a new agency will
6 be taken off of--so whatever has been being
7 contributed, it will impact their levy capacity
8 already. That's just the statutory prospective.

9 It may be the kind of thing that
10 they can ramp up over a period of years. Again, if
11 they were increasing their contribution to the
12 company essentially by buying their equipment for
13 them, capital purchases are always outside their
14 levy cap. That might be a way to skin that cat.

15 Not to beat a dead horse, but we
16 have--we have on our agenda after this, which
17 we're not hearing--maybe it was before this. The
18 Bridgeton Port Authority is a perfect case of an
19 authority that got out of control, really didn't
20 have any oversight. At the end of the day they
21 incurred all sorts of liabilities that they now
22 can't afford. The municipality is going to get
23 stuck with that bill eventually.

24 It's sort of--that's, like, a case
25 example of how things can go wrong. We had a fire

1 district that was dissolved forcibly by a
2 municipality, I think six months ago, a year ago,
3 in Spring Lake. Bayonne just dissolved an
4 authority that created tremendous difficulties for
5 them. I think that probably paid a part in what
6 happened yesterday in some small measure.

7 There have been other authorities
8 that have gone the route of becoming problematic.
9 I'm actually going to be recommending to this
10 Board that we forcibly dissolve an authority in
11 Paterson. It is a small MUA that really doesn't do
12 much, but it winds up serving as an abusive
13 entity.

14 So we just throw that out there as
15 a warning. If the municipality is vigilant in
16 looking over the authority that it creates, you
17 can avoid those sorts of problems. I would just
18 encourage the municipality when they create this,
19 don't just create it and walk away from it. But
20 maybe formalize some form of oversight and allow
21 to make sure that there are some checks and
22 balances on it. Because they do tend to get off
23 and running like Frankenstein sometimes.

24 MR. LIGHT: The only thing is, there
25 were some recommendations from the staff. If they

1 haven't received these, we should mention them in
2 here. The staff made some recommendations that
3 the terms and conditions of the agreement for EMS
4 and fire protection between the fire district and
5 the company should be very clearly defined when
6 the creation of the fire district is made.

7 Secondly, that the terms of office
8 for the commissioners should be staggered, of
9 course, not all at one time.

10 Lastly, the recommendation was that
11 they should serve on a volunteer basis.

12 MR. NEFF: I would make all of
13 those things as part of a motion to approve. In
14 respect to the agreement, I would suggest that
15 prior to actual adoption of the ordinance that the
16 agreement be in place and be approved by Don Huber
17 who is our fire expert. He's been helping other
18 municipalities with these types of agreements.

19 MR. ROLLISON: When you say "this
20 agreement", you are talking about for EMS
21 services?

22 MR. LIGHT: It was both fire and
23 EMS.

24 MR. NEFF: Whatever agreement exists
25 for services between the district and fire

1 company.

2 MR. LIGHT: The only difficulty
3 that I might mention, just for the record, is that
4 number three is a good recommendation, but very
5 few of them serve on a volunteer basis without
6 some sort of compensation.

7 I think most of the fire
8 commissioners in most of the districts receive
9 some compensation. I am not even sure what that
10 is any more. But that seems to be a standard
11 thing which has developed. There are some changes
12 at the state level. That's probably something
13 that should be addressed also.

14 MR. NEFF: I would keep that
15 condition on the fire district. I know when we
16 allowed for the creation of the sewer district up
17 in Sussex County in Vernon, one of our conditions
18 was that the members serve on a volunteer basis.

19 MR. LIGHT: I know that's the same
20 thing for utility water.

21 MR. NEFF: It is such a small
22 community that you would think that people would
23 be willing to serve on a volunteer basis.

24 MR. ROLLISON: Can I just ask one
25 question? The statutes do address once the

1 election occurs, as far as staggered years as far
2 as a fire district member. If I remember, I think
3 it is two, two and one, five members. The statutes
4 do address that, I think. Giving them the
5 authority, I thought the statutes, as far as fire
6 districts, are in compliance with it.

7 MR. NEFF: They very well may. It
8 seems like what you are saying that the statutory
9 framework is consistent with what is being
10 recommended, which really isn't any more. You
11 have staggered terms already.

12 MR. ROLLISON: Right.

13 MR. NEFF: I guess our
14 recommendation would just be approval with
15 conditioning the agreement on receiving the
16 approval of the fire expert with the Division,
17 prior to adoption.

18 MR. ROLLISON: Mr. Huber.

19 MR. NEFF: And with these other
20 conditions that the commissioners be in an unpaid
21 capacity. Was there a third?

22 MR. AVERY: That the terms be
23 staggered.

24 MR. NEFF: That there be staggered
25 terms, which seems like it is consistent with the

1 statute.

2 MR. ROLLISON: This was submitted to
3 the Township clerk these conditions, or no?

4 MR. NEFF: They would be as part of
5 this motion.

6 MR. LIGHT: They haven't been
7 previously submitted.

8 MR. MC MANIMON: But they will now.

9 MR. NEFF: We'll give you a formal
10 written resolution on the vote. You'll have that
11 on the record.

12 With that, I'll make the motion.

13 MR. FOX: Second.

14 MR. NEFF: Roll call.

15 MS. MC NAMARA: Mr. Neff?

16 MR. NEFF: Yes.

17 MS. MC NAMARA: Mr. Avery?

18 MR. AVERY: Yes.

19 MS. MC NAMARA: Ms. Rodriguez?

20 MS. RODRIGUEZ: Yes.

21 MS. MC NAMARA: Mr. Fox?

22 MR. FOX: Yes.

23 MS. MC NAMARA: Mr. Light?

24 MR. LIGHT: Yes.

25 MR. NEFF: Okay, good luck. We hope

1 to never see you during a dissolution process, or
2 maybe we do.

3 MR. ROLLISON: Thank you very much.
4 Have a good day.

5 Unfortunately I'm going to have to
6 go upstairs. We have two more issues-- just one
7 more issue.

8 The Roxbury Township/Mount
9 Arlington Borough Consolidation study. What we
10 have done with these in the past, is we take
11 testimony from those who are for and those who are
12 against. We'll let the record sit for a month. If
13 there are any legal issues that are raised, we'll
14 have our legal counsel review them prior to taking
15 a vote. So we don't wind up rushing a vote that
16 otherwise violates the law.

17 We'll have an adequate transcript
18 for what the concerns are with this. Then next
19 month we'll bring it to a vote up or down. If
20 there are legal issues that need to be resolved,
21 we'll have the advise of our counsel.

22 I'm going to ask that--is Nancy
23 here, Nancy Malool? Nancy Malool is a staff
24 member from the Division who has been most
25 intimately involved with this matter and helping

1 them put together the consolidation public
2 hearings.

3 I'm going to ask that she join with
4 the Board and ask any questions that are necessary
5 for the public record. But I would ask that, Ted,
6 if you could just chair the meeting while it goes
7 on.

8 Is finally, there is an item on the
9 agenda for Atlantic City. Is there anybody in the
10 audience who is here concerned about that
11 particular matter?

12 (No response).

13 No. It is being deferred. It was a
14 matter that really should never have been on the
15 agenda.

16 (Whereupon, Mr. Neff leaves the
17 room).

18 MR. LIGHT: So this is our last
19 issue for the day, Roxbury Township/Mount
20 Arlington Borough.

21 Nancy, did you want to make some
22 comments first or did you want us to--

23 MS. MALOOL: I think maybe the
24 petitioners would probably want to give a little
25 summary.

1 MR. LIGHT: I assume everyone wants
2 to testify. Are they here for, some against?

3 MS. ACKERMAN: It looks like
4 everybody is here for.

5 (Marlene Ackerman, Gene Paradiso,
6 Chris Rogers, Ralph Nappi, Nancy Absalon, being
7 first duly sworn according to law by the Notary.)

8 MS. ACKERMAN: Marlene Ackerman,
9 A-c-k-e-r-m-a-n.

10 MR. PARADISO: Gene Paradiso,
11 P-a-r-a-d-i-s-o.

12 MR. ROGERS: Chris Rogers,
13 R-o-g-e-r-s.

14 MR. NAPPI: Ralph Nappi, N-a-p-p-i.

15 MS. ABSALON: Nancy Absalon,
16 A-b-s-a-l-o-n.

17 MR. LIGHT: Who wants to start
18 first? I assume --you said everybody here is
19 testifying for the combination of Roxbury and
20 Mount Arlington?

21 MR. PARADISO: Yes.

22 MR. LIGHT: Who wants to start
23 first?

24 MR. PARADISO: Is there a question
25 you want to start off with.

1 MR. FOX: You are representing two
2 organizations?

3 MR. PARADISO: Yes.

4 I'll start with the introductions
5 as far as who's from where. I'm from Mount
6 Arlington. Marlene is from Mount Arlington. Nancy
7 is from the Mount Arlington petition team. Chris
8 Rogers and Ralph Nappi are from the Roxbury
9 petition team.

10 MR. LIGHT: I leave it up to you to
11 start.

12 MR. PARADISO: How do you want us
13 to start, left to right?

14 MR. LIGHT: Why don't we start with
15 those from Mount Arlington. What's your position
16 with respect to the request for consolidation,
17 benefits, non-benefits?

18 MR. PARADISO: We got together.
19 I've been in the service of Mount Arlington for a
20 good part of my life. I served on various Boards,
21 from the Juvenile Conference Committee in my
22 twenties, Council, Zoning Board, Planning Board
23 and in the past twenty-one years, Board of
24 Education.

25 I love my town. I've been there

1 for sixty-three years, going to be, in August. I
2 always felt that there needed to be a study.
3 Because I was part of the 1990s area effort to
4 form a commission at that time.

5 At that time Mount Arlington past
6 it on referendum as far as the vote to start a
7 commission and Roxbury had defeated it. But I've
8 always felt that we needed to study the pros and
9 cons of whether or not the municipalities would be
10 better off, you know, in joining our services.

11 It is not where I already have a
12 preconceived idea that it is going to work, but
13 I'm one who definitely needs to have information
14 before making a decision. I'm definitely in favor
15 of doing that.

16 I am looking at this to be a very
17 working commission as far as any professionals to
18 seat as commissioners. Then if we need
19 professionals to tweak and fine tune our proposal
20 and recommendation, then we'll deal with that when
21 the time comes.

22 But aside from a lot of the
23 negativeness that's been going through our towns,
24 I honestly would be a little foolish to recommend
25 to my fellow residents that I wanted to do a

1 consolidation if, in fact, it doesn't prove to be
2 beneficial for both sides.

3 My whole contention is that we need
4 to get the information. I'm definitely for that.

5 MR. LIGHT: Mount Arlington at this
6 time is roughly a population of around 5,000?

7 MR. PARADISO: Thereabouts, yes.

8 MR. LIGHT: Roxbury, from the
9 information that we were given is somewhere in the
10 vicinity of 23,000 or so?

11 MR. ROGERS: That is correct.

12 MR. FOX: I should know this part,
13 I'm sorry for the ignorance. Is it a donut
14 situation where they are next to each other?

15 MS. ABSALON: It is more like a
16 horse shoe. If you go up one street, half is
17 Roxbury, half is Mount Arlington. You divide it
18 by the line.

19 MR. FOX: Got you.

20 MR. LIGHT: You have to drive
21 backwards if you want to get out?

22 MR. PARADISO: In the late 1800s
23 Mount Arlington was part of the Township of
24 Roxbury. The few property owners that wanted to
25 deal with their own future, separated themselves

1 from Robury and became Mount Arlington.

2 But these days there is a lot of
3 things that are going on. Small communities
4 pretty much have the same expenses and overhead as
5 the larger ones. I think that we need to do a
6 study and put the question to bed.

7 MR. LIGHT: So what you are looking
8 for is approval to create a Municipal
9 Consolidation Study Commission?

10 MR. PARADISO: That is correct.

11 MR. LIGHT: Both communities are
12 represented here. Those that are speaking for
13 both communities at this point in time are
14 supporting that--

15 MR. PARADISO: Study.

16 MR. LIGHT: Study?

17 MR. PARADISO: Yes..

18 MR. FOX: Also, pardon me again.
19 Your school systems, are they--

20 MR. PARADISO: Right now our school
21 systems, we have our own in Mount Arlington, K to
22 eight. And then we send our high school students
23 to Roxbury. We've done that right from the get
24 go.

25 MR. FOX: The high school is a

1 regional high school?

2 MR. PARADISO: The high school is a
3 sending/receiving relationship.

4 MR. FOX: Okay.

5 MR. PARADISO: We have done that
6 since the beginning of time.

7 MR. AVERY: That relationship is
8 only with Mount Arlington?

9 MS. ABSALON: Yes.

10 MR. AVERY: Roxbury didn't--

11 Mr. PARADISO: They have a lottery
12 for Mine Hill.

13 MR. NAPPI: There is a very small
14 amount of children that do com in from other
15 districts, but we're talking less than five or six
16 percent..

17 MR. FOX: Primarily--that where
18 you're going with that--primarily, though, it's
19 the two towns?

20 MR. PARADISO: Yes, correct.

21 MR. LIGHT: While we're talking
22 about Mount Arlington, Marlene, do you have
23 anything to add to that, that you wanted to add to
24 that?

25 MS. ACKERMAN: Well, I've been a

1 resident of Mount Arlington, particularly Lake
2 Quadurine, which is not connected to Mount
3 Arlington, other than paying taxes. Basically, I
4 live in Roxbury. All of my services are in
5 Roxbury as far as where I do business. I go to
6 the Roxbury Library, because I'm so removed from
7 Mount Arlington.

8 My concern is--and I thought about
9 this for twenty-five years, why aren't we a part
10 of Roxbury, since we're so intertwined? I see
11 school buses-- two high school school buses come
12 up the same street. One side picks up Roxbury,
13 one side picks up Mount Arlington. They go to the
14 same high school.

15 MR. LIGHT: Good thing they don't
16 get confused and drop them off at the wrong place.

17 MS. ACKERMAN: Sometimes they get
18 confused and forget to come. So the kids are
19 waiting there and go, Mom, there is no bus.

20 So I don't understand why we're
21 separate. It seems logical if we had one bus.
22 I'd be saving that money. I'm assuming that there
23 are other duplications like that. Because there
24 are many streets in Mount Arlington that one side
25 is Roxbury, one side is Mount Arlington.

1 In fact, there is a student that
2 lives--their backyard backs up to the Mount
3 Arlington School, but her house faces Roxbury. So
4 instead of walking twenty paces, she gets in a bus
5 and she's bussed away. To me that seems a waste
6 of --

7 MR. FOX: To the same place?

8 MS. ACKERMAN: --foolishness. No, to
9 a different school, sent to a different school,
10 because she lives in Landing. Her property borders
11 Mount Arlington, but the house pays taxes to
12 Roxbury. So she's bussed over there, as opposed
13 to--

14 MS. ABSALON: Walking around the
15 corner.

16 MS. ACKERMAN: Walking to the
17 closest school.

18 MR. NEFF: Two different high
19 schools; right?

20 MR. PARADISO: No, only one high
21 school.

22 MS. ACKERMAN: One high school..

23 MS. RODRIGUEZ: Two transportation
24 systems?

25 MR. PARADISO: Yes. Roxbury owns

1 their own bus services and Mount Arlington
2 contracts it out.

3 MR. FOX: I assume you have two
4 different police?

5 MR. PARADISO: Two separate police
6 departments. They work together, you know, a lot.

7 MR. FOX: So there is cooperation?

8 MR. PARADISO: We have our own
9 police department. We have our own volunteer fire
10 department. We contract out for EMS.

11 I think Roxbury has their own;
12 right?

13 MS. ABSALON: Yes.

14 MR. PARADISO: But we all have the
15 duplication within the school district structure,
16 you know, lawyers, clerks, you name it. It is all
17 duplication.

18 MS. ACKERMAN: What is it, 320
19 children?

20 MR. FOX: I asking you to pin your
21 opinion rather than a fact, but why do you think
22 it was defeated the last time?

23 MR. PARADISO: In Roxbury? You're
24 going to find this really funny. At the time
25 Mount Arlington was going through the

1 infrastructure change of putting in sewers, okay.
2 Roxbury did not want any part of that. Even
3 though it really wasn't clear as how consolidation
4 would work. People weren't so informed where debt
5 stays with the municipality type of thing.

6 They are not any more informed now.
7 Because right now Mount Arlington is in a good
8 position, yet Roxbury is going through Fenimore
9 Landfill debacle. See, Everybody has heard about
10 it, Chris.

11 MS. ABSALON: Everybody knows about
12 Roxbury, Chris. So their negativity as how
13 people perceive that problem, works just the
14 opposite now.

15 MR. FOX: I have read about this.

16 MR. PARADISO: It's gotten a lot of
17 ink.

18 MR. FOX: One of the things you
19 read about.

20 MR. PARADISO: Now, we had our own
21 garbage dump closures. I've been there all of my
22 life. So I know what we have. And on one of them
23 we have our baseball field on it now. That is
24 one of the first ones that we had. But because it
25 was capped well, it was capped properly. I was on

1 Council while the other one was being capped. And
2 we had our business administrator up there as the
3 trucks were coming in, to make sure whoever was
4 going in and capping it was proper.

5 MR. LIGHT: Nancy, you are also
6 from--

7 MS. ABSALON: Mount Arlington.

8 MR. LIGHT: Is there anything that
9 you want to add to what the other two have said
10 concerning Mount Arlington?

11 MS. ABSALON: My prospective is
12 about the same as Gene's. I've lived there--I
13 think I bought my house in 2001, about thirteen
14 years. But I grew up in Roxbury. I lived in
15 Succasunna, I lived there my whole life. I lived
16 in the whole area for my young forty-five years.

17 I went to every school, except for
18 Mount Arlington. I hit the high school. I hit the
19 middle school.

20 MR. LIGHT: You got lost on the bus
21 a couple of times?

22 MS. ABSALON: I never got lost on
23 the bus. I was good. We weren't on the split
24 road. I was down right in Roxbury.

25 What I'm looking for is a study to

1 see if it would save any money. I just want an
2 informed, educated decision, not for or against.
3 I just want the information to make an educated
4 decision.

5 If it came out that we would both
6 save money and it would be prosperous to both
7 towns, I think that's fabulous.

8 MR. LIGHT: Chris, do you want to
9 tell us how you think the Roxbury people and
10 yourself feel?

11 MR. ROGERS: Thank you again. Chris
12 Rogers, representing the Roxbury petitioners. We
13 came together about two years ago to explore this
14 possible. I want to thank the legislature for
15 giving us the ability to do something like this,
16 when the municipalities fail to act. That's in
17 essence what's happening. The municipalities in
18 most areas across the state are failing to do
19 studies like this.

20 So empowering the local citizens to
21 do such a study is really the benefit. Again, just
22 like everybody said, I'm interested in hearing the
23 clear facts. Obviously, when something like this
24 takes place, especially under 1990 system,
25 basically it was very easy for people to get the

1 facts as they thought they were before a study was
2 actually even completed. So I believe that the
3 study will give us the facts that we need to know.

4 Obviously, it is all of our
5 intentions to do two things. That's improve
6 services and lower taxes. I think that's what
7 government is all about these days.

8 MR. LIGHT: Were you personally
9 involved with the collection of the petition
10 signatures?

11 MR. ROGERS: Yes, absolutely.

12 MR. LIGHT: How many signatures and
13 people have signed the Roxbury petition?

14 MR. ROGERS: On the Roxbury
15 petition, I don't know the exact answer to that. I
16 believe that Roxbury as a total, we had about 400
17 people.

18 MR. LIGHT: Somewhere in the
19 vicinity of 400 people?

20 MR. ROGERS: We tried to push it to
21 about 125 percent of what the requirement was.

22 MR. LIGHT: We have one other
23 person.

24 MR. NAPPI: Mr. Chairman, my name
25 is Ralph Nappi, Roxbury. I'd like to make a brief

1 statement, please, and committee.

2 I was a petitioner. As a
3 petitioner for consolidation of these two
4 municipalities, I strongly support the creation of
5 a feasibility study. Under the current
6 conditions, such a student may shed light on ways
7 to stem the rising tide on property taxes and find
8 a better means of providing necessary services.

9 That mainly is why I got so
10 involved as a petitioner. That is all I have to
11 say, Mr. Light.

12 MR. FOX: We like people that
13 get--I wish we had more of you.

14 MR. PARDISO: You don't know what
15 you are saying.

16 MS. ABSALON: We had a chat before
17 we got in here.

18 MR. FOX: My guess is, you are
19 right about that. Is there a big tax differential
20 between the two towns?

21 MR. PARADISO: Is there a big what,
22 sir?

23 MR. FOX: Tax differential, between
24 the two towns?

25 MR. PARADISO: There is-- I think we

1 need to address--but right now the tax rate is
2 higher in Roxbury than in Mount Arlington, okay.
3 But in the last five years the Roxbury municipal
4 budget almost doubled. We had increases of fifty
5 percent, twenty-five percent. I mean, it's been
6 crazy since 2008. But yet they've been through
7 this last campaign, stating the fact that Mount
8 Arlington is the sixth lowest tax rate in Morris
9 County.

10 I never looked in to see what the
11 fact is. I don't really don't want that to color
12 my image as far as effort on doing this study.
13 But I don't think that fact has a lot to do with
14 how you are spending the money.

15 MR. LIGHT: Just a question of
16 the-- how many petitions did you receive?

17 MR. PARADISO: Me personally or the
18 whole--111 petition signatures were done from
19 Mount Arlington. I think we did put the number in
20 the application. With only needed 80 something,
21 90.

22 MR. AVERY: 382 from Roxbury.

23 MR. LIGHT: I see that. All right.
24 Anything else that you have? I wanted to see what
25 Nancy has to tell us. Let me ask another

1 question, is there anybody that's against it?

2 MR. PARADISO: Our municipality,
3 most of those folks are against it. In fact, they
4 campaigned in this last primary against it,
5 stating that a merger would cause our residents to
6 lose their police, their firemen, their services
7 and I don't know what else.

8 MR. LIGHT: When you say these that
9 are against it, they are elected officials in your
10 municipality?

11 MR. PARADISO: Yes.

12 MR. LIGHT: In the last primary
13 they were successful candidates or they were not?

14 MR. PARADISO: They were.

15 MR. LIGHT: They were. Have they
16 defeated other candidates who were on the other
17 side of the fence?

18 MR. PARADISO: Some of those folks
19 are sitting up here.

20 MS. ABSALON: How are you?

21 MR. LIGHT: I'm sorry I asked that
22 question.

23 MR. PARADISO: The problem I had,
24 because I'm little bit more informed as to what
25 this process is, if I hadn't been and they were

1 telling me what's going to happen, I'd have voted
2 for them. Because when you are not informed as to
3 what this process is for and what it could shake
4 out, it had nothing to do with what their
5 campaigning tactics were.

6 MR. LIGHT: One last question if I
7 may, so I know the structure. In Mount Arlington
8 Township is it a committee form of structure of
9 government?

10 MS. ABSALON: It's a Borough form of
11 government.

12 MR. LIGHT: Borough form of
13 government. Roxbury is a--

14 MR. ROGERS: Township. So we have a
15 weak maybe system.

16 MS. MALOOL: A council/manager in
17 Roxbury.

18 MR. NEFF: Nancy, did you have
19 other things that you wanted to present?

20 MS. MALOOL: Just for the record, I
21 know this is, you know, one of the bigger issues
22 that was brought up at the public hearings, is the
23 issue of signatures. You were required to get ten
24 percent, the statute requires ten percent of the
25 voters in the last general election.

1 The numbers that were given,
2 you've got more than ten percent. But the issue
3 was that people had called to have their names
4 taken off the ballots.

5 MR. FOX: Off the petition.

6 MR. PALUMBO: I think that's--my
7 office is aware of that legal issue, that some
8 people attempted to withdraw. As Tom said before
9 he left, when this Board reconvenes to discuss the
10 substantive issues, we'll have an answer to any
11 legal issues such as that.

12 MR. PARADISO: I think one of the
13 things that you need to keep in mind, when that
14 process takes place, is that once we handed in our
15 petitions to the clerk--it only really happened in
16 Mount Arlington. Then that petition got
17 disseminated out among some folks. They went
18 around to the names on the petition, and in my
19 opinion, got bullied to take their name off.

20 MS. ABSALON: They physically called
21 people that signed it and told them, do you know
22 what you are doing?

23 MR. LIGHT: It appears that you met
24 the requirements as far as we see here. There is
25 a question concerning the legal matter for our

1 attorney.

2 MR. PARADISO: You have it on record
3 as to how we did our petition.

4 MS. MALOOL: That's what I was
5 going to ask.

6 MR. PARADISO: I'm sorry.

7 MS. MALOOL: He beat me to it,
8 talking about the process.

9 MR. PARADISO: We had on our
10 petition sheets exactly what was described. We
11 got that from your office as far as what needed to
12 be verbalized on that front sheet.

13 As we went through and got people
14 to sign, it was that we're looking to form a study
15 commission--a feasibility study commission. It
16 has no authority to do anything other than gather
17 the facts. For you to read the top page before
18 you sign.

19 So there really wasn't anyone who
20 should have been confused. Because we didn't
21 force anybody to sign it. But I had three other
22 Board of Ed members sign it. They personally told
23 me that once the petition was handed in, they were
24 harassed to take their names off.

25 Now, the level of harassment that

1 they endured, they decided it wasn't worth it. So
2 they just called the clerk and had them take their
3 name off. After I told them that you really
4 couldn't. We wouldn't accept that in the Board
5 of Ed policy, that from an eight year old.

6 MR. FOX: I mean--so the Attorney
7 General's office is going to look at the validity
8 of withdrawing a name from a petition. Which I
9 find awfully odd that you would be able to do
10 that.

11 MS. RODRIGUEZ: Once it has been
12 certified.

13 MR. PARADISO: It wasn't certified
14 yet. We had just handed our petition in and our
15 clerk was in the process of that. I didn't even
16 know if the petition was OPRA'd prior to somebody
17 having it. Even if it was OPRA'd and they got the
18 petition, they went around to the signees.

19 MR. FOX: If you sign a petition
20 and it is submitted, which is required by law
21 that's all you are required to do.

22 MS. RODRIGUEZ: It was already
23 submitted?

24 MR. PARADISO: Yes, we submitted it.

25 MS. MALOOL: Gene, if you could just

1 talk about-- all of you circulated these
2 petitions. The process, you'd walk up to somebody
3 and what would you say, generally speaking?

4 MR. PARADISO: Would you be
5 interested in signing a petition that would help
6 us form a study commission to study the impact of
7 consolidation between Roxbury and Mount Arlington?

8 MS. MALOOL: That generally is what
9 all petitioners--

10 MR. LIGHT: Generally speaking, you
11 you beat up anybody in the street?

12 MR. PARADISO: Absolutely not. It's
13 not my style and it's not the style of other
14 petitioners. Even after we spoke verbally, we
15 said before you sign, read the top page.

16 MR. LIGHT: Well, according to what
17 we have here, the number of signatures required
18 from Roxbury were 306 and you had 382. The
19 number of signatures that were required from Mount
20 Arlington were 80 and you had 109. So there is a
21 legal question which the Attorney General's office
22 will look it into.

23 We will not take action on this
24 today. We will have it next month on the agenda.
25 You will have an answer for us then?

1 MR. PALUMBO: Absolutely.

2 MR. AVERY: Can I just ask, am I
3 correct in assuming that you stopped asking people
4 to sign the petition because you had sufficient
5 names? It wasn't like you asked everybody and
6 that was all that was going to sign it. You could
7 have conceivably gotten more names, but you felt
8 you had enough?

9 MR. NAPPI: That's correct.

10 MR. PARADISO: Once we reached our
11 margin overage, we stopped.

12 MS. ACKERMAN: I would like to say
13 that I went around in my neighborhood. Only one
14 person said no. Everyone else was interested. I
15 stopped when we reached the number because I
16 thought we more than qualified with what we
17 submitted.

18 MR. LIGHT: You don't look like you
19 are a very intimidating person?

20 MR. PARADISO: She can be.

21 MR. FOX: I believe she is actually
22 like Mr. Nappi. I think there is another side?

23 MR. AVERY: Do you want to go in the
24 front door rather than across?

25 MR. LIGHT: I'm sorry Nancy, you had

1 more?

2 MS. MALOOL: I just have a couple
3 of more things, just so that we can get them on
4 the record. How do you intend to select your
5 commissioners for this study commission?

6 MR. ROGERS: If I can take that one.
7 We actually outlined that in the application. The
8 intent is to solicit resumes through any type of
9 media, through newspaper ads, through web sites,
10 through solicitations to local community groups.
11 To solicit resumes for qualified applicants, as we
12 outlined in the application. Then it is the
13 intention of the petitioners to select the best
14 qualified.

15 It kind of goes hand in hand with
16 the question of how we plan to fund the study. We
17 would really truly like to show a community
18 working together and not necessarily consultants
19 being paid.

20 We like to see the community
21 working together. We have a lot of smart people,
22 a lot of attorneys, a lot of doctors, a lot of
23 CPAs, that we believe would be able to do this
24 work pro bono on behalf of the community. We
25 really think that's the way these studies should

1 play out.

2 MS. MALOOL: Funding was my next
3 question. And just for the record, this would
4 require that if the study commission recommends
5 consolidation, ultimately it would be voted on by
6 both towns and have to pass in both towns in order
7 for the consolidation to occur.

8 And just for the record, the
9 statute requires that the application be for one
10 municipality to merge into the other or to create
11 a brand new municipality. Your application is--

12 MR. PARADISO: Consolidation.

13 MS. MALOOF: One brand new, not
14 Mount Arlington merging into Roxbury, it's one
15 brand new municipality?

16 MR. PARADISO: That was clear to,
17 you know, all of our petitioners as far as what
18 the study was about. It is also what I
19 communicated to our town council during the whole
20 process.

21 I do have one content correction on
22 the application. It doesn't change it, at least I
23 don't think it does. Under Section B-2, it has
24 eight eight commissioners and one alternate
25 selected by the committee of representative

1 voters. It's really one alternate per town.

2 MR. MALOOL: Say that again?

3 MR. PARADISO: B-2. It has on
4 there eight commissioners and one alternate
5 selected by the committee of representative
6 voters. That's each commission for each
7 municipality. We have eight commissioners and one
8 alternate. It really is four commissioners and one
9 alternate for each town. So eight commissioners
10 and two alternates.

11 MS. MALOOL: So a total of ten on
12 the study commission?

13 MR. PARADISO: Yes. It is just a
14 typo. I didn't want the application to be approved
15 with the typo as-is. Then we'd be held to that;
16 correct?

17 MR. LIGHT: You have that down,
18 Nancy?

19 MS. MALOOL: I've got it.

20 MR. LIGHT: Nancy, were there any
21 other comments or issues that you wanted to make?

22 MS. MALOOL: No. I think the
23 application speaks for itself. And the-- in my
24 report I talked about during the public hearings
25 what the opposition was. Most of the opposition

1 surrounded the petition issue. And the rest of
2 the -- most of the other opposition was regarding
3 what would happen in the future if the
4 municipalities merged. Which that's not what this
5 was supposed to be about.

6 MR. LIGHT: It did become an issue
7 in the Mount Arlington election.

8 MR. PARADISO: Correct. Unfairly
9 and unaccurately--not accurately, I should say.

10 MR. LIGHT: I'm not judging at this
11 point.

12 MR. PARADISO: Yeah.

13 MR. LIGHT: Do you have a feel for
14 what the municipal governing body of each
15 community have supported or not supported it?

16 MR. NAPPI: Yeah, good question.

17 MR. ROGERS: The Roxbury municipal
18 government for the most part has stayed silent on
19 the matter.

20 MR. LIGHT: Roxbury is silent?

21 MR. NAPPI: Thus far.

22 MR. LIGHT: Mount Arlington
23 apparently.

24 MR. PARADISO: Vocal.

25 MS. ABSALON: Not silent.

1 MR. NAPPI: However, Mount
2 Arlington, Mr. Chairman, has not been silent about
3 it. As a matter of fact, the Council of Mount
4 Arlington, who say they represent the residents of
5 Mount Arlington, were present at three meetings,
6 three open meetings we had for any questions and
7 answers.

8 And I personally, not that I'm
9 going to hear, did not hear from one resident of
10 Mount Arlington that said they opposed this. All
11 I have been hearing is from the government of
12 Mount Arlington, who I believe feels as though
13 they may very well lose their jobs because
14 something maybe coming down the pike.

15 Mr. Chairman, I have one question I
16 would like to ask.

17 MR. LIGHT: Make it easy.

18 MR. NAPPI: It is easy. But it
19 seems as though it is the crux of this whole
20 matter.

21 What I have noticed as a
22 petitioner, one of the questions that was asked to
23 me so often was, who is going to pay for this
24 study?

25 All I was able to tell them was

1 that, that we don't know at this point except that
2 we would down the line be soliciting from
3 individuals of our Township and hopefully from
4 Mounity Arlington Township, people who would be
5 interested in being able to help us in conducting
6 this study.

7 My question to you, Mr. Chairman,
8 and this committee is, can the Department of
9 Community Affairs, the State of New Jersey, commit
10 any finances?

11 MR. FOX: Nancy, didn't they do
12 that? Wasn't there money available to Princeton
13 for this process?

14 MS. MALOOL: No. The State only--

15 MR. FOX: Was there a grant?

16 MS. MALOOF: We gave twenty
17 percent--a reimbursement of twenty percent of the
18 consolidation costs, after they voted to
19 consolidate.

20 MR. FOX: After.

21 MS. MALOOL: It's the actual cost of
22 the--

23 MR. FOX: I thought that--for some
24 reason I thought that there was something to
25 encourage--

1 MS. MALOOL: There was money years
2 ago for shared service studies. But there was a
3 lot of grant money, millions of dollars. But
4 there was nothing for the actual consolidation of
5 Princeton, until after the consolidation.

6 MR. FOX: For the study?

7 MS. MALOOL: No.

8 MS. MC NAMARA: It was many years
9 ago, more than six.

10 MR. MALOOL: I don't think that the
11 State gave any money to Princeton. That was before
12 I came here. But I don't think they contributed
13 any money. I know Princeton University made a
14 contribution and I believe the municipalities.

15 That's the difference. You had
16 both of the municipalities who were sponsoring the
17 study. They were willing to commit their funds.

18 Here you've got residents. Here and
19 in the Scotch Plains and Fanwood situation,
20 you've got resident groups that can't access, you
21 know, the funding from the general budget.

22 MR. LIGHT: We do have legal
23 questions. Would you also discuss that with Tom?

24 MR. PALUMBO: Okay.

25 MR. FOX: There was someone who was

1 here previously, some organization and I can't
2 remember who it was, that actually-- I think it
3 was Scotch Plains. Somebody was putting up money
4 toward that.

5 MR. PARADISO: Would that be Courage
6 to Connect?

7 MR. FOX: I don't remember. I don't
8 even know anything about them. I remember that
9 somebody was coming up with some money to help pay
10 for the study.

11 MR. AVERY: Yes.

12 MR. FOX: It was a nonprofit; right?

13 MS. MALOOL: It's Courage to
14 Connect. They contributed \$5,000 to the Scotch
15 Plains-Fanwood study.

16 MR. FOX: Which I know is nothing.

17 MR. PARADISO: What we're hoping is
18 that we will have something that only needs to be
19 tweaked and professionalized as far as a
20 recommendation proposal.

21 We're hoping that we won't need as
22 much money as just going out from the get-go to
23 have some third party do the study.

24 We're looking to have commissioners
25 that are going to be working commissioner.

1 MR. NAPPI: So, yes, Mr. Chairman,
2 really what it boils down to is that since your
3 committee is going to be getting together next
4 month to make the next step in this process, you
5 might want to deliberate a little to see whether
6 or not the State, DCA, the Local Finance Board or
7 whoever, can actually help ago along this line.

8 All we're really talking about is
9 not the merge itself, but a study to see whether
10 or not it is feasible.

11 MR. FOX: You will we can do is
12 determine whether you comply with the law, to
13 allow you to proceed. They took our money stuff
14 away a long time ago.

15 MR. NAPPI: Okay. Thank you. I just
16 thought I would throw that out to you.

17 MR. PARADISO: I think there was
18 one other question I had. I'm glad Nancy was able
19 to help out with this. I think it is a new
20 situation.

21 Being that Mount Arlington has
22 found itself with such unique opposition in this
23 case, I'm sure that once the facts come out,
24 people will be a little bit different. But the
25 fact that we have given the municipality, the

1 Mayor and Council, the ability to choose a
2 commissioner and an alternate, what remedy does
3 the commission have if, in fact, they choose
4 someone to be disruptive?

5 MR. NEFF: Beat them up at the
6 meeting-- I don't recommend that.

7 MS. ACKERMAN: I'll take care of
8 it.

9 MR. PARADISO: It is a serious
10 question.

11 MS. MC NAMARA: Are they required to
12 have somebody from the town on their committee?

13 MS. MALOOL: No. I think that was
14 your answer, that was your remedy, to not let
15 them put anybody on.

16 MR. PARADISO: We have on our
17 application how we are going to form the
18 commission. It is outlined as we have a
19 representative that Mayor and Council can
20 choose--from each town, each governing body, can
21 choose a commissioner and an alternate.

22 MR. LIGHT: If you have a committee
23 of then to twelve people--

24 MR. PARADISO: We wanted a
25 collaborative effort.

1 MR. LIGHT: Right. We want two
2 alternates in case the ten aren't there.

3 You're bounds to have one person
4 that may not agree, or even more. When you
5 say--you know, that's what we do in this country.
6 We form committees and the majority is
7 representative of what the outcome will be.

8 I would probably guess if you have
9 ten people together, you are not going to have ten
10 people to agree on everything.

11 MR. PARADISO: As petitioners we
12 want a very neutral--

13 MR. LIGHT: The only way that you
14 can work that out is making sure do you agree,
15 you agree, you are on the committee. You can't do
16 that.

17 MR. FOX: You sat on a City Council,
18 what do you mean? Everybody places in the sand
19 box.

20 MS. ABSALON: Look at it this way,
21 they get one vote against.

22 MS. MALOOL: Several other studies
23 that took place back when they did have a lot more
24 funding, when they issued their ultimate reports,
25 a lot of times you'll see in the back a dissenting

1 opinion from one or two members that didn't agree.
2 Just like they do when they issue Court opinions,
3 they can have their dissenting opinion.

4 If the majority think one way, then
5 you have the votes to recommend consolidation or
6 not.

7 MR. LIGHT: You have that. Almost
8 all of us sitting here have served in the
9 legislature, committees or councils. It is not
10 always that you get a unanimous support.

11 Even on our own Board on the
12 things that we've had, we've had some people
13 disagree. When the vote is taken the majority--

14 MR. PARADISO: In fact, I welcome
15 dissenting opinions. It is just that we're
16 looking for a disruptive behavior and what our
17 recourse is for that type of thing.

18 The fact that we're- do we
19 have--this the the first time. Is the commission a
20 body that can resort to everything being
21 confidential, that there is a way out as far as
22 information disseminated from the commission?

23 MS. MALOOL: I believe that their
24 meetings should be open to the public. You
25 can--the only thing that we have to go by, which

1 is the exact same situation as in the Scotch
2 Plains-Fanwood Study Commission, their meetings
3 are all open to the public. They adopted bylaws.

4 So to address your issue that you
5 talked about specifically, the commission can
6 adopt bylaws. That if somebody is disruptive they
7 can be asked to leave or something like that.

8 MS. ABSALON: Robert's Rules of
9 Order?

10 MS. MALOOL: Right, adopt Robert's
11 Rules, and a process for how your meetings are
12 going to take place.

13 MR. PARADISO: So we would have
14 bylaws that can be--that must be adhered to then.
15 We would be--

16 MS. MALOOL: You can even adopt
17 something that says, you know, a majority of the
18 members could vote a member off the island if you
19 want.

20 MR. LIGHT: Even the United States
21 Senate has a filibuster once in a while. There is
22 no way you can guarantee it won't happen.

23 MR. PARADISO: I'm not looking for a
24 guarantee. I am just looking as to whether or not
25 we have remedies available to us that if we had

1 to, we can exercise them.

2 MR. FOX: You may want to talk to
3 people who went through it in Princeton.

4 MR. PARADISO: I'd rather have a
5 very collaborative environment.

6 MR. FOX: If Princeton can do it,
7 you can imagine what that was like. So may want
8 to ask someone how they handled it.

9 MS. RODRIGUEZ: All rules have to
10 be incorporated.

11 MR. LIGHT: Any members of the Board
12 have any other questions.

13 (No response).

14 So we do have some issues that we
15 can look into--

16 MS. ABSALON: I want to say one
17 more thing?

18 MR. LIGHT: I'm sorry?

19 MS. ABSALON: Can I say one more
20 thing?

21 MR. LIGHT: You said enough--go
22 ahead, I'm sorry.

23 MS. ABSALON: I want to thank Nancy.
24 Because she was fantastic, not that we're just
25 namesakes. She was fantastic at all three

1 meetings, what she had to put up with. I
2 appreciate all that she had to deal with and I
3 appreciate her coming out and wrangling everybody
4 into focus.

5 MR. PARADISO: Very much so. She
6 kept her cool. She kept her cool with one of the
7 biggest bullies that we have. Who was one of the
8 same bullies who got people to take their name off
9 the petition. So she knows firsthand the people
10 we're dealing with.

11 MR. LIGHT: Let better minds
12 prevail.

13 MS. RODRIGUEZ: We wish you luck.
14 We'll see you at our next meeting.

15 MS. ABSALON: Thank you.

16 MR. PARADISO: Thank you.

17 MR. LIGHT: If we don't have
18 anything else, is there a motion to adjourn?

19 MR. AVERY: Motion to adjourn.

20 MS. RODRIGUEZ: Second.

21 MR. LIGHT: All in favor?

22 (Upon a unanimous affirmative
23 response, the matter stands adjourned at 12:33
24 p.m.)

25

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 30, 2014

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