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STATE OF NEW JERSEY  
DEPARTMENT OF COMMUNITY AFFAIRS  
LOCAL FINANCE BOARD

Department of Community Affairs  
Conference Room #129/235A  
101 South Broad Street  
Trenton, New Jersey 08625  
February 11, 2015

B E F O R E:   TIM CUNNINGHAM, Chairman  
                  PATRICIA STERN, Deputy Attorney General  
                  PATRICIA McNAMARA, Executive Secretary  
                  EMMA SALAY, Deputy Executive Secretary  
                  FRANCIS BLEE, Member  
                  ALAN AVERY, Member  
                  TED LIGHT, Member  
                  IDADA RODRIGUEZ, Member

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STATE SHORTHAND REPORTING SERVICE, INC.

1                   MR. CUNNINGHAM: Good morning. The  
2 meeting was previously opened publicly. So we don't  
3 need to deal with any of those formalities. Therefore,  
4 the Board will go right into action. The first matter  
5 on the agenda today are ten applications to be  
6 considered on the consent agenda all relating to  
7 financing through the environmental infrastructure  
8 trust program. So unless any discussion by the Board  
9 members is warranted I would look for a motion.

10                   MR. LIGHT: Motion to approve.

11                   MR. BLEE: Second.

12                   MS McNAMARA: Mr. Cunningham?

13                   MR. CUNNINGHAM: Yes.

14                   MS McNAMARA: Mr. Avery?

15                   MR. AVERY: Abstaining on number five,  
16 Little Egg Harbor Township MUA and number ten, Ocean  
17 County Utilities Authority.

18                   MS McNAMARA: Ms Rodriguez?

19                   MS RODRIGUEZ: Yes.

20                   MS McNAMARA: Mr. Blee?

21                   MR. BLEE: Yes.

22                   MS McNAMARA: Mr. Light?

23                   MR. LIGHT: Yes.

24                   MR. CUNNINGHAM: Thank you. Next matter  
25 also had been listed on consent agenda for the City of

1 Plainfield, a 14 and a half million dollar refunding  
2 bond ordinance. Requisite savings are there. So once  
3 again, unless there's any questions or discussion among  
4 the Board members I would ask for a motion.

5 MR. BLEE: Motion.

6 MR. LIGHT: Second.

7 MR. CUNNINGHAM: Thank you.

8 MS McNAMARA: Mr. Cunningham?

9 MR. CUNNINGHAM: Yes.

10 MS McNAMARA: Mr. Avery?

11 MR. AVERY: Yes.

12 MS McNAMARA: Ms Rodriguez?

13 MS RODRIGUEZ: Yes.

14 MS McNAMARA: Mr. Blee?

15 MR. BLEE: Yes.

16 MS McNAMARA: Mr. Light?

17 MR. LIGHT: Yes.

18 MR. CUNNINGHAM: The next three matters  
19 all, again, relate to the environmental infrastructure  
20 trust program but are being voted an individually  
21 because at the time the agenda was prepared the  
22 entirety of the materials were not yet available.  
23 Certain meetings hadn't occurred. Staff has informed  
24 us that all documents are now present. So starting  
25 with the City of Trenton they're financing under the

1 EIT. I would ask for a motion.

2 MR. BLEE: Motion.

3 MS RODRIGUEZ: Second.

4 MS McNAMARA: Mr. Cunningham?

5 MR. CUNNINGHAM: Yes.

6 MS McNAMARA: Mr. Avery?

7 MR. AVERY: Yes.

8 MS McNAMARA: Ms Rodriguez?

9 MS RODRIGUEZ: Yes.

10 MS McNAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS McNAMARA: Mr. Light?

13 MR. LIGHT: Yes.

14 MR. CUNNINGHAM: Likewise, Hampton

15 Borough.

16 MR. AVERY: Move it.

17 MR. BLEE: Second.

18 MR. CUNNINGHAM: Thank you.

19 MS McNAMARA: Mr. Cunningham?

20 MR. CUNNINGHAM: Yes.

21 MS McNAMARA: Mr. Avery?

22 MR. AVERY: Yes.

23 MS McNAMARA: Ms Rodriguez?

24 MS RODRIGUEZ: Yes.

25 MS McNAMARA: Mr. Blee?

1 MR. BLEE: Yes.

2 MS McNAMARA: Mr. Light?

3 MR. LIGHT: Yes.

4 MR. CUNNINGHAM: Similarly, Rahway City.

5 MS RODRIGUEZ: So moved.

6 MR. BLEE: Second.

7 MR. CUNNINGHAM: Thank you.

8 MS McNAMARA: Mr. Cunningham?

9 MR. CUNNINGHAM: Yes.

10 MS McNAMARA: Mr. Avery?

11 MR. AVERY: Yes.

12 MS McNAMARA: Ms Rodriguez?

13 MS RODRIGUEZ: Yes.

14 MS McNAMARA: Mr. Blee?

15 MR. BLEE: Yes.

16 MS McNAMARA: Mr. Light?

17 MR. LIGHT: Yes.

18 MR. CUNNINGHAM: Okay. Thank you very

19 much. The next matter before the Board is an

20 application by Bordentown Township Fire District Number

21 One.

22 Gentlemen, thanks very much. Counsel,

23 you want to just offer statements?

24 MR. WINITSKY: Sure. The fire district

25 is here before you today seeking approval for the

1 issuance of not to exceed \$1,960,000 of bonds. Those  
2 bonds would be used to fund the cost of the capital  
3 improvement program that consists of various  
4 improvements and upgrades to the fire district's  
5 33-year old facility which is in desperate need of such  
6 improvements including the roof, a new addition for  
7 office training, sleeping quarters and the like. And a  
8 new age fax system as well. And Tim could speak to  
9 that a little bit if you have any questions. The  
10 improvements and the bonds were authorized and approved  
11 pursuant to a referendum that was held on December 13th  
12 of last year. I think it was approved by 60 percent  
13 majority or thereabouts. The balance will have a  
14 20-year maturity schedule with level debt service  
15 throughout and a conforming schedule. Excuse me. And  
16 the tax impact is minimal with approximately an \$89 tax  
17 impact per household. The fire district has no debt  
18 outstanding currently. They're very fiscally  
19 responsible. They don't go out a lot. And these are  
20 much needed improvements for which they're excited to  
21 get underway. If you have any questions, please feel  
22 free to ask.

23 MR. CUNNINGHAM: Mr. Kinsley, maybe I  
24 would direct this to you. The only, concern's a strong  
25 word, but the only thing I wanted to discuss today was

1 the 20-year useful life of the asset. I wanted to make  
2 sure the maturity, the financing was in accordance with  
3 the life of the asset. I was just wondering if you  
4 could talk to that or any of your colleagues could as  
5 well.

6 MR. WINITSKY: It certainly is within  
7 the life. It's certainly within the useful life of the  
8 improvements to be financed. Mostly it's the  
9 construction of a new addition to the fire district  
10 which has useful life of at least 20 years, probably  
11 more, given the nature of the improvements to be  
12 undertaken. So we're comfortable that it comports with  
13 local bond law and otherwise.

14 MR. CUNNINGHAM: Okay. And the other  
15 question I had when I looked at the application  
16 initially I had a question about the interest rate, but  
17 I understand that this is going to be a public sale not  
18 negotiated?

19 MR. THOMPSON: It would be a competitive  
20 sale. And the interest rate to the Local Finance Board  
21 had, let's say, plenty of room.

22 MR. CUNNINGHAM: That was my question.

23 MR. WINITSKY: Right.

24 MR. CUNNINGHAM: They were all the  
25 questions that I had had. Do any of the other Board

1 members have any? Hearing none, then I would.

2 MR. LIGHT: Motion to approve.

3 MR. CUNNINGHAM: Thank you.

4 MR. BLEE: Second.

5 MS McNAMARA: Mr. Cunningham?

6 MR. CUNNINGHAM: Yes.

7 MS McNAMARA: Mr. Avery?

8 MR. AVERY: Yes.

9 MS McNAMARA: Ms Rodriguez?

10 MS RODRIGUEZ: Yes.

11 MS McNAMARA: Mr. Blee?

12 MR. BLEE: Yes.

13 MS McNAMARA: Mr. Light?

14 MR. LIGHT: Yes.

15 MR. WINITSKY: Thank you very much.

16 MR. CUNNINGHAM: Gentlemen, thank you.

17 We'll now move to the township of Franklin Fire

18 District Number One, Gloucester County.

19 Gentlemen, thank you. I know that

20 you're in front of the Board today looking to purchase

21 a new fire pumper and a truck with related equipment.

22 I was glad to see that you're not financing the entire

23 amount which you're paying a good amount of cash. The

24 only concern that I had, and I don't expect that it

25 will hold up our approval today, but as I want you guys



1 to be aware that unless we missed it, we don't see a  
2 website that's publicly available with a budget and  
3 whatnot posted on there.

4 MR. BRASLOW: That's been corrected.  
5 There were some issues. And apparently, as part of the  
6 budget process that website is up and running. I mean,  
7 I could have one of the commissioners answer to it, but  
8 he said that's been resolved. And it's a fully  
9 functional website that complies with the statutory  
10 requirements.

11 MR. CUNNINGHAM: Okay. Thank you. I'm  
12 very glad to hear that. I appreciate you speaking to  
13 that today. You're purchasing this piece of equipment,  
14 this vehicle I guess is the right terminology, through  
15 state contract?

16 MR. BRASLOW: Yes, sir.

17 MR. CUNNINGHAM: And as I said, I  
18 believe you're putting \$280,000 of available district  
19 funds toward the purchase. I didn't really have any  
20 other questions or concerns. If any of the other Board  
21 members do. If not, then we'll entertain a motion.

22 MR. LIGHT: I'll move the application.

23 MR. BLEE: Second.

24 MS McNAMARA: Mr. Cunningham.

25 MR. CUNNINGHAM: Yes.

1 MS McNAMARA: Mr. Avery?

2 MR. AVERY: Yes.

3 MS McNAMARA: Ms Rodriguez?

4 MS RODRIGUEZ: Yes.

5 MS McNAMARA: Mr. Blee?

6 MR. BLEE: Yes.

7 MS McNAMARA: Mr. Light?

8 MR. LIGHT: Yes.

9 MR. CUNNINGHAM: Township of Burlington  
10 Fire District Number One.

11 Gentlemen, thank you for coming in  
12 today. I know you're looking to get approval for the  
13 lease purchase of a heavy have duty rescue truck and  
14 related equipment. Here you're purchasing through a  
15 national cooperative and seeking to finance through a  
16 ten-year lease purchase agreement. I guess a couple  
17 questions that I had is I know that there's an  
18 additional not to exceed \$23,000 for additional  
19 equipment to be carried on the rescue truck. And I was  
20 wondering if you could speak to what exactly that is  
21 and that you don't already have.

22 MR. STEWART: That equipment is a  
23 hydraulic pump to run the rescue tools and hoses. So  
24 it's hydraulic pumps and hoses that go along -- that  
25 run the Jaws of Life, so to speak.

1 MR. CUNNINGHAM: Thank you very much.

2 MR. SENDZIK: That is part of the  
3 overall request that we're making out of the 756,000.

4 MR. CUNNINGHAM: Understood.

5 MR. SENDZIK: Yes.

6 MR. CUNNINGHAM: So with respect to that  
7 financing, it's my understanding that there would be no  
8 impact on the tax rate because of this purchase?

9 MR. SENDZIK: That's correct.

10 MR. CUNNINGHAM: Okay.

11 MR. SENDZIK: The word is refinancing  
12 this bond obligation is actually going to be a savings  
13 there, also.

14 MR. CUNNINGHAM: Great. I wasn't aware  
15 of that. Thank you for clarifying that. And it's  
16 further my understanding that you sought multiple  
17 proposals for the lease purchase agreement and ended up  
18 with a rate of two and a quarter percent?

19 MR. SENDZIK: That's correct.

20 MR. CUNNINGHAM: I have no other  
21 questions on this application. Unless any other  
22 members of the Board.

23 MR. AVERY: Move it.

24 MS RODRIGUEZ: Second.

25 MR. CUNNINGHAM: Role call.

1 MS McNAMARA: Mr. Cunningham?

2 MR. CUNNINGHAM: Yes.

3 MS McNAMARA: Mr. Avery?

4 MR. AVERY: Yes.

5 MS McNAMARA: Ms Rodriguez?

6 MS RODRIGUEZ: Yes.

7 MS McNAMARA: Mr. Blee?

8 MR. BLEE: Yes.

9 MS McNAMARA: Mr. Light?

10 MR. LIGHT: Yes.

11 MR. CUNNINGHAM: Gentlemen, thank you  
12 coming. Borough of Englishtown Fire District Number  
13 One.

14 MR. YOUSOUFF: Good morning, Mr.  
15 Chairman. My name is Joseph D. Yousouff. I'm the  
16 attorney for Fire District Number One, Borough of  
17 Englishtown.

18 MR. McMANIMON: Ed McManimon from  
19 McManimon, Scotland and Baumann. We're the bond  
20 counsel for the fire district.

21 MR. CUNNINGHAM: No need to swear in as  
22 we have counsel appearing in front of us today.  
23 Gentlemen, either of you want to make any introductory  
24 statements or want to jump into the application?

25 MR. YOUSOUFF: Yes, Mr. Chairman.

1 Basically Englishtown is very small budget, very small  
2 fire district, but there comes a time when certain  
3 equipment needs to be purchased. In this particular  
4 application we're seeking approval to make major  
5 capital acquisition of what's known as dryer equipment.  
6 It's basically used to dry fire fighting turnout gear.  
7 Bottom line issue, it's hazardous material and it's  
8 very expensive if you send it out. So we looked at it  
9 and said that over the period of time that we would  
10 have this equipment it's much better for us to have our  
11 own dry/washer system. The other thing we're doing is  
12 making improvements to the firehouse mechanical room  
13 where the electronic systems and HVAC are at in the  
14 firehouse. It's a small application. There will be  
15 zero tax impact because the district has very little  
16 debt. As far as we can tell we should be able to do  
17 this without imposing any burden on the taxpayers.

18 MR. CUNNINGHAM: And it's a not to  
19 exceed amount of 60,000?

20 MR. YOUSOUFF: That's correct, Mr.  
21 Chairman.

22 MR. McMANIMON: There was an issue  
23 raised by staff about the fees because the amount that  
24 was put into the application was incorrect. It was  
25 done by somebody in our office that just put in an

1 amount down that didn't warrant it. I indicated to  
2 Joe, we had the conversations before there would be  
3 \$3,500 not 10.

4 MR. CUNNINGHAM: That was actually the  
5 only matter that I had, but I wanted to discuss. So  
6 hearing -- or unless my colleagues on the Board have  
7 any other questions we'll entertain a motion.

8 MS RODRIGUEZ: Move.

9 MR. BLEE: Second.

10 MS McNAMARA: Mr. Cunningham?

11 MR. CUNNINGHAM: Yes.

12 MS McNAMARA: Mr. Avery?

13 MR. AVERY: Yes.

14 MS McNAMARA: Ms Rodriguez?

15 MS RODRIGUEZ: Yes.

16 MS McNAMARA: Mr. Blee?

17 MR. BLEE: Yes.

18 MS McNAMARA: Mr. Light?

19 MR. LIGHT: Yes.

20 MR. CUNNINGHAM: We'll then move forward  
21 to Township of Marlboro, Fire District Number Two.  
22 Purchase and acquisition of two custom pumper fire  
23 engines not to exceed 1.3 million.

24 MR. YOUSOUFF: Correct, Mr. Chairman.

25 Joseph Yousouff, again, appearing on behalf of Fire

1 District Number Two, Marlboro Township. Mr. Chairman,  
2 members of the Board, an examination of last -- the  
3 audit for the year ended 12/31/13 reveals the reason  
4 that the Board is doing this. In February 16, 1996 the  
5 Board issued one half million dollars in notes to  
6 purchase two fire trucks in 1996. Those trucks are  
7 still in service now. But what we have is other trucks  
8 that are much older that are being phased out of duty  
9 and replaced with modern state-of-the-art apparatus.  
10 Now, Fire District Two Marlboro has historically taken  
11 the approach of replacing two at a time to keep its  
12 fleet current. Prior to this application the last  
13 truck purchased by Fire District Two Marlboro was an  
14 aerial platform fire truck at a cost of \$1,300,000 in  
15 2008.

16                   The district is in good financial  
17 condition. Fortunately, Marlboro is a fairly affluent  
18 community with a lot of tax rateables. And we can do  
19 this project the way we've done other projects without  
20 imposing any substantial cost against the taxpayers.  
21 It keeps our fleet current and satisfies a need that is  
22 constantly growing in our township because of growth of  
23 commercial section and residential properties to have  
24 adequate fire fighting apparatus for our volunteer fire  
25 department. Parenthetically, it should be noted that

1 Fire District Number Two in Marlboro is 100 percent  
2 volunteer service which is a huge tax savings. And  
3 we're lucky to have the volunteers. So we want to give  
4 them good equipment to protect them and in turn protect  
5 our community.

6 MR. CUNNINGHAM: Thank you for that.  
7 And I appreciate your comment about not having any  
8 impact on the tax rate. I just wanted to make sure  
9 that I understand correctly that currently the district  
10 won't have any outstanding debt?

11 MR. YOUSOUFF: Correct.

12 MR. CUNNINGHAM: One piece is falling  
13 off and then you're going to be going out to purchase  
14 for these?

15 MR. YOUSOUFF: Yes, sir.

16 MR. McMANIMON: Similarly, there's a  
17 reduction in the fee here from what was represented in  
18 the application. It would be \$6,000 not 10.

19 MR. CUNNINGHAM: Thank you. I'd  
20 entertain a motion.

21 MR. BLEE: Motion.

22 MS RODRIGUEZ: Second.

23 MS McNAMARA: Mr. Cunningham?

24 MR. CUNNINGHAM: Yes.

25 MS McNAMARA: Mr. Avery?



1 MR. AVERY: Yes.

2 MS McNAMARA: Ms Rodriguez?

3 MS RODRIGUEZ: Yes.

4 MS McNAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS McNAMARA: Mr. Light?

7 MR. LIGHT: Yes.

8 MR. McMANIMON: Thank you much.

9 MR. YOUSOUFF: Thank you, Mr. Chairman,  
10 members of the Board.

11 MR. CUNNINGHAM: South Orange Village  
12 Township tax appeals.

13 Gentlemen, thanks for appearing today.

14 The village is here regarding \$665,000 in issuance for  
15 refund of tax appeals. Did you want to make an initial  
16 statement, counsel?

17 MS SCULLY: Sure. We are issuing these  
18 refunding bonds subject to your approval, obviously, to  
19 refund an emergency appropriation that was used to  
20 cover the tax appeals. Three-year pay out. Pretty  
21 streamline, straightforward.

22 MR. CUNNINGHAM: Covering 71 settlements  
23 as I read the application?

24 MR. LEWIS: That's correct.

25 MR. CUNNINGHAM: I guess the only

1 question I would have is, you know, were any other  
2 mechanisms considered by which to pay these amounts  
3 out? I mean, as I talked to staff, I mean, there's  
4 nothing in the budget instead of amortizing out the  
5 entire amount was any thought given to, you know, kind  
6 of paying a portion out of it out of the budget?

7 MR. LEWIS: Well, we, again, it's been  
8 difficult times. We had the misfortune to do a reval  
9 in 2007 as opposed to 2008. So we've had a slew of  
10 appeals and refunds over time. I came on board in  
11 2012. At that point we had, again, an unprecedented  
12 number of pending appeals. We also had a budget that  
13 had previously relied on some one-time revenues. So  
14 it's been difficult. But we have significantly  
15 tightened our budget, reduced the head count of the  
16 police department from 53 to 47 and reduced fire  
17 department, public works. We, again, it's just been a  
18 tight year. Things are starting to turn around. We're  
19 starting to see some new activity, but there just  
20 wasn't the funds available to absorb it.

21 MR. CUNNINGHAM: So if the refunding was  
22 spread over the three-year period the impact on the  
23 average assessed home as I understand it is just under  
24 \$46?

25 MR. LEWIS: Correct.

1                   MR. CUNNINGHAM: I think I'll limit my  
2 questions to those. The Board have any other  
3 additional questions or concerns?

4                   MR. LIGHT: I'll move the application be  
5 approved.

6                   MS RODRIGUEZ: I'll second.

7                   MR. CUNNINGHAM: Role call, please.

8                   MS McNAMARA: Mr. Cunningham?

9                   MR. CUNNINGHAM: Yes.

10                  MS McNAMARA: Mr. Avery?

11                  MR. AVERY: Yes.

12                  MS McNAMARA: Ms Rodriguez?

13                  MS RODRIGUEZ: Yes.

14                  MS McNAMARA: Mr. Blee?

15                  MR. BLEE: Yes.

16                  MS McNAMARA: Mr. Light?

17                  MR. LIGHT: Yes.

18                  MR. CUNNINGHAM: Thank you, gentlemen.

19 Englewood Cliffs, refund of tax appeals.

20                         Thank you for appearing today. Counsel,  
21 did you want to -- Steve, did you want have an initial  
22 statement or jump into the application?

23                         MR. WIELKOTZ: I'll make an initial  
24 statement.

25                         MR. CUNNINGHAM: Please.

1                   MR. WIELKOTZ: The Borough of Englewood  
2 Cliffs is seeking approval of a \$635,000 refunding bond  
3 ordinance to refund an emergency appropriation that was  
4 passed in December of last year to repay tax appeals.  
5 We're asking for a four-year maturity which meets the  
6 Board's criteria of at least \$50 per year impact on the  
7 average taxpayer. Just to -- we closed out the year.  
8 Surplus is down by about \$110,000. The 2015 budget  
9 will already contain over \$650,000 per previous  
10 refundings that are being paid off over time pursuant  
11 to approvals by this Board. So that's why we're  
12 requesting four years.

13                   MR. CUNNINGHAM: Steve, can you talk a  
14 little bit about the way your application is  
15 structuring those four years because it's not -- the  
16 impact is actually a little different. And I'm not  
17 kind of seeing, you know, level impact across.

18                   MR. WIELKOTZ: It varies between \$55 and  
19 \$66. And basically that's because we have some older  
20 refundings that we're paying off that will come off the  
21 books. So we're trying to lessen the impact a little  
22 bit this year. But again, the difference from high to  
23 low is \$11, 55 to 66.

24                   MR. CUNNINGHAM: And nevertheless, the  
25 borough still has, not significant number, but there's

1 still pending appeals?

2 MR. WIELKOTZ: There are -- Englewood  
3 Cliffs is a small town in Bergen County, but they have  
4 what is termed used to be the million dollar mile now  
5 it's the billion dollar mile. The town is close to  
6 40 percent commercial. There's some significant  
7 corporate headquarters along Route 9W which is Sylvan  
8 Avenue. The biggest wildcard here is LG has its  
9 corporate headquarters there. They've been approved to  
10 do a massive expansion. And I don't know if you've  
11 read some of the articles over the last six or  
12 nine months, there's a conservationist group from New  
13 York State that is challenging the height, the width,  
14 the length because it's going to ruin the vision of the  
15 Palisade. But the hope is that rateable is going to  
16 come on board and that will then help us with some of  
17 our tax appeal and fiscal issues.

18 MR. CUNNINGHAM: Yeah, and I think  
19 that's probably my biggest concern is, you know, the  
20 borough is in a position that a lot of other towns in  
21 New Jersey are not. And rather than, you know,  
22 financing the entirety of these obligations, you know,  
23 I'd like to see a little more kind of --

24 MR. WIELKOTZ: We're trying. We're  
25 trying.

1                   MR. CUNNINGHAM: All right. With that  
2 comment and with that understanding that you are trying  
3 I'll ask my colleagues on the Board whether they have  
4 any other questions or comments.

5                   MS RODRIGUEZ: No, my comment is I see  
6 that the town is moving to start putting this in the  
7 budget as a line item to, you know, pay out tax appeals  
8 that are going to be coming on board. So I think  
9 that's a very progressive move on the town's part.

10                  MR. CUNNINGHAM: I'd ask for a motion.

11                  MS RODRIGUEZ: So moved.

12                  MR. BLEE: Second.

13                  MR. CUNNINGHAM: Role call.

14                  MS McNAMARA: Mr. Cunningham?

15                  MR. CUNNINGHAM: Yes.

16                  MS McNAMARA: Mr. Avery?

17                  MR. AVERY: Yes.

18                  MS McNAMARA: Ms Rodriguez?

19                  MS RODRIGUEZ: Yes.

20                  MS McNAMARA: Mr. Blee?

21                  MR. BLEE: Yes.

22                  MS McNAMARA: Mr. Light?

23                  MR. LIGHT: Yes.

24                  MR. WIELKOTZ: Thank you very much.

25                  MR. MAYER: Thank you.

1 MR. CUNNINGHAM: West Orange Township.

2 Good morning.

3 MR. DRAIKIWICZ: Good morning.

4 MR. CUNNINGHAM: The township is before  
5 the Board for two matters. The first that we're  
6 addressing is refund of tax appeals?

7 MR. DRAIKIWICZ: Yes.

8 MR. CUNNINGHAM: Would you just like to  
9 quickly walk the Board through the application  
10 proposal?

11 MR. DRAIKIWICZ: Yes, please. John  
12 Draikiwicz from Gibbons, bond counsel for the township.  
13 The township proposed to issue its notes to refund an  
14 emergency appropriation in the amount not to exceed  
15 \$2,284,702 in order to refund prior year tax appeals  
16 for the years ended 2008 through 2013. Tax appeals  
17 have been approved by the state tax court. And the  
18 township desires to finance the tax appeals over a  
19 three-year period. If the approval is not received the  
20 tax impact will be \$126 per average assessed household.  
21 And if it is it will be \$43 per average assessed  
22 household.

23 MR. CUNNINGHAM: What was the number if  
24 it had not been?

25 MR. DRAIKIWICZ: \$126 per household.

1 Happy to answer any questions.

2 MR. CUNNINGHAM: The primary question  
3 that I have is the township's repeatedly late with its  
4 budget every year. I'm trying to understand -- I'm  
5 sorry. The audit. And I'm trying to understand why  
6 that is.

7 MR. GROSS: The short answer on that is  
8 that over the past few years we've had some significant  
9 operational and technological and staffing  
10 considerations that have been challenging. I'm pleased  
11 to tell you that those three issues have been resolved  
12 moving forward. The 2014 audit will be submitted on  
13 time. And the auditors -- we've completed everything  
14 necessary for the 2014 audit and the auditors will be  
15 in next week.

16 MR. CUNNINGHAM: Okay. Now, the  
17 township's also still facing a significant number of  
18 pending appeals. I understand an additional 304  
19 appeals are coming in?

20 MR. GROSS: That's correct. We estimate  
21 that the value of the -- primarily they are commercial  
22 appeals, vast majority of them, at least three  
23 quarters, valued somewhere in the area of \$5,000,000 we  
24 still have remaining. We have taken some steps to in  
25 essence stop the bleeding. We've asked our assessor to



1 reevaluate values for '15 so that we don't see this  
2 trend continuing. That does two things for us number.  
3 One, it should reduce whatever our future obligations  
4 are as far as refunds. And second thing, to the extent  
5 that there's an incentive to continue the process year  
6 after year after year to get larger refunds we think  
7 that will eliminate that. And so perhaps the  
8 plaintiffs will be willing to get to the table and  
9 settle faster. So that's basically what we're thinking  
10 of in terms of how to stem the tide.

11 MR. CUNNINGHAM: So with that large  
12 number of appeals and the fact that the amount of those  
13 rateables is significant does that give you a pause or  
14 worry about your budget? I mean, have you tried to  
15 factor in, you know, even if you're able to stop the  
16 bleeding, so to speak? I'm just kind of wondering  
17 where the township is in preparing for that.

18 MR. GROSS: Well, this will be our  
19 second emergency in basically in two years. We would  
20 expect that while we do have some funds in reserve for  
21 this future -- when these future ones comes it won't be  
22 enough to handle all of it, but to the extent that we  
23 can soften this by getting again three or four years as  
24 per each application and then a number of applications  
25 as opposed to going out and settling them all in 2015.

1 We would expect to see them probably settle over the  
2 next two years so that we kind of smooth out the impact  
3 for the taxpayers.

4 MR. LIGHT: Excuse me for just a minute.  
5 Does that mean that you're going to -- you expect to be  
6 able to set almost 150 appeals in one year? I mean,  
7 there's 300 some appeals pending now. Right?

8 MR. GROSS: Yeah. The problem with that  
9 -- or not problem. The reason that we can is they're  
10 multiple years. We'll probably have about a hundred  
11 properties.

12 MR. LIGHT: A hundred properties?

13 MR. GROSS: A hundred properties.

14 MR. CUNNINGHAM: Any other questions?

15 MR. LIGHT: I don't think so. Sorry. I  
16 didn't mean to interrupt.

17 MR. CUNNINGHAM: No, I appreciate that.  
18 And I thank you for that. I'll ask for a motion.

19 MR. BLEE: Motion to approve.

20 MS RODRIGUEZ: Second.

21 MS McNAMARA: Mr. Cunningham?

22 MR. CUNNINGHAM: Yes, but I am going to  
23 be looking forward to the timely submission of an  
24 audit.

25 MS McNAMARA: Mr. Avery?

1 MR. AVERY: Yes.

2 MS McNAMARA: Ms Rodriguez?

3 MS RODRIGUEZ: Yes.

4 MS McNAMARA: Mr. Blee?

5 MR. BLEE: Yes.

6 MS McNAMARA: Mr. Light?

7 MR. LIGHT: No.

8 MR. CUNNINGHAM: The township is also  
9 before the Board for a refunding bond ordinance. Both  
10 you gentlemen continue to represent for the township in  
11 this matter?

12 MR. DRAIKIWICZ: Yes. And if I may?

13 MR. CUNNINGHAM: Please.

14 MR. DRAIKIWICZ: The township propose  
15 issue notes in the amount of \$1,000,000 to refund an  
16 emergency appropriation which was for severance  
17 liabilities. The township seeks to finance the notes  
18 over a five-year time period which is the statutory  
19 period that is permitted for such under section  
20 40A:40-53(h) of the local bond law. The reason why we  
21 are here in front of you today is because due to some  
22 timing considerations which seem to require two  
23 ordinances to be -- an ordinance be read two times  
24 we're not able to get both readings done by the end of  
25 December which is the calendar year. So we are hereby

1 requesting the authorization to match the schedule that  
2 would have permitted in 2014. We would be making a  
3 one-fifth payment this year as part of our application  
4 process. So we would be making the one-fifth payment  
5 with four more installments in the remaining four  
6 years.

7 MR. CUNNINGHAM: So my obvious question  
8 is why isn't the township able to timely adopt an  
9 ordinance that, you know, now brings you before us  
10 today where otherwise had the ordinance been adopted in  
11 normal course you wouldn't be here today? What  
12 happened?

13 MR. GROSS: Well, first off, as it  
14 turned out there was only one meeting in December for  
15 the governing of body. We had anticipated a meeting  
16 before December and from a timely perspective it just  
17 didn't work out. We discussed the possibility of  
18 whether we should schedule some type of a --

19 MR. CUNNINGHAM: Special meeting?

20 MR. GROSS: Special meeting. We talked  
21 it over with bond counsel. And we decided to go in  
22 this direction.

23 MR. CUNNINGHAM: So by going this  
24 direction the five-year maturity is no longer fixed.  
25 We now have discretion with the maturity. Correct,

1 counsel?

2 MR. DRAIKIWICZ: That is correct. It  
3 was our desire that since the New Jersey legislature  
4 believes that a five-year timeframe is the proper  
5 timeframe for this type of a purpose that the Local  
6 Finance Board would consider that guidance by the state  
7 literature as the appropriate timeframe to make the  
8 repayments of this type of item.

9 MR. CUNNINGHAM: So as I read the  
10 application, if we denied this application the impact  
11 on the average assessed home would be \$55. If we  
12 approve with the five-year term it will be \$11.20 per.  
13 I'll solicit the comments of my fellow Board members,  
14 but I have to think that it may be more prudent if we  
15 approve this application to go to a shorter term  
16 because, again, I think that even if we denied it it  
17 would be within the realm of what we try to strive for  
18 in terms of the average impact on the household.

19 MR. DRAIKIWICZ: Although, if I make one  
20 comment to that, if I may. Which is as part of the  
21 statutory language there is no suggestion of that  
22 particular line item, severance liabilities, being  
23 based upon impact on the residential taxpayer. I guess  
24 the literature just thought based on statute that that  
25 was the right timeframe for this type of an item.

1 That's my response.

2 MR. LIGHT: So you're criticizing the  
3 literature for that.

4 MR. DRAIKIWICZ: I'm applauding the  
5 literature which will I rarely do.

6 MS RODRIGUEZ: That's the extent but  
7 that doesn't mean that you can't shorten it.

8 MR. CUNNINGHAM: And the Board's in a  
9 difficult position. I mean, you know, and I appreciate  
10 your comments, but the audits are chronically late.  
11 You know, ordinances aren't timely adopted. And then  
12 you come before the Board and it just puts us in a bit  
13 of a difficult position. So I don't know how my  
14 colleagues on the Board feel about it.

15 MR. GROSS: If I could just add just one  
16 other point before the Board considers it.

17 MR. CUNNINGHAM: Please.

18 MR. GROSS: While I certainly understand  
19 the Board's policies in terms of trying to reach that  
20 \$50 number, with the previous application that's the  
21 first 50. If we did another 50 that's -- so we're \$50  
22 for us. The average taxpayer pays \$3,000 in municipal  
23 taxes. Two percent increase, which we're already  
24 anticipating for 2015, puts us at about \$60. So there  
25 would be 60 plus another potentially 50 this year

1 another 50 the year following. You know, to the extent  
2 that we're looking to try to strive within the two  
3 percent cap it will make it more challenging for us to  
4 do that. That's one of the reasons we have the  
5 application before you today.

6 MR. CUNNINGHAM: Again, I want to hear  
7 from my colleagues, but I just have to ask one other  
8 question. The not to exceed is a million, but the  
9 application reads that the amounts actually needed are  
10 significantly less than that. And even when factored  
11 in cost of issuance, I'm just curious, can you guys  
12 speak to the actual amount that you anticipate?

13 MR. GROSS: We've actually spent well  
14 over 800,000 already, plus the additional costs in  
15 terms of severance liabilities that we paid out.

16 MR. CUNNINGHAM: In addition to?

17 MR. GROSS: No, no, no. I mean 700,000  
18 -- I'm sorry. \$800,000 that we have paid out of the  
19 not to exceed a million. So.

20 MR. CUNNINGHAM: Let me ask the question  
21 a different way. Do you anticipate utilizing the full  
22 million in authority?

23 MR. GROSS: Within our organization we  
24 start to see retirements right after February 1st. And  
25 in fact, we've had one already. We'll have several

1 more in the next several months. We will be using the  
2 entire amount of the funds.

3 MR. AVERY: Could I just ask, the  
4 payouts here are for retirement severance liability?

5 MR. GROSS: That's correct.

6 MR. AVERY: There's no layoff liability  
7 associated with this?

8 MR. GROSS: No.

9 MR. AVERY: I assume it's police and  
10 fire?

11 MR. GROSS: It's police, fire. It's  
12 eligible for all employees. Moving forward we've  
13 negotiated with our non-uniform employees that we will  
14 no longer have these costs with new hires. They have  
15 to use up their time in the year in which it's earned.  
16 And so therefore, in the future, it's going to take a  
17 while for this to play out, we will not have these  
18 expenses.

19 MR. AVERY: And you're incorporating  
20 that same philosophy in police and fire?

21 MR. GROSS: That's our goal. That's our  
22 goal to do so.

23 MR. AVERY: Good luck.

24 MR. LIGHT: You haven't solved that yet,  
25 though. You haven't negotiated that successfully.



1                   MR. GROSS: Not for police and fire. We  
2 have for other non-uniform employees.

3                   MR. CUNNINGHAM: Counsel, I'm concerned.  
4 Maybe I misunderstood. But it's a refunding debt.

5                   MR. DRAIKIWICZ: Refunding an emergency  
6 appropriation.

7                   MR. CUNNINGHAM: But it has to be for  
8 expenses incurred. I guess I'm not understanding if  
9 there's additional expenses coming on line how they  
10 would be included in this issuance.

11                   MR. GROSS: We certainly would agree to  
12 reducing it to the amount that we've already expended.

13                   MR. CUNNINGHAM: Any other questions  
14 from the Board?

15                   MS RODRIGUEZ: My question would be do  
16 you have an idea? Because, I mean, this is for folks  
17 that are already retired and you paid out. Do you have  
18 an idea? I mean, I know it's hard. You'll know  
19 probably by the end of this month, March what are you  
20 going to be looking at this year in terms of --

21                   MR. GROSS: Well, for 2015 we don't know  
22 until they actually occur.

23                   MS RODRIGUEZ: Guesstimate?

24                   MR. GROSS: I mean historically, we have  
25 gone somewhere between 600,000 to a million 2 a year.

1 MS RODRIGUEZ: Annually. Replace these  
2 jobs.

3 MR. LIGHT: Mr. Chair, I'm upset with  
4 the way the application's been presented. You don't  
5 want the taxpayers of West Orange to be hurt by the  
6 fact that some of the things that should have been done  
7 weren't done on time and that we don't even have the  
8 actual number. It's a rough 800,000 rather a million.  
9 I don't like the fact it went to \$55 per taxpayer when  
10 it could be 11. So it's not the taxpayers' fault. And  
11 the other thing is that somebody from the municipality  
12 of statute should have been here with the types of  
13 questions that are asked that could have answered the  
14 questions of why there was only one meeting in  
15 December, why there couldn't have been a second meeting  
16 schedule so that you wouldn't have been into the time  
17 schedules that you're restricted to at this time. I  
18 think that ought to be brought back to the Mayor and to  
19 the council or the township so that they know that  
20 we're concerned with that type of thing. And we can  
21 help them if they're here. We can't if they're not.  
22 And as the attorney you should have asked them to be  
23 here.

24 MR. DRAIKIWICZ: In all candor, I  
25 believed that this would not be an issue. And that was

1 a mistake in judgment on my part because I thought that  
2 the statute that does clearly permit five years by  
3 statute would be something that would be relatively  
4 clear to the Board. And if I made a mistake of that  
5 then I made a mistake, but statute's very clear. And  
6 during the December time was difficult to get a board  
7 meeting together. Seemed as though this was a  
8 perfectly wise action to take in terms of doing  
9 emergency and taking it out and then explaining to the  
10 Board that the statute is a five-year timeframe for a  
11 payback.

12 MR. GROSS: And I do have the exact  
13 amount here. I apologize. Conversation purposes I was  
14 just giving you the estimate but I have the exact  
15 numbers here.

16 MR. AVERY: I think my concern with this  
17 is if you know you have whatever the numbers were,  
18 about a million worth of severance liability a year,  
19 how does that become an emergency appropriation as  
20 opposed to something that ought to be budgeted on an  
21 annual basis?

22 MR. GROSS: Well, again, in terms of  
23 budgeting on an annual basis some years it's much less  
24 and we've absorbed it. And some years it's been  
25 higher. Again, talking our last one was 1.2 million.

1 One before that was about 200 some odd thousand. So we  
2 wouldn't want to take the money from the taxpayer in  
3 anticipation and not knowing. So we're coming back to  
4 you now for it at the end of the year -- now it's the  
5 beginning, but it was from the end of the year because  
6 when we adopted our budget we didn't want to throw in  
7 another million dollars and make the taxpayers raise  
8 the money before. And whether we would need it or not  
9 we just wouldn't know.

10 MS RODRIGUEZ: You won't get it before,  
11 but then you'll come here they're going know get it  
12 anyway. Am I correct?

13 MR. GROSS: When we incur it. That's  
14 correct. If it's incurred.

15 MS RODRIGUEZ: Right. Meaning you  
16 didn't put it in your budget but you already  
17 incurred --

18 MR. GROSS: That was end of 2014 those  
19 numbers.

20 MS RODRIGUEZ: Right.

21 MR. CUNNINGHAM: I can appreciate Mr.  
22 Light's commentary that we ultimately don't want to put  
23 an undue burden on the taxpayers of the township, but I  
24 think, you know, there are some concerns with this  
25 application. But in the interest of time I'll make a

1 motion that the Board approve but I think before the  
2 township comes back for any additional actions or  
3 financings I think we should meet with the township and  
4 meet with the township officials and discuss the  
5 overall picture and long range plan. So with that  
6 understanding, I'll make a motion to approve the  
7 application as submitted to the Board. Looking for a  
8 second from my colleagues.

9 MR. AVERY: I'll second.

10 MR. BLEE: Just a question on that.

11 Didn't we already ascertain statutorily we can only  
12 approve the expenditure?

13 MR. CUNNINGHAM: Yeah. So the amount,  
14 not to exceed amount. And we'll -- do we need to -- I  
15 don't know that we need to revise the ordinance,  
16 counsel.

17 MR. DRAIKIWICZ: It's an authorized not  
18 to exceed amount.

19 MR. CUNNINGHAM: But we do understand  
20 that, you know, obviously the only thing that could be  
21 incurred.

22 MR. DRAIKIWICZ: Yes.

23 MR. CUNNINGHAM: And while I realize  
24 what you're trying to do mirroring the other option I  
25 would leave the repayment term to five years only to

1 avoid any questions about the propriety of a shorter  
2 term. I think it's relatively di minimus to that, to  
3 that aspect of this.

4 MR. DRAIKIWICZ: Yeah, we'd be putting  
5 one-fifth in this year's budget.

6 MR. CUNNINGHAM: So again, my motion's  
7 still open. Still looking for a second.

8 MR. AVERY: I seconded the motion. My  
9 only comment is that I understand that this is how  
10 these contracts have been written in the past, but some  
11 towns and counties need to stop the bleeding. Paying  
12 for unused time is a luxury they can't afford anymore.  
13 And the rank and file that negotiate these contracts  
14 have to understand that.

15 MR. CUNNINGHAM: Had a motion to second.  
16 Take a role call.

17 MS McNAMARA: Mr. Cunningham?

18 MR. CUNNINGHAM: Yes.

19 MS McNAMARA: Mr. Avery?

20 MR. AVERY: Yes.

21 MS McNAMARA: Ms Rodriguez?

22 MS RODRIGUEZ: Yes. And I want to make  
23 a comment that we don't -- we're not the ones, this  
24 Board is not the one that throws the burden on the  
25 taxpayers. I mean, these things come in front of us.

1 We vote yay or nay. And I'm going to vote yes on this,  
2 but I want to make it very clear that it's not this  
3 Board that is causing the situation and this burden on  
4 the taxpayers of West Orange.

5 MS McNAMARA: Mr. Blee?

6 MR. BLEE: Yes.

7 MS McNAMARA: Mr. Light?

8 MR. LIGHT: No.

9 MR. CUNNINGHAM: Thank you, gentlemen.

10 MR. DRAIKIWICZ: Thank you.

11 MR. CUNNINGHAM: Members, the next  
12 matter on the agenda is for the City of Jersey City.  
13 And it was a proposed refunding bond ordinance. The  
14 applicant had originally included three bond series to  
15 refund. We since spoke to the financial advisor  
16 yesterday and have eliminated from the application the  
17 series of 2,060 (sic) water improvement bonds which  
18 leave us with only the series 2007 general improvement  
19 and the 2007A school bonds. Both of them have present  
20 value savings in excess of three percent -- I'm sorry.  
21 4.2 and 3.43 percent respectively. We therefore, waive  
22 the appearance of members from the City of Jersey City.  
23 And with that revision as explained I would look for a  
24 motion to approve this application.

25 MS RODRIGUEZ: So moved.

1 MR. BLEE: Second.

2 MR. CUNNINGHAM: Role call.

3 MS McNAMARA: Mr. Cunningham?

4 MR. CUNNINGHAM: Yes.

5 MS McNAMARA: Mr. Avery?

6 MR. AVERY: Yes.

7 MS McNAMARA: Ms Rodriguez?

8 MS RODRIGUEZ: Yes.

9 MS McNAMARA: Mr. Blee?

10 MR. BLEE: Yes.

11 MS McNAMARA: Mr. Light?

12 MR. LIGHT: Yes.

13 MR. CUNNINGHAM: Thank you. Next matter

14 before the Board is the City of Trenton, Municipal

15 Qualified Bond Act.

16 MR. McMANIMON: Thank you. For the

17 record, Ed McManimon from McManimon, Scotland and

18 Baumann. Our firm is the bond counsel to the City of

19 Trenton. Janet Schoenhaar is the Chief Financial

20 Officer and Neil Grossman serves as their financial

21 advisor. The City of Trenton is adopting a bond

22 ordinance that is in the total of \$2,400,000 that was

23 previously authorized and approved by this Board. It

24 involves an expenditure to finance improvements for the

25 Hetzel Field. Since they're under the Qualified Bond



1 Act and they're in excess of their borrowing capacity  
2 it needs approval under both 40A:3-1 and 40A:2-7(d).  
3 Their Qualified Bond Act revenue is \$71,580,989. Their  
4 current maximum debt service under the Qualified Bond  
5 Act is 23,991,000.

6 Now, technically we don't expect to  
7 issue bonds for this project that would be covered  
8 under the Qualified Bond Act because it's a Green Acres  
9 loan and grant. So nevertheless, it has to come before  
10 this Board. And we provide the representation with  
11 regard to the Qualified Bond Act revenues. Although,  
12 we don't expect those to be leveraged any further  
13 because we don't have to pledge those revenues in  
14 effect to the Green Acres program when we sign the loan  
15 agreement. So we're happy to answer any questions. We  
16 did provide the Green Acres documents to the staff that  
17 were not part of the original application but were  
18 subsequently submitted. And Janet and Neil answer any  
19 questions that you have.

20 MR. CUNNINGHAM: If we just start with,  
21 I guess, a perfunctory matter, I'm just not sure that  
22 the Board has received all of the documents that are  
23 necessary associated with this application. I had on  
24 the list as pending certification resolution and the  
25 introduced ordinance to follow. And I'm not aware that

1 the Board has received them yet.

2 MR. McMANIMON: They were adopted. And  
3 the ordinance introduced the resolution adopted. At  
4 least I was advised by Beth Manuel (sic) in my office  
5 that they were sent down here. I don't know because  
6 they were submitted later. But I will have to double  
7 check that. I assume that they were adopted and  
8 submitted. So I don't have any ability to represent  
9 other than that I believe they were, but I can either  
10 confirm that, you know, with Janet and determine.

11 MR. CUNNINGHAM: But, counsel, for  
12 today, I mean, we can move forward with the  
13 application, you know, with the caveat that for some  
14 reason something wasn't received we would have to, you  
15 know, revisit.

16 MR. McMANIMON: I apologize. I thought  
17 they were here.

18 MR. CUNNINGHAM: That's okay. So I  
19 guess first comment I wanted to make you had already  
20 addressed. And that's the fact that these are largely  
21 going to be Green Acres funds that come in. I'm  
22 working closely with Mayor Jackson as a transitional  
23 aid town. And we did have our transitional aid fiscal  
24 monitor review the application. My concern is that the  
25 city's debt percentage is significantly high which does

1 concern me. And had these not been, you know, a Green  
2 Acres type situation I think I would have had a  
3 different opinion on the issuance. But generally, as  
4 long as the materials are there and, as you said,  
5 they're largely going to be in the project cost  
6 reimbursed from other funds I'm inclined to move  
7 forward on it. And I guess the only question that I  
8 had is Hetzel Field is off of Olden in North Trenton?

9 MS SCHOENHAAR: Correct.

10 MR. CUNNINGHAM: Okay. So I'll make a  
11 motion to approve.

12 MR. McMANIMON: Could your record  
13 reflect that your staff is advising that you have the  
14 records?

15 MR. CUNNINGHAM: Then we don't need to  
16 -- then there's no conditions. And I'll still be the  
17 one to make the motion because I already started  
18 throwing it out there.

19 MS RODRIGUEZ: I second.

20 MR. CUNNINGHAM: We have a second.

21 MS McNAMARA: Mr. Cunningham?

22 MR. CUNNINGHAM: Yes.

23 MS McNAMARA: Mr. Avery?

24 MR. AVERY: Yes.

25 MS McNAMARA: Ms Rodriguez?

1 MS RODRIGUEZ: Yes.

2 MS McNAMARA: Mr. Blee?

3 MR. BLEE: Yes.

4 MS McNAMARA: Mr. Light?

5 MR. LIGHT: Yes. I want to see the  
6 records first. I vote yes.

7 MR. CUNNINGHAM: Thank you very much.  
8 You're appearing on behalf of the City of North  
9 Wildwood. Matter first impression. Longer maturity.  
10 But I was hoping -- and maybe my colleagues on the  
11 Board have seen this before. I have not. I was hoping  
12 you could give a bit of a --

13 MR. McMANIMON: Well, U.S. Department of  
14 Agricultural Rural Development loan program is a  
15 successor to the Farmer's Home Administration. And  
16 they basically administer and provide grants and loans  
17 to smaller rural municipalities that are less than  
18 10,000 residents and do have a lower credit rating who  
19 might for their purposes be deemed better to finance  
20 their projects through their program. Now, they are  
21 for water, waste water and drainage type programs. And  
22 they have done many -- certainly they've been around  
23 longer than I have, which is a long time, but they were  
24 here before I was providing these loans under the  
25 Farmer's Home Administration. Their interest rate is a

1 factor of the way almost the NJEIT's interest rate is a  
2 factor with the current market. The USDA says that  
3 this particular interest rate is 2.625 percent. So  
4 it's a very good interest rate for the 40 years. Now,  
5 they have always had a 40-year program like the NJEIT.  
6 I know the environmental infrastructure trust is  
7 looking extending out to 30 years for some projects.  
8 These projects all have a useful life of 40 years.  
9 They are all completely callable at par. So if at  
10 anytime the municipality wants to pay these off either  
11 with a different series of bonds because of interest  
12 rates or to shorten the maturity they can. So it's not  
13 like there's not a premium involved in it but it's a  
14 very long standing federal financed program through the  
15 Department of Agriculture.

16 MR. CUNNINGHAM: So these are for water  
17 and sewer projects. It's the useful life the USDA  
18 permits.

19 MR. McMANIMON: Yes.

20 MR. CUNNINGHAM: Requires. And the  
21 other thing that I noticed was interesting about this  
22 is they're semi-annual.

23 MR. McMANIMON: It's a semi-annual  
24 payment which is the reason they come here. It's like  
25 a mortgage payment semi-annually so that in the end the

1 principal is greater than 100 percent of the early  
2 principal. And it's amortized semi-annually. Not just  
3 interest semi-annually but interest and principal  
4 semi-annually. The bond law provides for principal  
5 annually. So it's odd that you have to come to get  
6 approval because it's quicker than that but that's part  
7 of why these applications are made.

8 MR. CUNNINGHAM: And again, I appreciate  
9 that background very much. And just so my colleagues  
10 on the Board understand, we advised the City of North  
11 Wildwood there was no need for them to appear. As long  
12 as counsel was here I think this was a generally a good  
13 deal. It's just a matter of first impression for me.  
14 So I wanted a little bit of perspective. And I thank  
15 Mr. McManimon for that. So with that, unless any of  
16 the other Board members have any questions, comments or  
17 concerns I would seek a motion.

18 MR. AVERY: So moved.

19 MS RODRIGUEZ: Second.

20 MS McNAMARA: Mr. Cunningham?

21 MR. CUNNINGHAM: Yes.

22 MS McNAMARA: Mr. Avery?

23 MR. AVERY: Yes.

24 MS McNAMARA: Ms Rodriguez?

25 MS RODRIGUEZ: Yes.

1 MS McNAMARA: Mr. Blee?

2 MR. BLEE: Yes.

3 MS McNAMARA: Mr. Light?

4 MR. LIGHT: Yes.

5 MR. McMANIMON: Thank you very much.

6 MR. CUNNINGHAM: Thank you. City of  
7 Camden. Good morning.

8 MR. CAPIZZI: Good morning.

9 MR. CUNNINGHAM: Thank you for your  
10 appearance today. I notice the city is looking to  
11 undertake certain improvements and repairs to various  
12 fire houses throughout the city. For the benefit of  
13 the Board do you just want to give a synopsis of the  
14 improvements that are being done and discuss the  
15 application in brief detail?

16 MR. CAPIZZI: Yes, Mr. Chairman. My  
17 name is Jason Capizzi. My firm is Kraft and Capizzi.  
18 And we're bond counsel to the city. Sitting with me  
19 today is the city's director of finance, Glynn Jones  
20 and the city's municipal advisor, Dave Thompson. The  
21 city has outstanding qualified bonds and today is  
22 seeking your approval of final adoption of two bond  
23 ordinances authorizing new capital improvements. One  
24 for various improvements of six fire houses throughout  
25 city and a second to complete -- for security camera

1 equipment to complete a city wide surveillance system.

2 If you have any specific questions we're --

3 MR. CUNNINGHAM: We'll starting with the  
4 cameras. It's part of an Eye in the Sky?

5 MR. JONES: It's part of the Eye in the  
6 Sky camera program. We have about 130 cameras right  
7 now. With these 80 cameras we would have complete  
8 coverage of the city.

9 MR. CUNNINGHAM: And I should say that I  
10 have actually had the benefit of touring the operation  
11 center and saw all those cameras in action. The other  
12 portion of this, the fire house repairs, can you just  
13 talk a little bit about just of high level the type of  
14 project?

15 MR. JONES: Basically all of our fire  
16 houses are very older buildings. They're very  
17 historic. I think if we were to demolish them and put  
18 them back up we would have a problem with the  
19 historical preservation SHPO. So they're in need of  
20 rehabilitation for many years. One has a hose tower  
21 that needs to be secured. One has a floor that needs  
22 to be secured. Just a lot of things that need to be  
23 done to the fire house. This is an easier road than  
24 building from the ground.

25 MR. CUNNINGHAM: Understood.



1 Understood.

2 MR. JONES: Yes.

3 MR. CUNNINGHAM: So maybe -- I don't  
4 know if we need too completely walk through the  
5 financing, but it's my understanding that the city's  
6 not actually likely to go through with permanent debt  
7 through the QBA but you were going to issue notes?

8 MR. JONES: Yes.

9 MR. CUNNINGHAM: Can you discuss a  
10 little bit about that discussion and why that was  
11 prudent for the city?

12 MR. THOMPSON: I'd be happy to. David  
13 Thompson, Phoenix Advisors. The amount involved we  
14 want to basically build into a market size piece before  
15 we sell bonds rather than go in little pieces at a  
16 time. So this is the classic, I want to call it,  
17 construction loan, a short-term BAN program that in a  
18 year or two may depending on the ability of the city to  
19 pay down within the 10 years allowed under their note  
20 issuance would be added to other ordinances to finance  
21 permanently. Part of that if I might add --

22 MR. CUNNINGHAM: Please.

23 MR. THOMSON: -- runs to the improving  
24 credit position of Camden. And with we believe that  
25 with some of the announced and almost shovels in the

1 ground of very significant projects there will be a  
2 strong argument for an increase in the bond rating from  
3 Standard and Poor's who is the only rating agency that  
4 rates the bonds up to the A category. So our  
5 information was in discussions with them that we were  
6 close to an A category when we went out last year for  
7 the million bond issue on the parking revenue.

8 MR. CUNNINGHAM: I'm looking forward to  
9 the city achieving that goal. As I said at last  
10 month's meeting, I think that the ability that you're  
11 -- the fact that you're in front of this Board and the  
12 fact that the rating is where it is right now and where  
13 we anticipate it going reflects a lot of hard work that  
14 people put into getting the city's, you know, finances  
15 in order. I think these are necessary repairs. I know  
16 how long the city has been unable to undertake those  
17 repairs due to not only the financial climate which is  
18 the fact you couldn't access the markets. So I don't  
19 have any other questions. Unless any other members of  
20 the Board do I would ask for a motion.

21 MR. BLEE: Motion to approve.

22 MR. CUNNINGHAM: Thank you.

23 MS RODRIGUEZ: Second.

24 MS McNAMARA: Mr. Cunningham?

25 MR. CUNNINGHAM: Yes.

1 MS McNAMARA: Mr. Avery?

2 MR. AVERY: Yes.

3 MS McNAMARA: Ms Rodriguez?

4 MS RODRIGUEZ: Yes.

5 MS McNAMARA: Mr. Blee?

6 MR. BLEE: Yes.

7 MS McNAMARA: Mr. Light?

8 MR. LIGHT: Yes.

9 MR. CAPIZZI: Thank you.

10 MR. CUNNINGHAM: Gentlemen, thanks so  
11 much. We'll hear the Cumberland County Improvement  
12 Authority solid waste revenue bonds.

13 Gentlemen, good morning. I mean, I know  
14 this is largely for structural landfill cells, but  
15 would you kindly just give the Board a brief  
16 introduction into the project and its related  
17 financing.

18 MR. WINITSKY: Sure. Jeff Winitsky,  
19 Parker McKay, bond counsel to the Improvement  
20 Authority. To my right Dave Thompson of Phoenix  
21 Advisors. To his right Jerry Velazquez from the  
22 Improvement Authority. And finally, Ed McManimon who  
23 you all know is county bond counsel. The purpose of  
24 the application is seeking positive findings for the  
25 issuance of not to exceed \$14 million of solid waste

1 revenue bonds. The proceeds of those bonds together  
2 with certain funds that the Authority has in various  
3 funds will be utilized to construct three new cells at  
4 an existing landfill in Deerfield Township. The  
5 construction will be billed as part of their larger  
6 solid waste management plan. Principally this is  
7 proactive for future growth and future waste. It's  
8 going to extend the life of the landfill an additional  
9 17, almost 18 years. These projects were actually  
10 previously approved by DEP. The Improvement Authority  
11 actually did some of these improvements in 2009 and  
12 subsequently decided to not do -- they didn't he need  
13 it then. They're back now because we're now in a  
14 position where we see future growth. We're running out  
15 of room as most landfills are. So we're trying to get  
16 ahead of that.

17 MR. CUNNINGHAM: Are your permits still  
18 valid?

19 MR. VELAZQUEZ: Yes.

20 MR. WINITSKY: Yes. I mean, obviously  
21 we'll do everything we need to do. I'm sure Jerry is  
22 doing what he needs to do to ensure that DEP is fully  
23 on board with construction. I believe that is the  
24 case.

25 MR. VELAZQUEZ: Yes, that's the case.

1 We're working through our final, you know, annual  
2 permits and renewals now. So we're fully on board.  
3 And they've been working with us on that. It's not an  
4 issue. Just one point.

5 MR. CUNNINGHAM: Please.

6 MR. VELAZQUEZ: Jeff said 17 years. The  
7 total life of the landfill takes us through 2041. So  
8 it's important to know obviously it's longer than the  
9 proposed term.

10 MR. CUNNINGHAM: The reason I asked  
11 about the permits this Board has limited jurisdiction  
12 to talk about the financings. And maybe I misread the  
13 application, but just to make sure I understand, it was  
14 my impression that certain amount of the financing was  
15 going to be used to obtain permits but --

16 MR. VELAZQUEZ: Certain part of the  
17 financing -- the overall project would include the  
18 engineering fees for plans and specs and the oversight  
19 of the instruction, but the permits are in place.

20 MR. CUNNINGHAM: Okay. Thank you for  
21 that. Mr. Thompson, negotiated basis?

22 MR. THOMPSON: We expect so, yes.

23 MR. WINITSKY: I didn't mention it  
24 before, but this deal will be a county guarantee deal.  
25 So the other part of the application is for approval

1 for final adoption of the guaranteed ordinance. I  
2 didn't mention that at the outset.

3 MR. CUNNINGHAM: Thanks for that  
4 clarification.

5 MR. THOMPSON: We expect to combine this  
6 with another refunding that's taking place and  
7 previously approved to limit issuance cost.

8 MR. CUNNINGHAM: Okay. Great.

9 MS RODRIGUEZ: I like that.

10 MR. WINITSKY: Some efficiencies there,  
11 for sure.

12 MR. McMANIMON: Just for the record, it  
13 reflects 40A:5A-6 with regard to the county guarantee.  
14 And it's presumably under the Improvement Authority's  
15 law which is 37A-80 just for recordkeeping purposes.

16 MR. CUNNINGHAM: We actually had that  
17 listed on both on the staff report.

18 MR. VELAZQUEZ: Just one more comment.  
19 We'll real proud of it so I'll say it. We're  
20 contributing, you know, \$7,000,000 of our own money  
21 toward it, toward the construction. We've been very  
22 diligent about making sure we set aside money every  
23 year for the purpose of this type of situation. So I  
24 think that's a significant contribution. You should  
25 know we're taking, you know, our work very seriously

1 making sure we are sustainable in the long-term.

2 MR. CUNNINGHAM: I appreciate you adding  
3 that clarification. I think it is important. And I  
4 think it's something that the Improvement Authority  
5 should be proud of. So thank you for that. Does the  
6 Board have any questions or comments about this?

7 MR. AVERY: Just have a question. Are  
8 you taking waste from outside of Cumberland County or  
9 is it all internal to Cumberland.

10 MR. VELAZQUEZ: No, it's waste flow.  
11 All the counties around us have waste flow except for  
12 Salem. We take a small percentage. Pittsgrove brings  
13 their trash to us because it's a mile away even though  
14 it's Salem County, Cumberland County. But that's the  
15 only out of county flow that we have come into the  
16 landfill.

17 MR. AVERY: Thank you.

18 MR. CUNNINGHAM: No other questions, I  
19 would seek a motion.

20 MR. BLEE: Motion.

21 MS RODRIGUEZ: Second.

22 MS McNAMARA: Mr. Cunningham?

23 MR. CUNNINGHAM: Yes.

24 MS McNAMARA: Mr. Avery?

25 MR. AVERY: Yes.

1 MS McNAMARA: Ms Rodriguez?

2 MS RODRIGUEZ: Yes.

3 MS McNAMARA: Mr. Blee?

4 MR. BLEE: Yes.

5 MS McNAMARA: Mr. Light?

6 MR. LIGHT: Yes.

7 MR. WINITSKY: Thank you very much.

8 MR. CUNNINGHAM: We have a couple  
9 matters on the agenda where appearances were waived,  
10 but in the interest of time and to ensure that we  
11 preserve a quorum I'm going to ask that we move up the  
12 Atlantic City matter in the agenda. And we'll dispatch  
13 that. And then we'll go back and finish a few votes  
14 before getting into appeal of Director's decision.

15 Good afternoon.

16 MS EDWARDS: Good afternoon. Jennifer  
17 Edwards, Acacia Financial Group, financial advisor to  
18 the City of Atlantic City. We have Arch Liston, the  
19 city administrator and Everett Johnson, bond counsel to  
20 the city. We're here today to ask approval for the  
21 inclusion of a \$12,000,000 bond ordinance in the  
22 Qualified Bond Act, nonconforming maturity schedule.  
23 As the city plans to go to market in March they'd like  
24 to include this \$12 million existing note issue in a  
25 permanent financing by the end of March. The



1 application I know was sent to you. If you have any  
2 questions we'd be happy to discuss them at this time.

3 MR. CUNNINGHAM: Maybe I'll direct this  
4 to the bound counsel, but the city was going to be  
5 undertaking a special meeting? Or were you able to fit  
6 into the existing --

7 MR. LISTON: We had a meeting yesterday.  
8 Adopted in the first meeting yesterday.

9 MR. CUNNINGHAM: Regularly scheduled  
10 meeting in order to have the second --

11 MR. JOHNSON: Yes, we're in discussion  
12 to maybe have that meeting a little bit earlier. The  
13 regularly scheduled meeting is now set for March 4th.  
14 We're trying to find out if maybe we can schedule a  
15 meeting for the week of February 23rd.

16 MR. CUNNINGHAM: I see. Okay.

17 MR. JOHNSON: We should know that at  
18 some point today, but that's not decided as of yet.

19 MS EDWARDS: But everything was  
20 introduced yesterday. The city ordinance has been  
21 introduced as amended and --

22 MR. JOHNSON: And the resolution.

23 MS EDWARDS: Yes.

24 MR. CUNNINGHAM: Okay. Thank you. I've  
25 been involved. Clearly, the record should reflect that

1 I've clearly had conversation with you about this. So  
2 I don't feel that I have a lot of questions to ask. So  
3 unless the Board needs additional clarification, I  
4 think we would just ask for a motion and move forward.

5 MS RODRIGUEZ: I make a motion.

6 MR. LIGHT: I'll second.

7 MS McNAMARA: Mr. Cunningham?

8 MR. CUNNINGHAM: Yes.

9 MS McNAMARA: Mr. Avery?

10 MR. AVERY: Yes.

11 MS McNAMARA: Ms Rodriguez?

12 MS RODRIGUEZ: Yes.

13 MS McNAMARA: Mr. Light?

14 MR. LIGHT: Yes.

15 MR. CUNNINGHAM: To the Board members,  
16 the following refundings that are listed on the agenda  
17 we'll take them individually of course, but as I  
18 mentioned, we waived appearance by the applicants for  
19 the fact that these are all refunding bonds that did  
20 not extend the maturity of the underlying debt and the  
21 savings were frankly significant and certainly well  
22 beyond the three percent required by the Board. So  
23 unless anyone has specific questions I guess taking  
24 them each in order starting with the Camden County  
25 Improvement Authority be looking for a motion to

1 approve.

2 MR. LIGHT: I make a motion to approve.

3 MS RODRIGUEZ: I'll second it.

4 MR. CUNNINGHAM: Role call, please.

5 MS McNAMARA: Mr. Cunningham?

6 MR. CUNNINGHAM: Yes.

7 MS McNAMARA: Mr. Avery?

8 MR. AVERY: Yes.

9 MS McNAMARA: Ms Rodriguez?

10 MS RODRIGUEZ: Yes.

11 MS McNAMARA: Mr. Light?

12 MR. LIGHT: Yes.

13 MR. CUNNINGHAM: I was wondering should  
14 we tell Mr. Blee -- in the interest of time if the  
15 Board would indulge because I know other Board members  
16 have obligations they need to leave for. I guess we  
17 could move to the Gloucester Improvement Authority.  
18 Mr. Blee is back. Again, similar to the first. \$78  
19 million proposed project financing. The maturity  
20 doesn't extend and the savings are certainly there. So  
21 I would look for a motion and a second.

22 MR. LIGHT: I move the application.

23 MR. AVERY: Second.

24 MR. CUNNINGHAM: Thank you very much.

25 MS McNAMARA: Mr. Cunningham?

1 MR. CUNNINGHAM: Yes.

2 MS McNAMARA: Mr. Avery?

3 MR. AVERY: Yes.

4 MS McNAMARA: Ms Rodriguez?

5 MS RODRIGUEZ: Yes.

6 MS McNAMARA: Mr. Blee?

7 MR. BLEE: Yes.

8 MS McNAMARA: Mr. Light?

9 MR. LIGHT: Yes.

10 MR. CUNNINGHAM: Hudson county

11 Improvement Authority. This is in reference to their

12 DPW garage in Bayonne. Once again, records of savings

13 are there. No extension of the debt maturity. So I

14 would look for a motion and a second.

15 MR. BLEE: Motion.

16 MS RODRIGUEZ: Second.

17 MR. CUNNINGHAM: Thank you.

18 MS McNAMARA: Mr. Cunningham?

19 MR. CUNNINGHAM: Yes.

20 MS McNAMARA: Mr. Avery?

21 MR. AVERY: Yes.

22 MS McNAMARA: Ms Rodriguez?

23 MS RODRIGUEZ: Yes.

24 MS McNAMARA: Mr. Blee?

25 MR. BLEE: Yes.

1 MS McNAMARA: Mr. Light?

2 MR. LIGHT: Yes.

3 MR. CUNNINGHAM: And lastly, again,  
4 Hudson County Improvement Authority. This is a  
5 refunding in conjunction with the Hudson County Project  
6 Plaza. No extension of the debt maturity. And this  
7 particular one had 6.6 percent savings associated with  
8 it. So I would seek a motion and a second, please.

9 MR. BLEE: Motion.

10 MR. LIGHT: Second.

11 MR. CUNNINGHAM: Motion, Mr. Blee.  
12 Second, Mr. Light.

13 MS McNAMARA: Mr. Cunningham?

14 MR. CUNNINGHAM: Yes.

15 MS McNAMARA: Mr. Avery?

16 MR. AVERY: Yes.

17 MS McNAMARA: Ms Rodriguez?

18 MS RODRIGUEZ: Yes.

19 MS McNAMARA: Mr. Blee?

20 MR. BLEE: Yes.

21 MS McNAMARA: Mr. Light?

22 MR. LIGHT: Yes.

23 MR. CUNNINGHAM: Okay. I believe the  
24 only matter left on the agenda is an appeal of previous  
25 Director's decision involving Passaic. As I was not

1 the Director at the time I will recuse myself from the  
2 dais and -- sorry. Paterson. Thank you. And I'll  
3 turn it over to Mr. Light.

4 MR. LIGHT: We'll ask Erin first if you  
5 would give us some of the background as to what the  
6 Director's decision was so we can get on here what Mr.  
7 Harriott has.

8 MS KNOEDLER: Many of you already know  
9 this but I'll repeat it for the record. Paterson has  
10 been under a Memorandum of Understanding with the  
11 Division since 2010 as part of the transitional aid  
12 program. With that, the MOU requires notification of  
13 employment contracts and Director approval of  
14 settlement agreements over \$100,000. The Division  
15 learned of a potential settlement agreement with the  
16 city and the previous administration under Mayor Jones.  
17 Upon review of the proposed settlement agreement the  
18 Director disapproved the agreement and asked the city  
19 to return the agreement and go back and renegotiate.  
20 As far as we know to date that has not been  
21 renegotiated. And the counsel has asked for an appeal  
22 of the Director's decision of disapproval.

23 MR. LIGHT: And that settlement  
24 agreement the amount, do you have the amount that it  
25 was?

1                   MR. HARRIOTT: The amount of the entire  
2 agreement was for \$255,799.44 which was to be paid over  
3 four installments in 2012, '13, '14 and if it had been  
4 approved the last payment would have been made last  
5 week.

6                   MR. LIGHT: Okay. So then that's the  
7 total question before us here today?

8                   MS KNOEDLER: Well, the question before  
9 the Board is whether or not to appeal the Director's  
10 approval of the agreement. And I guess at that point  
11 you would -- I'm not certain at this point. So not  
12 necessarily to approve a settlement agreement or not  
13 approve but to just appeal the Director's decision.  
14 There were some other issues at hand that the Director  
15 took issue with. And I think some of them are outlined  
16 in the packet. I can't be certain.

17                   MR. LIGHT: We have a lot of information  
18 here.

19                   MS KNOEDLER: Okay. Good.

20                   MR. LIGHT: What year was that  
21 settlement agreement?

22                   MR. HARRIOTT: The settlement agreement  
23 and the resolution approving it were originally entered  
24 into in 2011.

25                   MR. LIGHT: 2011. Okay.

1                   MR. HARRIOTT: And it's my understanding  
2     that prior counsel for Mr. Wittig wrote to the --  
3     personally I can't speak to what Paterson did or did  
4     not do in communicating with the Director and the DCA.  
5     I don't have knowledge of that. What I do have  
6     knowledge is that in early 2012 Mr. Wittig's prior  
7     counsel wrote to the DCA presenting the basis for  
8     approval, attaching all of the backups, the numbers.  
9     No response was ever received. I was retained by Mr.  
10    Wittig in 2013. I wrote to the Director several times.  
11    Got no response. I filed a motion in the Appellate  
12    Division to compel a response. And it was only when  
13    that motion was about to be decided that we received a  
14    response from the Director in 2014. And respectfully,  
15    the entirety of the Director's decision is one  
16    paragraph. And that paragraph does not in any  
17    meaningful fashion address the evidence and the  
18    arguments that were raised in support of the settlement  
19    agreement. In fact, respectfully, I would assert that  
20    some of what is the purported basis for the Director's  
21    decision actually conflicts with the evidence that was  
22    in front of him.

23                   Specifically, the Director took the  
24    position that this was not done by contract. The  
25    reason that this was not done by contract is because



1 Paterson would not agree to a contract with Chief  
2 Wettig. As a result of that, they went to arbitration  
3 all the way back in 2006. And in 2009 the arbitrator  
4 ruled that Mr. Wettig was entitled to retroactive pay  
5 going all the way back to 2014. And it was in response  
6 to that arbitrator's decision that the settlement  
7 agreement was entered into. So the settlement  
8 agreement that was entered into specifically  
9 acknowledges that it's done in accordance with the  
10 arbitrator's decision that required the city to  
11 reimburse him for backpay or award him retro pay. They  
12 then decided to negotiate an agreement that not only  
13 awarded him that retro pay but resulted in his  
14 retiring. The benefits and the ancillary items that he  
15 received as part of that settlement whether it be the  
16 sick leave payout or the vacation days payout or what  
17 have you was consistent with what other officers and  
18 parties to negotiated agreements received during that  
19 time. In fact, the pay, the retro pay increases that  
20 he got were -- yes. I'm throwing a lot at you. I  
21 understand. I'm sorry.

22 MR. LIGHT: Exactly. I just wanted to  
23 be sure that Erin stated the total question was the  
24 settlement agreement. I didn't know whether you had  
25 anything more that you wanted to put on the table for

1 our consideration or whether you had finished.

2 MS KNOEDLER: No, not at this time  
3 because I believe that the only question before the  
4 Board is at this moment is whether or not to agree to  
5 override the Director's decision to disapprove the  
6 agreement. Not to necessarily approve a settlement  
7 agreement today in its current form.

8 MR. LIGHT: I'm just trying to make sure  
9 of that. I thought we all understood but I wanted to  
10 be sure. I didn't mean don't interrupt you.

11 MR. HARRIOTT: No, that's quite all  
12 right. To the extent that I jumped in front of Ms  
13 Knoedler I didn't mean to either.

14 MR. LIGHT: Why would the Board overturn  
15 or why are you asking the Board to overturn the  
16 Director's decision?

17 MR. HARRIOTT: I assert that the  
18 Director's decision respectfully is arbitrary,  
19 capricious and unreasonable in light of the evidence  
20 that was submitted to him. It would be damning to  
21 Chief Wettig to hold him responsible for Paterson's  
22 failure to negotiate this contract and use that failure  
23 as a basis for not awarding him the money that he's  
24 legally entitled to and which an arbitrator has ruled  
25 that contractually under the contract that he was under

1 at the time that he was entitled to receive that retro.  
2 I believe respectfully that the Director's decision  
3 ignores the facts that were in front of it. Again, as  
4 I mentioned the salary increases that he received each  
5 year were identical with the salary increases that the  
6 lower ranking officers received. And in fact, during  
7 those same years Paterson approved higher salary  
8 increases for the fire director. Sometimes as high as  
9 4.5 percent increases over those same periods. None of  
10 the retro increases that Mr. Wettig is to receive under  
11 this settlement agreement are that high. Again, the  
12 percentage of salary increases match the increases  
13 received by the sergeants, lieutenants, captains and  
14 deputy chiefs during that year as per their own  
15 arbitration in 2011. The terms -- the rest of the  
16 settlement agreement, the terms and agreements are  
17 consistent with what is permitted under the superior  
18 officers collective bargaining agreement. For his  
19 25 years of service Wettig received under the  
20 settlement agreement a lump sum payment of 720 hours  
21 based on his regular rate of pay. That's per the  
22 contract. Likewise, the 40 hours of yearly leave which  
23 he received the 280 hours vacation time, the comp time,  
24 they're all consistent with if not identical to what's  
25 in the collective bargaining agreement.

1                   I guess to simplify it, we're left with  
2 a situation where the municipality refused to enter  
3 into an employment contract with its chief. The chief  
4 challenges that all the way up the line. And at some  
5 point he's told we can't give you what you want because  
6 there's no contract. Well, that was the entire point  
7 of beginning this journey almost 11 years ago in 2004  
8 when he took over as acting chief. He's been fighting  
9 for what's rightfully his since that time.

10 Respectfully, I believe that the proofs that were  
11 submitted to the Director all the way back in 2012 and,  
12 again, that have been submitted by my firm in 2013 and  
13 2014 more than adequately support a good faith basis  
14 for the settlement agreement. I believe it supports  
15 all the terms and conditions therein. This was an  
16 arm's length negotiation. This is certainly not a  
17 sweetheart deal as it was very contentious. I wasn't  
18 personally present, but my understanding from talking  
19 to the client, talking with the city's law director  
20 this was a very contentious issue. It took a long time  
21 for them to lock it down but they finally reached an  
22 agreement. Respectfully, we don't believe that the  
23 Director's decision adequately took into account the  
24 evidence that was before it. We believe it was  
25 arbitrary, capricious and unreasonable. And we'd ask

1 this Board to reverse that decision.

2 MR. LIGHT: Okay. Erin, do you have  
3 anything to add to that?

4 MS KNOEDLER: I'll just two items. The  
5 first is a lot of you already know the terms of the  
6 transitional paid program that municipalities who are a  
7 part of the program are under financial strain.  
8 Therefore, they need state said to supplement their  
9 budget. In some cases Paterson received anywhere from  
10 22 million to 24 million in any given year based on  
11 need and our review of their finances. The Director  
12 outlined his decision in the February 10th letter which  
13 I believe the Board has received. And it states our  
14 issues with the -- with this proposed settlement  
15 agreement and asks that the city renegotiate that.

16 MR. HARRIOTT: Just very briefly,  
17 Commissioners, I just wanted to speak to the point that  
18 apparently the Director had notified Paterson at some  
19 point that it was to renegotiate this agreement. That  
20 was -- at no point has that ever been communicated to  
21 my client. In fact, in all the conversations that I've  
22 had with the corporation counsel for the City of  
23 Paterson he's indicated to me that Paterson stands  
24 behind this agreement and is ready, willing and able to  
25 pay it. And that they had never received any response

1 from the Board. And it was in the face of -- or from  
2 the Department. Excuse me. And it was in the face of  
3 all that apparent inaction that I began to push for  
4 response.

5 MR. LIGHT: Because this letter that  
6 Erin referenced which was February 10th was in fact  
7 directed to the City of Paterson. So they did receive  
8 it. Its reasoning, you may not agree with that. In  
9 fact, it says down in here in the conclusion paragraph:  
10 "It's the Division's position that in his role as chief  
11 of police Mr. Wettig is only entitled to wages and  
12 benefits established by contract or by ordinance. The  
13 settlement agreement as proposed calculates a retro pay  
14 that was not established in either salary or ordinance  
15 or adopted contract."

16 MR. HARRIOTT: As I laid out, I believe  
17 it was established by contract vis-à-vis the  
18 arbitrator's decision that found he was contractually  
19 obligated to be paid those amounts. And again, the  
20 reason that there was no contract is the reason that I  
21 said before you, they would not enter into a contract.  
22 And he had to pursue arbitration to get what was  
23 rightfully his. But I was only speaking to the point  
24 that the way that it was just described I was under the  
25 impression that there was an earlier -- additional

1 communication from the Department to Paterson that had  
2 said, no, renegotiate this. If that was the case, and  
3 if I'm misunderstanding I do apologize for confusing  
4 everybody else, if that was the case that was never  
5 communicated to my client. And all we have been asking  
6 for is some sort of direction as to if this isn't  
7 palatable to the Department what would be. And again,  
8 the Director's decision doesn't provide any guidance in  
9 that respect either. I won't continue any further.

10 MR. LIGHT: I don't know that we can  
11 answer that question. The question before us is do we  
12 uphold the decision of the Director or not. That's the  
13 question that we have to answer. Any members of the  
14 Board have a further question?

15 MR. BLEE: Chairman. I appreciate your  
16 passion for representing your client and applaud you  
17 for that. I think the question before the Board today  
18 is strictly whether or not it followed the statute and  
19 whether this agreement had gotten prior approval from  
20 the Director. And I think we've established clearly  
21 that it did not. Thus, the Director rendered his  
22 decision. And I think that's where our jurisdiction  
23 stops. I think I'm ready to go on record as saying I'm  
24 going to vote to approve or to uphold the Director's  
25 decision. And I think the rest of the questions and

1 the argument no matter how factual or passionate it is  
2 is for another place and another time other than before  
3 consideration of the Board on this particular matter.

4 MR. LIGHT: Any other questions from any  
5 other Board members?

6 MS RODRIGUEZ: I'm looking at this  
7 letter that the City of Paterson did get February 10,  
8 2014. Over a year ago.

9 MR. LIGHT: Did you want to respond?

10 MR. HARRIOTT: I just wanted to speak to  
11 the fact in two respects of the Director's prior  
12 approval. The resolution that approved the settlement  
13 agreement expressly made the approval contingent on the  
14 Director's approval. So again, while I don't represent  
15 Paterson and I don't want to speak for them, I would  
16 not characterize it as they went ahead and did this and  
17 ignored what their responsibility was to inform the  
18 Director of it. The resolution did acknowledge that it  
19 was contingent on the Director's approval. And I  
20 believe it was sent down there at the time. Although I  
21 don't represent Paterson. I can't speak to that. But  
22 nonetheless, once the application is sent down and he  
23 does render a decision I would argue that he has a  
24 responsibility to render a decision that is neither  
25 arbitrary, capricious or unreasonable.



1 MR. LIGHT: Did you have anymore?

2 MS KNOEDLER: No.

3 MR. LIGHT: Do you have anymore?

4 MR. HARRIOTT: No.

5 MR. LIGHT: Any other questions?

6 MR. AVERY: I just want to clarify in my  
7 own mind, Mr. Chairman, thank you, that once Mr. Wettig  
8 was named as chief. Not acting chief but chief.

9 MR. HARRIOTT: Yes.

10 MR. AVERY: He no longer had any  
11 contract with the City of Paterson. Is that correct?

12 MR. HARRIOTT: That's correct. He  
13 continued to pursue that. And they would not agree to  
14 one because of the underlying issues as to the retro  
15 pay which resulted in the arbitration. That's entirely  
16 correct, Commissioner.

17 MR. AVERY: That's all I had. Thank  
18 you.

19 MR. LIGHT: All right. I think we  
20 understand both of your positions. We appreciate the  
21 information that you've given. May I call and ask for  
22 a motion from one of the members of the Board to either  
23 uphold or to turn down the Director's decision?

24 MR. BLEE: I make a motion to uphold the  
25 Director's decision.

1 MR. AVERY: I'll second that.

2 MR. LIGHT: Would the secretary please  
3 call the role?

4 MS McNAMARA: Mr. Avery?

5 MR. AVERY: Yes.

6 MS McNAMARA: Ms Rodriguez?

7 MS RODRIGUEZ: Yes.

8 MS McNAMARA: Mr. Blee?

9 MR. BLEE: Yes.

10 MS McNAMARA: Mr. Light?

11 MR. LIGHT: Yes. Thank you very much.

12 MR. HARRIOTT: Thank you, commissioners.

13 MR. LIGHT: Any other business before  
14 the Board today? Motion to adjourn.

15 MR. BLEE: Motion to adjourn.

16 MR. AVERY: Second.

17 MR. LIGHT: All in favor?

18 (All responded "aye".)

19  
20 (The matter is adjourned.)

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## 1 CERTIFICATE

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