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2 STATE OF NEW JERSEY

3 DEPARTMENT OF COMMUNITY

4 AFFAIRS LOCAL FINANCE BOARD

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6

7 DATE: WEDNESDAY, SEPTEMBER 9, 2015

8

9 AT: 101 South Broad Street
10 PO Box 803
Trenton, New Jersey 08625-0803

11

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

13

14 MELANIE WALTER, DAG
15 101 South Broad Street
Trenton, New Jersey 08625-0803

16

17 COMMITTEE MEMBERS:

18 TIMOTHY CUNNINGHAM, Chairman
19 IDEDA RODRIGUEZ
20 FRANCIS BLEE
TED LIGHT
ALAN AVERY

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1 MR. CUNNINGHAM: Okay. Good morning.
2 Seeing that we have a quorum we will begin today's
3 meeting. This meeting already was open to the
4 public at an earlier session upstairs so we need
5 not deal with any of those formalities.

6 We have one item that will be
7 considered on consent agenda today and that's
8 Englishtown Borough requesting approval to do
9 refunding bonds for tax appeals. They're seeking a
10 three year term which would be \$67 on the average
11 assessed home and they did a revaluation in 2014.
12 So, this matter was moved to the consent agenda.
13 No appearance required and if my colleagues don't
14 have any questions I would seek a motion or second
15 on that matter.

16 MR. BLEE: Motion.

17 MR. CUNNINGHAM: Motion, Mr. Blee.

18 MS. RODRIGUEZ: Second.

19 MR. CUNNINGHAM: Second, Miss
20 Rodriguez. Roll call, Pat.

21 MS. PARKIN McNAMARA: Mr. Cunningham.

22 MR. CUNNINGHAM: Yes.

23 MS. PARKIN McNAMARA: Mr. Avery.

24 MR. AVERY: Yes.

25 MS. PARKING McNAMARA: Miss

1 Rodriguez.

2 MS. RODRIGUEZ: Yes.

3 MS. PARKIN McNAMARA: Mr. Blee.

4 MR. BLEE: Yes.

5 MS. PARKIN McNAMARA: Mr. Light.

6 MR. LIGHT: Yes.

7 MR. CUNNINGHAM: So, the first matter
8 the Board will take testimony from the City of
9 Bayonne. For the purpose of the court reporter if
10 attorneys could give business cards to her that
11 would be helpful and anyone else be introduced and
12 sworn in.

13 MR. MALLOY: Terrence Malloy, chief
14 financial officer, City of Bayonne.

15 (Whereupon, Terrence Malloy is sworn
16 in.)

17 MR. CUNNINGHAM: Good morning. Thank
18 you for appearing today and I know that Bayonne has
19 tax appeals that they're considering bonding for
20 including using PBA. If you want to introduce
21 yourself to the Board.

22 MR. CANTALUPO: Sure. Absolutely. For
23 the City of Bayonne here, John Cantalupo from
24 Archer and Greiner, the bond attorney for the City
25 of Bayonne and we're here today to apply for a

1 \$4,230,000 tax appeal refunding bond and notes to
2 be issued as well under the qualified -- as
3 qualified bonds under the Municipal Qualified Bond
4 Act. The city is requesting a seven year
5 amortization with relatively level debt service and
6 level principal over the life. The use of the
7 proceeds will be paid for tax appeals in the amount
8 of \$4,105,000 approximately. The impact if they
9 had paid off these tax appeals in one year would be
10 to the average taxpayer \$239.52. With the seven
11 year amortization it is approximately \$36 to the
12 average taxpayer so it softens it for the taxpayers
13 in Bayonne. The average value for the average home
14 in Bayonne is \$125,000 and I would like to turn it
15 over for any questions at the point.

16 MR. CUNNINGHAM: I think the issue I
17 have that I wanted to talk about was certainly it
18 does soften it to 36, but the Board has had the
19 policy of trying to stay around the \$50 mark. What
20 we didn't have in the application was what the
21 impact would be instead of going out seven years if
22 it was somewhere in the four to five-year range and
23 with the holiday on Monday, I didn't have a chance
24 to reach out and ask that question, but I think it
25 was one of the things, we as the Board wanted to

1 talk to the city about to see if we could, you
2 know, shorten the duration a little bit to
3 something that would put it more in line with what
4 we require of public municipalities.

5 MR. CANTALUPO: Yeah, I don't think
6 that will be an issue for us. I mean we have been
7 doing, you know, pretty significant tax increases
8 over the last few years. That's why we're trying
9 to spread it out over the maximum period of time.
10 If the Board felt it should be shortened to six
11 years or five years, that's something we can deal
12 with.

13 MR. CUNNINGHAM: Okay. The other
14 issue, Mr. Malloy, that I just wanted to bring up
15 is that unless I'm incorrect I don't think there's
16 been a re-val done since '91 and as I'm watching
17 the percentage of equalized value, I'm wondering if
18 Bayonne had any kind of thoughts or plans for that.

19 MR. MALLOY: You're correct. The last
20 re-val was 1991 which probably set out our most
21 expensive period of tax appeals after the re-val,
22 but this is something that we wanted. We will need
23 to bring our tax map up to snuff and update that as
24 the first step in the process. Our assessor is
25 looking at that.

1 MR. CUNNINGHAM: And I assume that my
2 next question is going to be somewhat similar in
3 your answer, but I'll ask it anyway, so we don't
4 have -- at least I don't think the city had a
5 reserve for tax appeals, a reserve funding for tax
6 appeals. So, obviously that, you know,
7 necessitates, you know, the potential issue of
8 debt.

9 MR. MALLOY: Yeah, if I could just
10 add, one of the reasons why we haven't, we've been
11 hit within the last three years a record number in
12 terms of volume of tax appeals handled by the
13 county tax board and we've been paying out over two
14 million dollars in terms of tax credits over the
15 last three years. Budget-wise we just haven't had
16 the ability to fund a reserve for the state board
17 of appeals.

18 MR. CUNNINGHAM: Any of my colleagues
19 on the board have any questions for the city?

20 MR. LIGHT: Do you know the amount for
21 five years?

22 MR. CUNNINGHAM: We don't, but I think
23 that's where I would be kind of comfortable going
24 assuming we put it somewhere in the \$50 range. If
25 the Board was to approve that today then I'm sure

1 the city could provide us information to make sure
2 the actual numbers were reflected in the five
3 years.

4 MR. MALLOY: Yeah, that would be fine.

5 MR. CUNNINGHAM: Okay.

6 MR. CANTALUPO: I think we did provide
7 two debt service schedules at the end of the day
8 yesterday, but it was towards the end of the day.

9 MR. CUNNINGHAM: But, not the impact.

10 MR. CANTALUPO: Right, but not the
11 impact. We'll get the impact to you.

12 MR. CUNNINGHAM: No other questions I
13 will ask for a motion to approve with as we
14 discussed a five-year maturity schedule.

15 MS. RODRIGUEZ: Motion.

16 MR. CUNNINGHAM: Thank you.

17 MR. BLEE: Second.

18 MR. CUNNINGHAM: Second. Roll call,
19 please, Pat.

20 MS. PARKIN McNAMARA: Mr. Cunningham.

21 MR. CUNNINGHAM: Yes.

22 MS. PARKIN McNAMARA: Mr. Avery.

23 MR. AVERY: Yes.

24 MS. PARKIN McNAMARA: Miss Rodriguez.

25 MS. RODRIGUEZ: Yes.

1 MS. PARKIN McNAMARA: Mr. Blee.

2 MR. BLEE: Yes.

3 MS. PARKIN McNAMARA: Mr. Light.

4 MR. LIGHT: Yes.

5 MR. CUNNINGHAM: Okay. Thank you very
6 much.

7 MR. CANTALUPO: Thank you.

8 MR. CUNNINGHAM: The Board will next
9 consider Haworth Borough. Good morning. If you
10 haven't provided a card please introduce yourself
11 and please be sworn in if you aren't counsel.

12 MR. SMART: I'm John Smart, Mayor of
13 Haworth.

14 MS. GROH: I'm Mary Anne Groh. I'm
15 the council president and the finance chair.

16 (Whereupon, John Smart and Mary Anne
17 Groh are sworn in.)

18 MR. CUNNINGHAM: Mayor, council
19 president thank you very much for your appearance
20 today. I know that Harworth is before the Board
21 seeking \$600,000 proposed refunding bond ordinance
22 to cover tax appeals and it seems like this
23 particular matter deal with one significant ratable
24 within the municipality, so perhaps you could just
25 speak to that a little bit and let the Board know

1 what the circumstances are with Haworth.

2 MR. SMART: Sure. This was the Haworth
3 Country Club, our second largest taxpayer. They
4 had filed appeals from 2010 to 2015 inclusive. In
5 2010 there was a concern in the real estate market
6 evaluations. There's hope at that time that the
7 perceived devaluation of property was temporary.
8 The case was pursuing, the discovery and
9 litigation. Never settled until 2013, 2014 when our
10 counsel suggested that our valuation was going to
11 be perceived as too high by any measure. We then
12 voluntarily lowered the property tax rate in
13 2014 and when I was elected in early this year
14 began to work with the country club on negotiating
15 a settlement to reach this conclusion.

16 MS. GROH: And if I might just
17 supplement because our mayor is our newly elected
18 mayor after having the same mayor for 28 years.
19 I've been on the council for six years. I've been
20 the finance chair for the past two. In addition
21 just to supplement the tax assessor is going to
22 reduce them again in 2015, but going back to when
23 the tax appeal attorney came in and talked about
24 our real exposure we then immediately established a
25 reserve for tax appeals in the amount of 65,000 and

1 that's the first time I have ever seen it on our
2 books and it's something I really insisted upon.
3 At the time of the exposure we thought it was about
4 1.3 million and we were trying to establish as much
5 as we could without really having a great impact on
6 our budget which is a 7 million dollar budget.

7 So, with that in mind and, you know,
8 after learning that at the League of Municipalities
9 that all the things that you'll be looking for with
10 raises and hiring decisions we really tried to be
11 conservative and the questionnaire, if you've had
12 time to look at it, when we renegotiated the recent
13 police contract, you know, we had to be very firm
14 with the raises and also with the noncontractual
15 employees. So, we've been very frugal. We've been
16 trying to hold the line on taxes.

17 MR. CUNNINGHAM: Yeah, I'll make two
18 points. First, on the tax appeal, on the reserve
19 you have I know you set aside 65,000. You're going
20 to use 20,000 for this appeal and you're going to
21 keep the balance for the smaller appeals that the
22 municipality faces and then on your contractual
23 issues I saw your that EPW contract was settled
24 with two and a quarter percent increases and PBA
25 was actually a zero percent increase from '15, June

1 and then one percent going to one and a half until
2 '17. So, we did review that questionnaire
3 carefully. The staff look at it along with other
4 things.

5 I guess the other thing that I wanted
6 to make my colleagues on the Board aware of is that
7 the borough in this instance is seeking a seven
8 year repayment schedule that would have the impact
9 on the average assessed home of \$71. As I said to
10 the previous applicant the Board as a rule we try
11 to stay somewhere in the \$50 range. I think \$71 is
12 acceptable to me and perhaps my colleague and the
13 other point that I would just put out there is that
14 your re-val was last done in 2004. So, I think
15 you're okay there as well.

16 Any other questions for the borough?

17 MR. LIGHT: Just a question of what
18 would the impact be if it was a five-year instead
19 of a seven-year?

20 MS. GROH: I have that. Assuming it's
21 a two percent rate, it would be \$96 which would be
22 a 2.23 percent increase on top of any other
23 increase for the municipal tax portion of our bill.
24 We have some other issues that are coming up as
25 well. So, we're really hoping to avoid having to

1 fund it over five years as opposed to the seven.

2 MR. LIGHT: What's the percentage
3 increase if it stays at the seven years?

4 MS. GROH: 1.7 percent on top of, you
5 know, presumed around two percent is what we've
6 come in. So, anything else?

7 MS. RODRIGUEZ: I'm fine with the
8 seven years.

9 MR. LIGHT: I'm not comfortable with
10 it, but I'll go along with my colleagues.

11 MR. CUNNINGHAM: Then hearing that I
12 would ask for a motion and second on the matter.

13 MR. AVERY: Motion.

14 MR. BLEE: Second.

15 MR. CUNNINGHAM: Motion, Mr. Avery.
16 Second, Mr. Blee. I think that was the order I
17 heard it. Roll call.

18 MS. PARKIN McNAMARA: Mr. Cunningham.

19 MR. CUNNINGHAM: Yes.

20 MS. PARKIN McNAMARA: Mr. Avery.

21 MR. AVERY: Yes.

22 MS. PARKIN McNAMARA: Miss Rodriguez.

23 MS. RODRIGUEZ: Yes.

24 MR. PARKIN McNAMARA: Mr. Blee.

25 MR. BLEE: Yes.

1 MS. PARKIN McNAMARA: Mr. Light.

2 MR. LIGHT: Yes.

3 MR. CUNNINGHAM: Thank you very much.

4 MS. GROH: Thank you.

5 MR. CUNNINGHAM: City of Hackensack.

6 Good morning. Again, please introduce yourself to
7 the court reporter and those who are not counsel
8 please be sworn in.

9 MS. GORAB: My name is Lisa Gorab from
10 Wilentz, Goldman and Spitzer and I'm bond counsel
11 for the City of Hackensack. With me is James
12 Mangin, the CFO; Kathy Cannestrino who is the
13 deputy mayor and Frank Marino, auditor.

14 (Whereupon, James Mangin, Cathy
15 Cannestrino and Frank Marino are sworn.)

16 MR. CUNNINGHAM: Good morning. So,
17 it's my understanding, and this is kind of a bit of
18 a long range solution for Hackensack dealing with
19 an issue, I wasn't at the division at that time so
20 I didn't have a perspective, but if I would ask
21 someone for the city to kind of address the history
22 and explain why we're in I guess the second phase
23 with the potential the third phase coming.

24 MS. GORAB: Yes, exactly a year ago we
25 came down to the Local Finance Board and the new

1 city council presented their plans to handle the
2 tax appeals that were pending and the liabilities
3 and this application today represents the second
4 part of a three part plan. The first part was
5 approved last year. That went very well. We
6 issued approximately 8.9 million in tax appeals in
7 bonding notes for seven years. This is the second
8 part and the CFO and deputy mayor would like to
9 outline for you the city council's plan to stem the
10 tide of the tax appeals and increase ratables. So,
11 they have brief statements to make.

12 MR. CUNNINGHAM: Thank you.

13 MR. MANGIN: My name is Jim Mangin.
14 I'm the CFO for the City of Hackensack and as we
15 explained last summer and I apologize if it sounds
16 like we repeating, but it's important to
17 understand.

18 MR. CUNNINGHAM: I wasn't here so
19 please do.

20 MR. MANGIN: The City of Hackensack
21 was hit with a number of tax appeals as many
22 municipalities were, you know, following the great
23 recession of 2007, 2008. The city did a
24 reassessment in 2010, but that reassessment led to
25 even more tax appeals being filed, particularly in

1 the city's pretty vast commercial properties. In
2 2010 the city sought from the Board and received an
3 approval for a 4.9 million dollar tax appeal
4 refunding spread over seven years, but to be
5 perfectly honest the city didn't make provisions
6 for refunds above that 4.9 million dollar level.
7 What happened was appeals continued to be filed,
8 settlements were made, assessments for adjustments,
9 but the refunds were never made.

10 When the new city administration took
11 office in July of 2013, shortly after appointing a
12 new tax appeal attorney that's when we found the
13 volume of the pending appeals and unrefunded
14 settlements. We came last year because what we did
15 was we developed a plan to attack this issue on two
16 fronts. In the spring of 2014 we estimated that
17 our total liability was about 30 million. Here we
18 are about a year and a half later and as it turns
19 out it looks like that number is fairly accurate.

20 The first front was going to be stop
21 the new appeals from being filed. Earlier this
22 year the city awarded a five-year contract to do a
23 one hundred percent reassessment and the last
24 reassessment was done in 2010 and it wasn't a very
25 good one. So, we're doing a one hundred percent

1 reassessment and it's going on right now and it
2 will be completed at the end of this year.
3 Following that what we're going to do is a program
4 of rolling reassessments where each year for the
5 next four years we're going to do a reassessment on
6 one fourth of the properties. At the end of five
7 years we'll have done two reassessments and it's
8 our belief that that will keep our ratios close to
9 a hundred percent as possible. The assessments,
10 themselves, will give us the tools that we need to
11 defend any tax appeals in court and that should
12 significantly curtail the number of successful tax
13 appeals. That's one front.

14 The other front is going after the 30
15 million dollars of past refunds. What we did was
16 we developed a plan and divided it into three
17 manageable components. Last year we presented and
18 we received an approval for the first phase of that
19 plan which was an \$8.6 million refunding spread
20 over seven budget years.

21 MR. CUNNINGHAM: Excuse me one second,
22 these appeals were approved in tax court expecting
23 that those payments had been made?

24 MR. MANGIN: Yes.

25 MR. CUNNINGHAM: And the successful

1 appellants, they're probably not inclined to wait
2 seven or so years for --

3 MR. MANGIN: Yeah. What happened was
4 last year the bulk of the appeals were commercial
5 properties where they had waived interest and yes,
6 they were. Yeah, we are under the judge's order to
7 get these settled ASAP. Last year with the 8.6
8 million we had asked and received approval for we
9 showed we made drastic changes in the budget where
10 we completely eliminated structural deficits trying
11 to keep the impact as low as possible. We're here
12 today asking for approval for the second phase of
13 that plan which is a \$10,150,000 refunding again to
14 be spread out over seven budget years.

15 I was kind of hoping that that would
16 have been the end of our story, but realistically
17 we don't believe that it will be. Right now we
18 have about 640 pending tax appeals still. There
19 are one or two large commercial properties that
20 we're still aggressively negotiating. We
21 understand that if we get approval today our
22 taxpayers will have two overlapping refundings. If
23 we continue with the third phase of the plan next
24 year our taxpayers will have three overlapping tax
25 refundings and we take that burden very, very

1 seriously. What we've been doing is doing
2 everything that is in our power to try and minimize
3 the impact of that on the rest of the budget.
4 We've been aggressive negotiating our labor
5 contracts. We're currently negotiating eight of
6 them right now.

7 Later this year we plan on holding
8 the city's first accelerated tax sale where we
9 expect to generate about two million in additional
10 cash and from that we're going to use a portion of
11 that to establish a reserve for tax appeal for the
12 2016 budget.

13 In summary the three-year plan that
14 we adopted last year is working. Hackensack has
15 gotten a representation as an administration that
16 deals with its problems and invests in our
17 infrastructure which we're hoping will continue to
18 show we're a community that's worthy of an
19 investment and we're here today to ask for your
20 approval of the second phase.

21 I handed out a handout the same as we
22 did last year which shows the first phase of the
23 plan which was approved last year. The second
24 phase of the plan which is before you right now and
25 the third phase of the plan if that's implemented

1 next year and you'll see what the impact of these
2 three plans our taxpayers will see over the next
3 year. Okay. Before we answer any questions I want
4 to turn it over to our deputy mayor, Kathy
5 Canestrino.

6 MS. CANNISTRINO: First I would like
7 to thank you all for analyzing and reviewing our
8 bond application. This application as Jim stated
9 represents the second part of our three part plan
10 that was presented and reviewed by this Local
11 Finance Board last summer. Please forgive me for
12 repeating history a little bit, but we conveyed
13 last year that two years ago when we took office we
14 uncovered \$30 million in unpaid tax appeals dating
15 back to 2005. Hence the three part plan that our
16 CFO has discussed with you today. This mayor and
17 council fully support the three part plan to
18 address these tax appeals head-on. This 2015 bond
19 will enable us to accomplish the second part of
20 this plan while providing the residents of this
21 town a solution.

22 The three main components of the
23 council's 2015 plan for financial stability were to
24 first control our expenditures; second, increase
25 our ratables and third put an end to the tax

1 appeals. As far as controlling our expenditures,
2 our 2015 budget was \$97.7 million. It was up \$2.9
3 million from the 2014 budget of 94.8. Of this \$2.9
4 million, 1.5 million was debt increase of which 1.2
5 million was the first installment on the \$8.8
6 million from last year. Four hundred thousand of
7 it was pension increase money which was beyond the
8 control of the city and \$900,000 was health
9 insurance cost. We're doing everything we can to
10 do the best to mitigate the risk of health
11 insurance. As everyone knows it's a problem
12 throughout the country. One of the things that we
13 put into place this year was offering a less
14 expensive plan for our employees to help abate that
15 risk. So, if you add those three numbers up that
16 was 2.8 million of the \$2.9 million increase. So,
17 we were very proud of the work that our CFO did put
18 into our budget for the year 2015.

19 As far as increasing our ratables and
20 the City of Hackensack is in the middle of a
21 Renaissance. We're heavy duty into redevelopment
22 in our downtown area. In the past two years the
23 city has approved over 900 residential units of
24 which include 222 units that are being completed
25 this month and will be ready for occupancy this

1 fall. The 900 units encompass three main projects.
2 In addition, to those approved projects we have
3 over 1700 residential units that are in the
4 planning and redevelopment approval process right
5 now with over 100,000 square foot of new retail and
6 commercial space.

7 The city has also approved multiple
8 site plans in our much neglected downtown which
9 include a grocery store, multiple medical offices
10 and facilities as well as the opening of several
11 new retail and commercial businesses in our
12 downtown. The city's first residential project
13 that's opening this fall has been the first one
14 really having negotiated an approved agreement.
15 We're in the process of finalizing agreements with
16 the other two. These three projects alone will
17 generate over a million dollar increase in annual
18 revenue for the taxpayers.

19 With respect to the new development
20 this city council is undertaking its own
21 independent fiscal new tax analysis to make sure
22 that any pilot agreements are fiscally sound. The
23 city understands that these agreements are short
24 term catalysts and not a long term solution. To
25 date we have only finalized the one pilot and we're

1 in the process of agreeing to the other two. As
2 part of this revitalization the city also
3 understands it has to make an investment in the
4 infrastructure. As such we've undertaken a very
5 important sewer separation project. We've made
6 major street traffic flow and street improvements
7 and we're in the process of creating a new city
8 cultural arts center. In connection with these
9 investments the city is seeking the most
10 financially advantageous financing vehicles.

11 For example, we financed phase one of
12 the three phase sewer separation project with a low
13 interest rate from the NJEIT loan and we also
14 received a one million dollar principal
15 forgiveness. The adjoining parts of the cultural
16 arts center was financed with matching grants. So,
17 work that we are doing we're looking to do it at
18 the lowest impact to our residents as possible.

19 As far as our last -- I think Jim
20 already talked about putting an end to the costly
21 tax appeals we're doing full reassessment this year
22 and as Jim noted it's already in progress and
23 they're going to be doing rolling assessments each
24 year to keep our rate close to a hundred percent as
25 possible and put an end to these tax appeals.

1 Also the city is diligently working
2 with those that have not been negotiated. For
3 example, we're host to the Hackensack University
4 Medical Center and this year we negotiated with
5 them and got them to agree to withdraw their pre
6 2015 appeals and this was a turnaround of about
7 three million dollars to the city's tax appeals.

8 So, although we're faced with these
9 huge tax appeals orders, I think we've proven the
10 city can handle the \$8.8 million bond we had last
11 year without too much of a burden and we're asking
12 for the maximum term allowed because we know we
13 have another year that's lying in front of us that
14 we have to do. We've made remarkable progress in
15 our downtown with redevelopment and we have plans
16 in place to continue that progress. I believe the
17 changes we have made in our financial controlling
18 planning have opened the doors to our redevelopment
19 and the developers are seeing the city as one that
20 is now financially sound.

21 The city council is asking you to
22 help us with the terms of this bond to enable the
23 city to continue to grow in an affordable way.
24 Thank you.

25 MR. CUNNINGHAM: Thank you, deputy

1 mayor. I appreciate that statement very much. Two
2 things that you mentioned in your statement that I
3 just want to address. Number one, the utilization
4 of pilots for economic redevelopment. I know
5 that's something important to Commissioner Richmond
6 the ability to analyze pilots and make sure that
7 they're being done in the most prudent way and to
8 that end staff from the division including the
9 division's deputy director are working on a tool to
10 identify or try to help municipalities identify the
11 proper use for pilots, but what I would offer to
12 Hackensack to that end that as you negotiate those
13 other two pilot agreements, please feel free to
14 come to the division and give us a call and we'll
15 happily walk through them with you because we do
16 have people on staff that are experienced with that
17 and can potentially help you work with them.

18 MS. CANNISTRINO: What we've actually
19 done is we go through what we call a
20 pre-application process with anyone who's
21 interested in coming into town to do development
22 and we look at the projects from many aspects. You
23 know, is it the right fit? Is it in the right
24 area? We look at the physical impact. We require
25 before we would even entertain a redevelopment

1 study, we require that they do a preliminary
2 physical impact analysis and the city is also under
3 contract with a separate firm that this is their
4 main role and goal in life. They do a full
5 analysis even on the preliminary and on the full.
6 We meet together and use that to help us make
7 intelligent decisions.

8 We put some basic guidelines in place
9 in the city as to what will qualify for what so
10 that folks will look in and they know, you know,
11 based on the size and number of units where it's
12 going. Don't even ask for anything beyond what we
13 said there, but what the city firmly believes in is
14 this is to be used only as a tool, a kindling to
15 get the fire started. Our downtown had been
16 neglected for 25 to 30 years and we're the county
17 seat of Bergen County. So, we're desperately in
18 need of a makeover. So, you know, as soon as we
19 get the fire started and, you know, we have a lot
20 of people coming in and meeting with us and the
21 pilot program has served its purpose.

22 MR. CUNNINGHAM: Okay. Thank you. If
23 the Board has additional questions.

24 MS. RODRIGUEZ: I wasn't sure. You
25 answered my question that Hackensack is the county

1 seat for Bergen County.

2 MS. CANNESTRINO: Yes, it is.

3 MR. CUNNINGHAM: My other question I
4 guess will be directed to the CFO. There was a
5 little confusion over some of the settling of, you
6 know, the collective bargaining agreement and PBA
7 is the one we didn't completely understand. I know
8 that the application, you know, talked about an
9 increase of no more than two percent, but then I
10 think when we looked at it, it looked like it could
11 potentially be a little bit higher for individuals
12 who haven't reached the top step. I know that Nick
13 Bennett from the division staff had contacted and
14 gotten some additional information and I didn't
15 want to be rude and go to my Blackberry and pull
16 that up. While we're here today can you talk a
17 little bit about those contracts.

18 MR. MANGIN: Yeah, Nick had a lot of
19 questions on our fire settlement. Okay. The
20 police, the PBA settlement was prior to last year's
21 application and originally when we sat down, the
22 original application we indicated that there was a
23 one and a half percent increase to the top steps
24 and the staff had asked for a full analysis
25 including the impact of the step movement. So,

1 that's what was included in this application. I'll
2 tell you the numbers of in a second. The impact
3 including the movement for the PBA contract was
4 going to be 6.8 percent in 2015, but, again, Nick
5 had asked about the fire contract which we just
6 recently settled and what the fire contract did
7 was, it was a six step guide originally. What we
8 got was an increase of one percent in the first
9 year and step -- we were freezing step movement in
10 the first year.

11 MR. CUNNINGHAM: Did you increase the
12 number of steps?

13 MR. MANGIN: In the first year, no,
14 but we froze movement. If you're at step four, you
15 stay at step four. It increases one percent. In
16 the second year of the contract we added a step.
17 Okay. All the steps remain the same. They were
18 frozen at their amount. We added a step at the top
19 and we increased the top step by .5 percent. In
20 the third year of the contract again all the steps
21 were frozen and the top step was increased by .5
22 percent. Overall increase over three years was
23 about nine percent; three percent average over the
24 three.

25 MR. CUNNINGHAM: Do you have any other

1 CBA's pending or --

2 MR. MANGIN: Yeah, quite a few. We're
3 actively negotiating right now with our DPW unit,
4 with our crossing guards, our communication
5 operators, our DPW supervisors and our PBA and fire
6 superior contracts expire the end of this year.
7 The contracts that we're currently negotiating
8 right now, the crossing guards and the
9 communication operator both have step guides and
10 our current proposal adds the number of steps
11 significantly.

12 We just settled, prior to this, our
13 police officers, the FOP contract which created a
14 two tier, two step system for our lieutenants and
15 captains as well. What we're doing is in every
16 contract negotiation we're looking for long term
17 step guide relief.

18 MR. CUNNINGHAM: Any other questions
19 from the Board?

20 MR. LIGHT: Just in the number of
21 years are you satisfied with that?

22 MR. CUNNINGHAM: I am in the sense and
23 just so we get it on the record and please correct
24 me if I'm wrong, but the city is seeking seven
25 years which would be an impact on the average

1 assessed home of 76.87.

2 MR. MANGIN: That's correct.

3 MR. CUNNINGHAM: Now, as I said to the
4 previous applicants we normally try to keep that
5 around \$50 and \$76 is certainly acceptable, but I
6 think in the city's situation and I think the
7 deputy mayor referred to this in her remarks, last
8 year there was an impact because of the tax appeals
9 and you expect a third wave of tax appeals coming
10 before this Board. So, you know, the \$76 is pretty
11 impactful because it's being sandwiched in between,
12 you know, an impact that was already felt and one
13 that's certainly likely coming. So, to Mr. Light's
14 question, I'm okay with the seven year term of
15 76.87.

16 It's a difficult situation that the
17 city is in. I would like to stay close with the
18 city on your pending CBA negotiations and I would
19 include in the record, Pat, I would ask that the
20 city provide my office with copies of your final
21 proposal before they're actually executed or
22 ratified by the respective unions. With that
23 proviso in there I'd be willing to make a motion to
24 approve the application as presented, seven years,
25 76.87 per average assessed home.

1 MS. RODRIGUEZ: Second.

2 MR. CUNNINGHAM: Second by Miss
3 Rodriguez. Roll call, please. I'm sorry if I wasn't
4 clear, that would be conditioned.

5 MR. MANGIN: Yes, sir.

6 MS. PARKIN McNAMARA: Mr. Cunningham.

7 MR. CUNNINGHAM: Yes.

8 MS. PARKIN McNAMARA: Mr. Avery.

9 MR. AVERY: Yes.

10 MS. PARKIN McNAMARA: Miss Rodriguez.

11 MS. RODRIGUEZ: Yes. I'd like to make
12 a comment. Thank you deputy mayor for coming and
13 your presentation was very helpful. I have been
14 following Hackensack with your Renaissance and I
15 think your approach is a good one and I wish you
16 lots of luck and thank you for coming.

17 MS. PARKIN McNAMARA: Mr. Blee.

18 MR. BLEE: Yes.

19 MS. PARKIN McNAMARA: Mr. Light.

20 MR. LIGHT: Yes.

21 MR. CUNNINGHAM: Thank you very much
22 for your testimony today. Next matter before the
23 Board is the Borough of Bogota. Please introduce
24 yourselves and be sworn in.

25 MR. DiMARIA: Frank DiMaria, CFO.

1 Tea.

2 MR. SCARPA: Joe Scarpa, borough
3 administrator.

4 (Whereupon, Frank DiMaria and Joe
5 Scarpa are sworn.)

6 MR. ROGUT: Mr. Chairman, Bogota is
7 here with a positive report with regard to progress
8 from all of the parameter and requirements as it
9 has been placed on it by the predecessor director
10 and this Board. Generally speaking their deferred
11 charges have been eliminated. Their budget has
12 been reigned in. The collective bargaining
13 agreements thanks to an aggressive administrator
14 have been reigned in significantly.

15 Most of the issues that were of a
16 concern to the Board with their cap waiver have all
17 been addressed one hundred percent. There is
18 nothing that they didn't live up to. In May of
19 this year, 2015, they also -- if I can back up for
20 a second -- settled one out of the two significant
21 lawsuits that were part of their overall problem.
22 The second one took an unexpected turn in May of
23 2015 where a police officer was ordered back who
24 had been terminated from October of 2012 with
25 retroactive pay through May 28th, 2015, and full

1 salary although on administrative leave thereafter.
2 That salary is about \$114,000 a year plus full
3 benefits.

4 What we're here for today is we're
5 seeking a refunding approval for five years and
6 I'll explain why five for the retro portion which
7 is the portion that has to go back from 2012
8 through May 28th, '15 \$300,000 in salary
9 approximately \$100,000 of pension costs and about
10 15,000 cost of issuance for this whole thing.
11 We're requesting five years. We're very close to
12 settling the case in its entirety for the other
13 seven counts. This reinstatement was one count out
14 of eight. The other seven counts are primarily
15 civil rights violations which we expect to be
16 settled in one fell swoop. That's in the \$2 million
17 area. The financing of that is tentatively a
18 million. Half of that from the JIFF, half of that
19 from the borough in form of a no interest loan from
20 the JIFF over ten years. So, we're looking at
21 about \$100,000 a year increase to our JIFF bill
22 over the next ten years which is why we're asking
23 for five years on this item because they're going
24 to collide. They're both going to begin in 2016
25 and they could not afford to do this in anything

1 less with that pending. That looks like how it's
2 going be to, you know, settled. They just
3 finalizing it at this point, but that's what we're
4 looking at. This would hopefully wrap this matter
5 up in its entirety and be done.

6 I think you get the management of the
7 strategy from this gentleman sitting to my left.
8 He likes to put things to bed as fast as possible.
9 He made more progress with him as administrator
10 than they have over the past two years with this
11 case. So, this is the relief that's needed. It
12 absolutely was unexpected. No one expected it. It
13 is a strain on the police budget. The chief has
14 retired to make room with his salary as of October
15 1st, to pay her salary from May to December of 20
16 -- December 31st, 2015. So, that's how that was
17 covered that the budget.

18 All these other costs, we're just
19 looking for the retro portion or the reinstatement
20 portion the finance over the five years under the
21 refunding rule.

22 MR. CUNNINGHAM: So, the only
23 statement I would make and other members may have
24 questions, but I do want to make a record that the
25 borough has been meeting with the division

1 regularly on this matter. This isn't a matter of
2 first impression for me. We've had numerous
3 conversations about this topic. I met with the
4 mayor and I met with Mr. Scarpa. It was an
5 unfortunate situation, but I think that the current
6 administration has to deal with that fiscally
7 prudent manor.

8 Frankly, I was going to recommend
9 that we go to a four year term, but hearing that
10 there's other components, the other counts of that
11 litigation are close to settlement, I do share your
12 concern that if we kind of go a little pennywise
13 and dollar foolish on this it may cause a collision
14 on the access earlier than we could potentially
15 afford that or the borough could afford that so,
16 I'll end my comment there. We have been working
17 very closely with the borough and I do appreciate
18 that cooperation, but I would ask my colleagues on
19 the Board if they have any questions on this
20 application. So, if not, I will make the motion to
21 approve this utilizing the four-year maturity --
22 I'm sorry, strike that. I'm sorry, thanks, Pat a
23 five year maturity at the tax impact of \$39. I
24 would ask, though, and I think we will include it
25 as a condition in the resolution that the borough

1 continue to stay tight with the division and let us
2 know how the ongoing settlement on the rest of the
3 counts go because this is something that is clearly
4 a concern to us, but I do think that the borough is
5 making significant strides in moving in the right
6 direction and it has been really a collaborative
7 working relationship and from the division's
8 standpoint I thank you very much.

9 So, with that motion on the table I
10 would ask for a second.

11 MR. BLEE: Second.

12 MR. CUNNINGHAM: Thank you, Mr. Blee,
13 and a roll call.

14 MS. PARKIN McNAMARA: Mr. Cunningham.

15 MR. CUNNINGHAM: Yes.

16 MS. PARKIN McNAMARA: Mr. Avery.

17 MR. AVERY: Yes.

18 MS. PARKIN McNAMARA: Miss Rodriguez.

19 MS. RODRIGUEZ: Yes.

20 MS. PARKIN McNAMARA: Mr. Blee.

21 MR. BLEE: Yes.

22 MS. PARKIN McNAMARA: Mr. Light.

23 MR. LIGHT: Yes.

24 MR. CUNNINGHAM: Thank you very much
25 and please send my appreciation to the mayor for

1 his hard work in this regard.

2 MR. SCARPA: Thank you.

3 MR. CUNNINGHAM: The Board will next
4 hear from the City of Paterson.

5 MR. MAYER: Good morning.

6 MR. CUNNINGHAM: Good morning.

7 MR. MAYER: Bill Mayer with Decotiis,
8 FitzPatrick and Cole, bond counsel for the City of
9 Paterson. To my right is Jim Hocoe, the acting
10 director of finance to the city and to his right is
11 Neil Grossman the city's financial advisor.

12 (Whereupon, Jim Hocoe and Neil
13 Grossman are sworn.)

14 MR. MAYER: The city is before you
15 this morning asking for three actions. The first
16 is the approval of a portion of a refunding bond
17 ordinance that was adopted last year for both
18 health benefits and prescription costs I believe
19 and also for debt service. Three million 955 of
20 this bond ordinance, of this emergency
21 appropriation was for the health benefits. What
22 they're proposing is that they put \$791,000 in this
23 year's budget and amortized the rest of it over
24 four years and that will be an average cost to the
25 average home of \$54 a year. That's compared to

1 \$262 if we would have done it this year.

2 The second I ask is for approval of a
3 refunding board ordinance for a temporary emergency
4 appropriation. This is \$3,306,000. It pays off
5 the balance of the deferred unpaid costs for
6 accrued severance liabilities and a revaluation.
7 You requested that this be payable over three years
8 per the maturity schedule for the outstanding
9 special emergency notes.

10 The third request is the approval of
11 maturity schedules for 27,390,000 of these bonds.
12 They're due in December. They hope to -- they
13 expect to convert them to bonds. It's for four
14 separate issues. There's 19,160,000 of general
15 improvement bonds conforming maturity schedule
16 slightly less than 15 years. 1,760,000 tax appeal
17 refunding bonds. That's a one year maturity.
18 That's the last of the previous maturities.
19 3,164,000 for the health insurance emergency.
20 That's a four year schedule and 3,306,000 for the
21 temporary emergency refunding that's a three year
22 schedule for the prior special emergency notes. The
23 city would appreciate your approval.

24 MR. CUNNINGHAM: So, again, it should
25 be noted that the city came in and met with the

1 division and we spent considerable time on this
2 application. The impact, no new debt being issued.
3 Generally all conforming, but obviously the city
4 has significant financial challenges being a
5 transitional aid town and we worked closely with
6 Mr. Grossman on trying to get through an
7 application that we think is sustainable and in the
8 best interest of the City of Paterson. So, you
9 know, it's a complex application. I want to know if
10 any of my colleagues on the Board had any questions
11 on it. Okay. So, I think given the fact that
12 we've already met on this and discussed it, once
13 again I'll make the motion to approve the
14 application as submitted and I would ask for a
15 second from one of my colleagues on the Board.

16 MR. BLEE: Second.

17 MR. CUNNINGHAM: Thank you, Mr. Blee.
18 Pat, roll call, please.

19 MS. PARKIN McNAMARA: Mr. Cunningham.

20 MR. CUNNINGHAM: Yes.

21 MS. PARKIN McNAMARA: Mr. Blee.

22 MR. BLEE: Yes.

23 MS. PARKIN McNAMARA: Miss Rodriguez.

24 MS. RODRIGUEZ: Yes.

25 MS. PARKIN McNAMARA: Mr. Blee.

1 MR. BLEE: Yes.

2 MS. PARKIN McNAMARA: Mr. Light.

3 MR. LIGHT: Yes.

4 MR. CUNNINGHAM: Thank you very much.

5 MR. MAYER: Thank you very much.

6 MR. CUNNINGHAM: Bill you're going to
7 stay and present West New York.

8 MR. MAYER: Yes.

9 MR. CUNNINGHAM: So, as we discussed
10 we waive the appearance of your client. So, you've
11 already been sworn in as counsel. So, if you just
12 want to introduce --

13 MR. MAYER: Just briefly, West New
14 York is asking for approval for the adoption of two
15 qualified bond ordinances under the Qualified Bond
16 Act 2,348,000 multipurpose general capital bond
17 ordinance and 812,000 supplemental appropriation
18 bond ordinance.

19 MR. CUNNINGHAM: So, there's maybe a
20 little confusion of whether this actually has to
21 come before the Board in light of recently signed
22 legislation, but I think in order to satisfy your
23 client and potentially the rating agencies we
24 agreed that this would come and be a perfunctory
25 step, but it wouldn't be harmful. So, I don't

1 believe anyone would have questions on this matter.
2 If you do, please ask, if not I would ask for a
3 motion and second.

4 MR. BLEE: Motion.

5 MR. LIGHT: Second.

6 MR. CUNNINGHAM: Thank you, gentlemen.

7 MR. MAYER: Thank you very much.

8 MS. PARKIN McNAMARA: Mr. Cunningham.

9 MR. CUNNINGHAM: Yes.

10 MS. PARKIN McNAMARA: Mr. Avery.

11 MR. AVERY: Yes.

12 MS. PARKIN McNAMARA: Miss Rodriguez.

13 MS. RODRIGUEZ: Yes.

14 MS. PARKIN McNAMARA: Mr. Blee.

15 MR. BLEE: Yes.

16 MS. PARKIN McNAMARA: Mr. Light.

17 MR. LIGHT: Yes.

18 MR. MAYER: Now thank you very much.

19 (Whereupon, Shvaib Firozvi is sworn.)

20 MR. McMANIMON: Thank you. Ed

21 McManimon from McManimon, Scotland and Baumann,
22 bond counsel for the Town of Kearny. I have the
23 town engineer Shvaib Firozvi here to answer any
24 questions you have. This has been the subject of a
25 lot of discussions with the director and

1 communication and the town has agreed to revise the
2 ordinance down so that the improvements that are
3 approved are basically Hickory Street and Petigrove
4 (phonetic) and none of others which will either
5 come back at a later time or will be funded from
6 some other source of money, so we would ask for the
7 approval that's required under the Qualified Bond
8 Act. I don't have the revised amount, but we will
9 provide that with a tax rule accounting as to what
10 the amounts were that we're down and we'll submit
11 that first so your approval is subject to the
12 receipt of an actually revised ordinance and which
13 will be introduced as part of the plan.

14 MR. CUNNINGHAM: Thank you. And just
15 for the benefit of the members of the Board my
16 concern with this application as initially
17 submitted was that it called for a wide range of
18 improvements to parks and things and Kearny is
19 currently a transitional aid town and I was
20 concerned that after the amount of transitional aid
21 that the town received there was, you know, already
22 impact to taxpayers there and put an additional
23 impact, but I did speak with Mayor Santos and he
24 shared I guess through the engineer some pictures
25 of two particularly deplorable playgrounds that I

1 described as a tort claim ready to happen and we
2 thought rather than closing those playgrounds in
3 particularly depressed areas for lack of a better
4 word, we would allow these two to move forward, but
5 I told the mayor that improvements to a dog park
6 and any other issues that were included in the
7 original application were a bit of a luxury and the
8 mayor and I agreed to this compromised application.

9 So, I would just, you know, with that
10 explanation I would ask if anybody on the Board has
11 any issues or questions with the revised
12 application as it was explained by Mr. McManimon.
13 So hearing none I'll make the motion on this
14 subject to the condition that Mr. McManimon already
15 articulated which we will have revised ordinances
16 to only include the Hickory Street playground and
17 the Petty Group playground and we will receive
18 revised numbers and schedules within that revised
19 application. I put that motion on the table. Do I
20 have a second.

21 MS. RODRIGUEZ: Second.

22 MR. CUNNINGHAM: Second, Miss
23 Rodriguez, and roll call, please.

24 MS. PARKIN McNAMARA: Mr. Cunningham.

25 MR. CUNNINGHAM: Yes.

1 MS. PARKIN McNAMARA: Mr. Avery.

2 MR. AVERY: Yes.

3 MS. PARKIN McNAMARA: Miss Rodriguez.

4 MS. RODRIGUEZ: Yes.

5 MS. PARKIN McNAMARA: Mr. Blee.

6 MR. BLEE: Yes.

7 MS. PARKIN McNAMARA: Mr. Light.

8 MR. LIGHT: Yes.

9 MR. CUNNINGHAM: Thanks very much for
10 your assistance on this matter. I think it was a
11 good resolve.

12 MR. McMANIMON: Thank you.

13 MR. CUNNINGHAM: My town doesn't have
14 a dog park and it doesn't get transitional aid. I
15 get my chance to editorialize. Before I go any
16 further let's go to Perth Amboy.

17 Good morning. I ask that you
18 introduce yourself to the reporter and be sworn in.

19 MR. McMANIMON: Ed McManimon,
20 McManimon, Scotland and Baumann bond counsel to the
21 city; Julian Barick who is the administrator for
22 the city and Jill Golby who is the chief financial
23 officer.

24 (Whereupon, Jill Golby and Jilian
25 Barick are sworn.)

1 MR. McMANIMON: Thank you. The city as
2 you know under the Qualified Bond Act they have two
3 new bond ordinances, one for improvement to the
4 wastewater system appropriates \$7,275,000 and
5 authorizes sponsor notes of \$6,525,000. The second
6 one is a general improvement ordinance that
7 appropriates 3,499,659 and authorizes sponsor notes
8 of 3,324,659. The result of the ordinances is that
9 the city which is slightly over their three and a
10 half percent borrowing capacity is increased from
11 3.54 percent to 3.649 percent with the adoption of
12 these ordinances. So, in addition to the Qualified
13 Bond Act approval we need an extension of credit
14 under 40A:2-7B.

15 As we noted in a number of questions
16 that the staff raised the city has been under its
17 borrowing capacity, but as a result of a
18 refinancing that they had of the county complex
19 that was under the improvement authority they saved
20 a huge amount of money, over \$5 million by
21 refinancing that lease transaction, but by doing it
22 that transaction originally, because it was done by
23 the improvement authority, was not part of city's
24 debt. By doing the refunding themselves and
25 getting rid of all the fees and all the costs

1 annually plus a savings in interest rate it saved
2 over \$5 million, but it brought back debt of \$40
3 million into their net debt of the city. So, that
4 throws the debt above three and a half percent, but
5 it doesn't throw it in the amount greater than what
6 they were bearing in the first place when they were
7 making the lease payments to the MCIA debt service.

8 So, I know that was the primary
9 question that was raised. These projects are
10 critical in the city's continued revising of its
11 economy. So, I think Jilian and Jill are prepared
12 to answer any questions you have about any of that.

13 MR. CUNNINGHAM: I think the first
14 question that I would have, I'm very nervous about
15 extension of credit situation and I do understand
16 the point you're making, but, you know, we're now
17 increasing that overage. So, the primary question
18 that I would want the Board to hear is when the
19 city expects that it will be back down under the
20 debt amount.

21 MS. GOLBY: Conservatively just based
22 on debt service payment we would expect to be under
23 our debt limit by the end of 2016. That would not
24 be taking into account an increased ratables that
25 we are anticipating. Jilian can explain to you --

1 so without the benefit of any increased ratables
2 and just making debt service payments, the end of
3 of 2015.

4 Another thing that I would like to
5 let the Board know is that we have a debt
6 management plan that we instituted several years
7 ago especially with regard to the fact that we
8 refinanced multiple issues that the Middlesex
9 County Improvement Authority had originally
10 financed for us and by bringing that debt in
11 obviously as Ed mentioned it increased our
12 reportable debt and, therefore, put us close to our
13 debt limit for a certain period of time, but
14 instituting this policy we set a benchmark amount
15 of debt service and we have stuck to that benchmark
16 amount which is a million to \$2 million more than
17 our statutory requirements each year since 2012 and
18 we anticipate being able to pay an additional up to
19 \$2 million of debt service next year above our
20 statutory requirements for debt service in the 2016
21 budget by maintaining that benchmark amount for
22 now.

23 So, we essentially refunded those
24 bonds and brought them in under our umbrella to
25 achieve numerous amounts of savings and we

1 increased our bond rating over the years and are
2 hoping to see another increase potentially in the
3 future and we are doing everything we can to manage
4 all of the debt we have in the best way possible
5 and we're also hoping to bring some ratables in to
6 increase. We did have a few years where we
7 struggled with numerous tax appeals and we did not
8 debt fund any of them. We were able to reserve
9 amounts from budgets from previous years to be able
10 to handle those payments without having to do any
11 additional financing and I'll let Jillian explain
12 to you some potential increases to our ratables.

13 MS. BARICK: Well, I think our
14 financial practices over the last several years
15 puts us in a good position to more than cover the
16 debt service even considering the increased amount,
17 but in addition we have at least six redevelopment
18 projects expecting to come in in the next 12 to
19 24 months which total a value over \$180 million
20 which is over five percent increase in our
21 taxpayers generating we estimate about \$7 million
22 in additional revenue, tax revenue which will come
23 on the books within the next 24 months.

24 So, we are more than confident
25 coupled with our financial practices that we will

1 be more than able to take care of the additional
2 debt.

3 MR. CUNNINGHAM: So, that's good news,
4 but just going back to the principle of
5 conservatism, end of 2016 is when you think you
6 will come back under the 3.5 percent and if these
7 new projects and ratables are coming in in 24
8 months we should have really consider them as
9 moving back under the 3.5 percent sooner than the
10 end of '16.

11 MS. BARICK: No, the conservatism is
12 we expect to be under our cap limit by the end of
13 2016 not including the additional ratables.

14 MR. CUNNINGHAM: You'll get those
15 rateable in a short time.

16 MS. BARICK: Exactly.

17 MR. CUNNINGHAM: But, you expect to?

18 MS. BARICK: Yes. Yes, we do.

19 MR. CUNNINGHAM: Questions from the
20 Board? You know, as I said I get very nervous when
21 a town is already over the debt limit going even
22 higher. I do understand, though, that, you know,
23 the reason you're over is because you brought debt
24 inhouse through a refunding and achieved a savings.
25 I don't want, you know, to have the no good deed

1 goes unpunished and actually, you know, perpetuated
2 by this Board, but only because of the fact that I
3 think, you know, in 2016 we're going to be back to
4 a position that would certainly make me less
5 nervous. I'm okay with this application moving
6 forward and I'll make a motion.

7 MS. RODRIGUEZ: I'll second.

8 MR. CUNNINGHAM: Thank you. Roll
9 call, please.

10 MS. PARKIN McNAMARA: Mr. Cunningham.

11 MR. CUNNINGHAM: Yes.

12 MS. PARKIN McNAMARA: Mr. Avery.

13 MR. AVERY: Yes.

14 MS. PARKIN McNAMARA: Miss Rodriguez.

15 MS. RODRIGUEZ: Yes.

16 MS. PARKIN McNAMARA: Mr. Blee.

17 MR. BLEE: Yes.

18 MS. PARKIN McNAMARA: Mr. Light.

19 MR. LIGHT: Yes. It scares me,

20 though, when I see all these improvement

21 authorities what the actual real debt is.

22 MR. CUNNINGHAM: Fair point and a
23 perspective segue to our next applicant.

24 MS. BARICK: Thank you very much.

25 MR. CUNNINGHAM: We'll hear from the

1 Hudson County Improvement Authority.

2 MR. McMANIMON: Ed McManimon from
3 McManimon Scotland and Baumann, bond counsel for
4 the Hudson County Improvement Authority. I have
5 Kurt Cherry to my right who is the executive
6 director of the authority. To my left on behalf of
7 the Weehawken Parking Authority and city --

8 MR. SOUSA: Robert Sousa (phonetic)
9 director of the Weehawken Parking authority.

10 MR. McMANIMON: And Mike Hanley who is
11 the financial advisor to the improvement authority.

12 MR. CUNNINGHAM: Have them sworn in
13 before we proceed.

14 (Whereupon, Kurt Cherry, Robert Sousa
15 and Mike Hanley are sworn.)

16 MR. McMANIMON: Let me explain this.
17 This is an application that involves Hudson County
18 Improvement Authority's continued county guaranteed
19 pool note program. It's \$76 million. It involves
20 financing on behalf of the City of Weehawken for
21 9,811,000, West New York for 11,868,000, Union City
22 for 28,822,000 and the Weehawken Parking Authority
23 for \$14,550,000. Now, the Weehawken Parking
24 Authority because it is an authority also
25 separately applied as part of this for which you

1 have to make separate findings from the financing
2 on behalf of the improvement authority that is
3 financing that. There's also a municipal guaranty
4 of the Weehawken Parking Authority and there's a
5 county guaranty from the projects that are financed
6 in the pool.

7 In the context of the question
8 recently raised by Mr. Light in the last
9 application all of these financings with the
10 exception of the Weehawken Parking Authority are
11 already part of the debt. This isn't a lease
12 program. It's not off the balance sheet debts.
13 These are bond ordinances that have been adopted by
14 these towns. So, they were part of the debt going
15 to the improvement authority which has the
16 advantage here of saving them a significant amount
17 of money in debt service because they are low
18 credit ratings, but the county has a high credit
19 rating and so the county guaranty creates an
20 enormous positive debt service benefit to each of
21 these towns that are in each of these various
22 pools.

23 So, I'll be happy to explain these
24 projects. They have been all previously before
25 this Board. These are rollovers with paydowns that

1 are the amounts required by the statute in order to
2 roll these notes over because there's an issuance
3 of notes by these entities to the improvement
4 authorities. So, the improvement authority
5 basically buys the notes, attaches it to the county
6 guaranty and then issues their own notes to finance
7 them.

8 So, the net effect of the interest
9 rate is significant in that the tax exempt rate
10 that's expected to be below one percent, point 81
11 percent and the taxable rate which is involving the
12 Weehawken Parking Authority of 1.07 percent and
13 that's the net rate to the borrower, the individual
14 entities that are in the pool including all of the
15 letter credits and all these other things.

16 So, we have the people here to answer
17 any questions about the general pool, itself and
18 the Weehawken Parking Authority.

19 MR. CUNNINGHAM: Thank you. I guess
20 one of the first questions I have and I think I've
21 seen -- I think I saw the improvement authority
22 come before us with this pool program once before
23 and I do have some questions about it and I spent
24 significant time looking through this application
25 again because Monday was the holiday and I didn't

1 have a chance to reach out and ask questions, but I
2 guess one thing I'm thinking about in light of the
3 fact that it's pretty clear that the Feds are going
4 to be raising interest rates and I think that's
5 been signaled pretty clearly. You know, what does
6 that mean for a note program like this? Because
7 I'm used to seeing pool bond program and this is so
8 different and subject to market volatility. So,
9 Mike, I don't know if you want to kind of fill me
10 in on that.

11 MR. HANLEY: Sure. I think as it
12 related to the program, the benefit of the program,
13 they fund different programs between the county and
14 the borrowers. So, the increasing of short term
15 rates may cause borrowers to permanently finance
16 these notes and take them out of the program, but
17 if short terms rates are increased, it probably
18 will increase the value of the program because
19 rates are very compressed so the credit spreads are
20 lower than they've been because of the compression,
21 so what might be a ten or 15 vantage point
22 difference today could be much higher for us.

23 MR McMANIMON: I think I know
24 the question. There are a number of projects that
25 get financed through this program. Some are new

1 money, some are rollovers of old money that has
2 previously been borrowed and as towns weigh whether
3 to do bonds, they tend issue long term debt for the
4 ones that were out previously. So, there would be
5 likely to still be a pool for the new money pieces
6 and a bond issue for pieces that are out there
7 longer if that's the decision made by these towns
8 to do this and, you know, because this is a note
9 pool, not a bond pool when they go out to the bond
10 market, they go out on their own although some may
11 be qualified bonds to benefit from it, but I think
12 that the expectation is some of these towns have a
13 credit rating like Hoboken got better and they just
14 dropped out of the program completely and financed
15 on their own to the extent any of these towns or
16 authorities can do that on their own with the
17 credit and they would like to do the same thing and
18 some of them would probably issue bonds for some of
19 this amount, but not all of it.

20 They would like to issue bonds for
21 the pieces that have been out longer than the new
22 money pieces that they've done in the last year or
23 two. I think that's the gist of what you're trying
24 to get at. I don't think this is going to force
25 people to stay in notes when they might sell bonds

1 based on the advice they get from the advisors they
2 have at the towns rather than the improvement
3 authority. The improvement authority offered this
4 as an option for the amounts they want to issue in
5 shore term.

6 MR. CUNNINGHAM: The other thing we
7 noticed with the staff and I went over the
8 application is premium bonds. I'm curious why you
9 issued premium bonds for this program as opposed
10 to --

11 MR. HANLEY: Two reasons, the first is
12 we covered the cost of the program with the premium
13 and second, it's just very acceptable to the
14 marketplace. There's no real positive or negative
15 in getting the yield, but the premium.

16 MR. CUNNINGHAM: But, you're covering
17 the cost of issuance?

18 MR. HANLEY: Oh, yeah. And then I
19 think in the schedule we're showing you the rate to
20 the borrower which include those bonds.

21 MR. McMANIMON: If you look at the
22 premium like a it's prepaid interest, whether they
23 get money up front for it and use then use it in
24 whatever fashion, it affects the yield and would be
25 the real number because whether it's a higher

1 interest rate that they prepay and the amount of
2 money is larger than the amount you're selling it
3 comes out to lower the interest rate to what the
4 interest net is of that premium.

5 MR. CUNNINGHAM: A couple of questions
6 I guess specific to the improvement authority, so I
7 guess, Mr. Cherry, I will direct it to you. I
8 don't believe we received the 2014 audit yet.

9 MR. CHERRY: We just received it
10 within the last week or two.

11 MR. CUNNINGHAM: The other thing that
12 our staff noticed and again, I wish we had a little
13 more time I probably would have called you on this,
14 but the improvement authority has, you know, some
15 out of state travel expenses for conferences in
16 Palm Beach and Vegas and Miami Beach and Sacramento
17 along with \$3,000 in catering expenses. That's
18 concerning to me when I see that the financing fee
19 for this deal is nearly \$100,000 and that does
20 concern me.

21 I stated before that the division is
22 going to be sending out a questionnaire on
23 improvement authority fees and we decided to wait
24 until mid September to send them out and so it's
25 going to be coming out momentarily and probably

1 within the next week or so, but I worry that, you
2 know, we're going to get to the point where we're
3 not going to be able to issue positive findings or
4 we're going to put an exception on them relative to
5 the findings and I wanted to draw attention to
6 that.

7 You know, I know from the state
8 perspective and I'm sure conferences have value,
9 but I can't even go down to the League of
10 Municipalities in Atlantic City without getting
11 travel pre-approved for my hotel room and these
12 other things. It is a significant concern to
13 myself and the staff and I wanted to, you know,
14 bring that out today.

15 The other thing and then, you know,
16 I'll welcome whatever comments you want to make on
17 it is, you know, we looked at the take home
18 vehicles for the staff and we looked at some of the
19 raises and some of the raises were significantly in
20 excess of two percent and I know they weren't the
21 most highly compensated employees, but we saw them
22 that were significant and I think it was more than
23 30 employees that received at least one raise
24 exceeding three percent during -- you know, at some
25 point during the past three years. You know, when

1 you see the municipalities come in and the effects
2 of the two percent cap and how we monitor the
3 collective bargaining agreement those are
4 particularly concerning.

5 So, I feel the need to get them on
6 the record and if you want to make a statement on
7 that, feel free, but that's something that was
8 concerning to myself and the staff.

9 MR. HANLEY: The seminars that you
10 referred to, they were seminars that weren't
11 available within the state. The authority has been
12 looking at redevelopment projects and we're looking
13 at financing and actually the possibility of being
14 able to get involved with new market tax credits
15 and so this an area that we're getting into as the
16 authority for development projects within Hudson
17 County and those that could benefit from the more
18 exotic financing I would say.

19 The Las Vegas seminar was a national
20 workshop run given the American Institute of CPAs
21 and personally I attended that and I have made, as
22 a result of these seminars, have made enhancements
23 to our annual financial reports and these -- that
24 particular seminar, I don't particularly care for
25 the flight to Las Vegas. It's five hours. I don't

1 gamble. So, it's not really -- it's not really a
2 fun thing for me, but the value that I've been able
3 to get from that. I don't go every year because
4 there's not enough changes in the accounting
5 industry that it really would benefit me to go
6 every year, but I try to go every other year and as
7 far as with the rates, the hotel and the flights
8 and the quality of the seminars, the actual
9 instructors are some of the very authors of
10 pronouncements that are made by the Governmental
11 Accounting Standards Board. So, to me it has value
12 to it. The American Institute of CPAs doesn't see
13 to fit to put that seminar on in New Jersey.

14 MR. CUNNINGHAM: Well, what I will say
15 is that we've been moving towards webinars and
16 other things like that trying to reduce costs. It
17 is concerning when we see conferences and I
18 understand you may not like Las Vegas, I get it,
19 but, you know, Palm Beach, Vegas, Miami Beach,
20 Sacramento, that's a tough sell to the taxpayer who
21 ultimately wind up paying the financing fees of the
22 improvement authority and anything on the raises
23 because there were some significant ones in there.

24 MR. HANLEY: There were changes in
25 title. There were also steps that when you have a

1 raise plus a step will equal more than two percent
2 or not. We don't have an organized workforce. We
3 don't have unions and in particular we would like
4 to keep it that way, if possible. There's a lot of
5 benefits to that, but, you know, workers are
6 satisfied that they're not organized, but that's
7 the openly thing I can really say from the rate
8 standpoint.

9 As far as the catering, we have a
10 planing agency. The authority is the planning
11 agency to Ryan White Fund grant that has to do with
12 HIV/AIDS and there's reports that fall under the
13 authority. They're always meeting and every time
14 they meet there's food and they don't get paid, so
15 that's part of it. That's a part of it and the same
16 with some of our other organizations that are
17 boards, but yet the members are not compensated
18 with cash.

19 MR. CUNNINGHAM: A lot of boards and
20 commissions that aren't compensated don't get
21 meals. In this day and age it's something that's
22 being cut from budgets all over the place and, I
23 will encourage the improvement authority to
24 reconsider those policies.

25 As I said, we're going to be putting

1 out a questionnaire in the very near future that
2 addresses the improvement authority's financing
3 fees. I think I'll reserve any further comment
4 until that comes back in.

5 I would ask my colleagues on the
6 important whether they have any questions specific
7 to this application.

8 MS. RODRIGUEZ: I have a question.
9 The CIA is the lead agency for the Ryan White? Is
10 that what you're saying?

11 MR. HANLEY: They're the planning
12 agency under that grant. That's an independent
13 planning agency. We're the planning agency.

14 MS. RODRIGUEZ: Right. I understand.
15 Okay. I mean maybe I'm understanding it different.
16 You would get a municipality --

17 MR. HANLEY: Well, it's actually the
18 other county, Hudson.

19 MS. RODRIGUEZ: So, in regard to the
20 catering that funding comes out of the Ryan White;
21 am I correct?

22 MR. HANLEY: That's correct.

23 MR. CUNNINGHAM: All of the catering
24 expenses comes out of the --

25 MR. HANLEY: The ones that are

1 specific to the Ryan White committee.

2 MR. CUNNINGHAM: There are some more?

3 MR. HANLEY: There are some more.

4 MS. RODRIGUEZ: There are some more. I
5 just wanted to know about the one for Ryan White.

6 MR. CUNNINGHAM: Any other questions
7 for the applicants today? Hearing none I'd ask for
8 a motion.

9 MS. RODRIGUEZ: I'll make a motion.

10 MR. BLEE: Second.

11 MR. CUNNINGHAM: Second, Mr. Blee.

12 MS. PARKIN McNAMARA: Mr. Cunningham.

13 MR. CUNNINGHAM: Yes.

14 MS. PARKIN McNAMARA: Mr. Avery.

15 MR. AVERY: Yes.

16 MS. PARKIN McNAMARA: Miss Rodriguez.

17 MS. RODRIGUEZ: Yes.

18 MS. PARKIN McNAMARA: Mr. Blee.

19 MR. BLEE: Yes.

20 MS. PARKIN McNAMARA: Mr. Light.

21 MR. LIGHT: Yes.

22 MR. McMANIMON: That covers the
23 Weehawken Parking Authority?

24 MR. CUNNINGHAM: Yeah, as well. Thank
25 you.

1 MR. McMANIMON: Thank you.

2 MR. CUNNINGHAM: South Amboy
3 Redevelopment Agency. Would you please introduce
4 yourself to the reporter and be sworn in.

5 MS. EDWARDS: Sure. Jennifer Edwards
6 with the Acacia Financial Group, financial advisor
7 to the South Amboy Redevelopment Agency.

8 MR. McMANIMON: Ed McManimon,
9 McManimon, Scotland and Baumann bond counsel for
10 the agency.

11 MR. CHUBENKO: Eric Chubenko,
12 executive director for the South Amboy
13 Redevelopment agency.

14 (Whereupon, Jennifer Edwards and Eric
15 Chubenko are sworn.)

16 MR. McMANIMON: Jennifer feels they'll
17 do better if you hear from her instead of me.

18 MS. EDWARDS: You need a break. We're
19 here seeking approval for an issuance of a
20 refunding bond by the agency to refinance 2008
21 lease revenue bonds issued to construct a community
22 center and recreation center for the city. The
23 bonds are currently callable. There will be no
24 extension of maturity. The savings are in excess
25 of three percent. The agency is also proposing to

1 pay down on approximately 1.6 million of the bonds
2 to be issued with a portion of the proceeds that
3 were received from the sale of property by the
4 agency at the end of December 2014. They'll be
5 looking to pay those down as well. This is all for
6 the purpose of currently the 2008 bonds are secured
7 by a subsidy agreement by the city as well as
8 rental payments that are received by the YMCA for
9 rental of the community center.

10 The purpose of paying down the bond
11 is to get the debt service to be below what the
12 current rental payments of the YMCA are so that
13 there will be no future city subsidy payments by
14 the City of South Amboy. We can take any direct
15 questions.

16 MR. McMANIMON: Before you do that, by
17 paying down the \$1.6 million of bonds and doing
18 this refunding the actual savings in debt service
19 for this project is \$2.5 million between the
20 reduction in debt service because of the paydown
21 and the savings and interest rate on the amount is
22 less. So, it's a very substantial change in
23 benefit that brings the obligation of the South
24 Amboy pretty much off the books with the
25 subsidy/guaranty that had been planned to be a real

1 subsidy because the debt service, the lease that
2 was being paid by the YMCA was always going to be
3 less than the debt service on the bonds that were
4 issued and they would make a subsidy. You make two
5 subsidies since the beginning, the 200,000 one year
6 and 100,000 another year, this will take away any
7 need to do that completely. So, there's a major
8 benefit from this project.

9 MR. CUNNINGHAM: Having reviewed the
10 application of the staff level from a very positive
11 standpoint we thought it made sense the only
12 question we had was we thought the cost of issuance
13 was a little high and I was hoping that maybe you
14 could speak to that a little bit.

15 MR. McMANIMON: Yeah, let me raise it
16 with regard our firm because that was one of the
17 issues that was raised under the fee agreement that
18 we have with them which was the subject of the RFP.
19 The fee that's in here is actually \$5,000 less than
20 that agreement. Nevertheless because you raised
21 the issue, I'm not handling this matter and I
22 discussed it with the people who are and we would
23 reduce the fee, not just because you requested it,
24 but because there are a number of issues with it,
25 but it doesn't make it more complicated as a

1 transaction by another \$5,000. So, it will be
2 reduced just because after looking at the
3 transaction and determining what looks complex is
4 not really that complex and we're fine.

5 MR. CUNNINGHAM: I appreciate that
6 very much.

7 MS. EDWARDS: You want me to explain
8 the other two items?

9 MR. CUNNINGHAM: Yea, I think it will
10 be helpful, Jennifer, I do.

11 MS. EDWARDS: Okay. A placement agent
12 is essentially an underwriter in this transaction.
13 They're considered a placement agent because it's
14 privately placed it with the bank. So, we will
15 just be negotiating with that one bank for the
16 interest rate. It's the same fee structure as an
17 underwriter's discount and not to exceed five
18 dollars a bond for this particular issue.

19 MR. CUNNINGHAM: I think we saw -- if
20 you could just address the miscellaneous cost for
21 this issue.

22 MR. EDWARDS: Yes. The miscellaneous
23 is there because as we're negotiating with the
24 bank, we will not know until we get closer to a
25 settlement of terms whether they're going to

1 require any comfort opinions of the auditor or
2 whether they'll require any litigation type
3 opinions from the city or the agency. So, those
4 fees or those costs are reserved and set aside just
5 in case there's some additional requirements that
6 are necessary under the agreement. Of course if
7 they're not needed, those fees, that miscellaneous
8 costs completely come out and the costs get
9 reduced. We can certainly report back about that
10 once the terms are settled.

11 MR. CUNNINGHAM: That will be helpful.
12 The other question I had was do we have the '15
13 budget yet?

14 MS. EDWARDS: Yes.

15 MR. McMANIMON: It just came in.

16 MR. CUNNINGHAM: Okay. Any questions
17 from the board members? No. Then I would ask for a
18 motion and second.

19 MR. BLEE: Motion.

20 MR. AVERY: Second.

21 MR. CUNNINGHAM: Motion Mr. Blee,
22 second, Mr. Avery. Roll call please, Pat.

23 MS. PARKIN McNAMARA: Mr. Cunningham.

24 MR. CUNNINGHAM: Yes.

25 MS. PARKIN McNAMARA: Mr. Avery.

1 MR. AVERY: Yes.

2 MS. PARKIN McNAMARA: Miss Rodriguez.

3 MS. RODRIGUEZ: Yes.

4 MS. PARKIN McNAMARA: Mr. Blee.

5 MR. BLEE: Yes.

6 MS. PARKIN McNAMARA: Mr. Light.

7 MR. LIGHT: Yes.

8 MS. EDWARDS: Thank you.

9 MR. CUNNINGHAM: Thanks very much.

10 Bergen County Improvement Authority.

11 MS. GORAB: Good morning. We win for
12 the most amount of people.

13 MR. CUNNINGHAM: Those who are not
14 counsel please be sworn in.

15 (Whereupon, Stan Mariniello, Mauro
16 Rageuso, Jeff Brunetto, James Balbally, Josh
17 Nylytuk are sworn.)

18 MR. CUNNINGHAM: So, although I think
19 you have the most people, I think we hopefully can
20 dispatch of this application pretty quickly.

21 MS. GORAB: I believe so. Yes.

22 MR. CUNNINGHAM: It's basically
23 conduit financing, but please --

24 MS. GORAB: Would you like me to
25 introduce everyone first.

1 MR. CUNNINGHAM: I think it would be
2 helpful.

3 MS. GORAB: Okay. Stan Mariniello
4 from NW. He is the placement agent. Lisa Gorab
5 from Wilentz, Goldman and Spitzer, bond counsel.
6 Mauro Rageuso, executive director of the
7 improvement authority. Jeff Brunetto, the
8 controller from Felician College. James Galbally,
9 the CFO and vice president of finance of the
10 college and Josh Nyluytuk (phonetic) from Acacia
11 Financial, advisor to the authority.

12 MR. CUNNINGHAM: Thank you.

13 MS. GORAB: This is a slightly
14 different application than the board is used to
15 seeing because we are seeking your approval under a
16 provision in the improvement authority to undertake
17 a financing for a 501C3. 501C3 is Felician
18 College. Let me just set up the broad brush of
19 this financing. This is a pure conduit, the
20 college or more specifically its sole member FSR --
21 FSI is the borrower under this transaction. It is
22 a pure conduit. There is no county guaranty. There
23 are no taxpayer dollars being used to repay this
24 loan. The loan is approximately -- and why are
25 they borrowing from the improvement authority?

1 Because it enables them to borrow on a tax exempt
2 basis. These are facilities that are used by many
3 students in Bergen County and, in fact, some public
4 schools in Bergen County as well. It's a \$30
5 million financing which essentially has three
6 parts. About \$6 million is going to be used to
7 restructure some EFA debt, New Jersey EFA debt that
8 the college has outstanding. It is hedge debt with
9 a swap. Both the college and the swap provide and
10 want to end that hedge. So, they just want
11 straight fixed rate debt for that six million. The
12 remaining 24 million is broken up pretty much in
13 two equal parts. One is to pay off bank loans that
14 were used to finance various improvements of
15 college that we can speak of and the other 12
16 million is for new projects at the college. So,
17 really it's about 24 million in new projects both
18 at the Lodi and Rutherford campuses of the college.

19 We did describe the projects in the
20 application. We're happy, any of us, to go over any
21 greater debts that you would like, but, again it is
22 your approval that we're seeking under 37A54L not
23 positive findings. It is not a financing
24 application. Because you're used to seeing all
25 this information we figured we'd make it look like

1 what you're used to seeing.

2 MR. CUNNINGHAM: We appreciate that
3 very much. I should mention that I started my
4 career off in the improvement authority. We did a
5 lot of financing through 501C3s. I think it's a
6 valuable program. I think it would be helpful to
7 hear from the college just in terms of what this
8 means to Felician College and the types of
9 improvements that would be done. I fully understand
10 and I thank you, you know, for putting on the
11 record that this conduit financing has no county
12 guaranty. Those two points I want to get on the
13 record.

14 MR. BRUNETTO: As Lisa pointed out
15 there were three components to the bond issue. The
16 one that will have the most immediate impact on the
17 college is the construction and renovation of a new
18 recreation and athletic complex. This will enable
19 the college to now have a facility that can be used
20 for the intercollegiate athletic program and it
21 will enable the college to open up such a facility
22 to the community for their use. We're also talking
23 in terms of renovating and upgrading the cafeteria
24 facilities on the campus.

25 Felician is going through a

1 remarkable growth spurt. For the past two years
2 the number of applicants has increased for our
3 traditional undergraduate programs as well as for
4 our graduate programs. We have done a whole lot
5 with the area community colleges as far as
6 articulation programs are concerned. We think that
7 this will be a real asset to the college as well as
8 to the brotherhood as well as to Bergen County.

9 MR. CUNNINGHAM: Wonderful. Thank you
10 so. Any questions from the Board?

11 MS. RODRIGUEZ: No. I'd like to make a
12 comment. You know, I would like to commend the
13 president and for the provision that you all have
14 put forward. I think this is great for the
15 institution and also for the county, so I want to
16 thank you.

17 MR. GALBALLY: Thank you.

18 MR. CUNNINGHAM: Do you want to make a
19 motion?

20 MS. RODRIGUEZ: I'll make a motion.

21 MR. BLEE: Second.

22 MR. CUNNINGHAM: Second, Mr. Blee.

23 MS. PARKIN McNAMARA: Mr. Cunningham.

24 MR. CUNNINGHAM: Yes.

25 MS. PARKIN McNAMARA: Mr. Avery.

1 MR. AVERY: Yes.

2 MS. PARKIN McNAMARA: Miss Rodgriguez.

3 MS. RODRIGUEZ: Yes.

4 MS. PARKIN McNAMARA: Mr. Blee.

5 MR. BLEE: Yes.

6 MS. PARKIN McNAMARA: Mr. Light.

7 MR. LIGHT: Yes.

8 MR. CUNNINGHAM: Good luck with the
9 project.

10 MS. GORAB: Thank you very much.

11 MR. CUNNINGHAM: City of Jersey City
12 proposed dissolution of incinerator authority.

13 MR. HANLEY: Mike Hanley from NW
14 Financial, financial advisor to the City of Jersey
15 City.

16 MR. KAKOLESKI: Robert Kakoleski,
17 Jersey City business administrator.

18 (Whereupon, Mike Hanley and Robert
19 Kakoleski are sworn.)

20 MR. KAKOLESKI: We're here on an
21 application asking for approval to reserve the
22 Jersey City Incinerator Authority. It is an
23 authority that performs a number of tasks in the
24 city, first collection and disposal of solid waste,
25 but also vehicle maintenance snow removal,

1 demolition, vehicle impound, but the authority
2 basically all its bills are paid by the City of
3 Jersey City. Over the past six years there have
4 been some government issues that makes us believe
5 that the tasks would better fit inside of city
6 government under the DPW director than it would
7 separately as an independent authority. We also
8 think we would be able to eliminate some functions
9 like audits and general counsel and payroll and
10 certain administrative functions that the city can
11 handle that are extra.

12 MR. CUNNINGHAM: Thank you. I think I
13 saw on the staff report that you were contemplating
14 ERI's.

15 MR. KAKOLESKI: No, there's no early
16 retirements here.

17 MR. CUNNINGHAM: Okay.

18 MR. KAKOLESKI: Many of the employees
19 that currently work for the authority have
20 sufficient time to retire and we're hearing
21 rumblings that rather than come over to the unknown
22 they're putting in their papers to retire before
23 the dissolution occurs.

24 MR. CUNNINGHAM: So, any questions
25 from the Board? I guess the one thing just as we

1 thought are there any members from the public here
2 who wish to speak on this application? Seeing
3 none. I'm fine with the dissolution of the
4 authority.

5 MR. AVERY: Mr. Chairman, can I
6 please, the information I reviewed, number eight
7 says the city will assume all current outstanding
8 obligations of the authority and will offer early
9 retirement to authority employees which is why I
10 thought that's an error?

11 MR. KAKOLESKI: That is an error. We
12 are not entertaining or offering any ERIs. We will
13 assume all their debts and obligations. We fund
14 their budget over 95 percent currently. We issue
15 their debt. So, any employee that comes over we
16 will take on whatever the costs are involved with
17 that and in terms of the debts and obligations,
18 like I said we fund it already, even though there's
19 no significant change in our budget plans.

20 MR. AVERY: Okay.

21 MR. BLEE: Motion to approve.

22 MR. CUNNINGHAM: Motion, Mr. Blee.

23 MS. RODRIGUEZ: Second.

24 MR. CUNNINGHAM: Second, Miss
25 Rodriguez. Roll call, Pat.

1 MS. PARKIN McNAMARA: Mr. Cunningham.
2 MR. CUNNINGHAM: Yes.
3 MS. PARKIN McNAMARA: Mr. Avery.
4 MR. AVERY: Yes.
5 MS. PARKIN McNAMARA: Miss Rodriguez.
6 MS. RODRIGUEZ: Yes.
7 MS. PARKIN McNAMARA: Mr. Blee.
8 MR. BLEE: Yes.
9 MS. PARKIN McNAMARA: Mr. Light.
10 MR. LIGHT: Yes.
11 MR. CUNNINGHAM: Thank you, gentleman.
12 Speaking of authority moving forward potential
13 dissolution I guess we'll deal with the Bridgeton
14 Municipal Port Authority. Mr. McManimon, we'd ask
15 you to address the Board first.
16 MR. McMANIMON: Sorry about that. They
17 were just waiting outside the door.
18 MR. CUNNINGHAM: Please have your team
19 introduce themselves.
20 MR. McMANIMON: Thank you. Ed
21 McManimon, McManimon, Scotland and Baumann here on
22 behalf of the City of Bridgetown.
23 MR. MARMERO: Al Marmero, Long,
24 Marmero and Associates here on behalf of the
25 Bridgeton Municipal Port Authority.

1 MS. BERTRAM: Rebecca Bertram, Bertram
2 and Hank on behalf of the City of Bridgeton.

3 MR. GOODREAU: Dale Goodreau, business
4 administrator for the City of Bridgeton.

5 (Whereupon, Dale Goodreau is sworn.)

6 MR. CUNNINGHAM: So, Mr. McManimon, I
7 guess --

8 MR. McMANIMON: I'm not really sure.
9 I just met with the representatives out there in
10 terms of exactly what the expectations are of this
11 Board for today's matter. We did hear on several
12 occasions.

13 MR. CUNNINGHAM: What I was hoping to
14 get today was an update. I know when the Board
15 last entertained this matter or heard this matter
16 there were discussions about selling the property
17 and transferring it. So, I was hoping to get an
18 update on where that property stands.

19 MR. McMANIMON: I had a few meetings
20 with the city and the port with regard to the
21 warehouse property that is the subject of the
22 litigation that Mr. Bonchi and his clients have
23 initiated and also spoken to the developer with
24 regard to the financial issues that affect his
25 ability to close that transaction. They continue

1 to linger to the chagrin of the city and we
2 recognize that leaves the port and the city in an
3 awkward position. I know Rebecca Bertram appeared
4 before the court last --

5 MR. CUNNINGHAM: Mr. McManimon, let me
6 stop you just one second. The mayor just joined us
7 and I would like him sworn in as well.

8 (Whereupon, Albert Kelly is sworn.)

9 MR. McMANIMON: Mayor Kelly. So, we
10 understand from I guess correspondence and other
11 discussions that this Board would like this
12 authority to be dissolved and liquidate its assets
13 and move on and they will be prepared to identify
14 all of their liabilities and all of their assets
15 and to the extent that the closing on the property
16 to the developer which is pursuant to a
17 redevelopment agreement under which he has rights.
18 If it does not occur within the time frame which
19 you have in mind for this authority to be resolved
20 the city will commit to acquire that property and
21 step in the shoes of port for ultimate closing and
22 risk that goes with that to the redevelopers so
23 that the amount that is supposed to be deposited in
24 the court in accordance with the court order in
25 connection with the sale of the warehouse property

1 will be deposited in the court either by the
2 developer when it closes or by the city by adopting
3 a bond ordinance to acquire that property on an
4 interim basis for transfer to the ultimate
5 developer when he has all of his financial issues
6 in a row.

7 Well, only because I speak for
8 Mr. Bonchi, he does a very significant job on
9 behalf of his clients, but this is about money not
10 property. The property will go to the developer.
11 There are no issues involved in who has rights to
12 that property. The mortgage has been declared to
13 be invalid. So, the point is because you have
14 indicated that city will provide to this Board
15 whatever it needs to enable the Board to determine
16 whether the steps that are required by the statute
17 have been met to enable this Board the authority to
18 be dissolved. It's the simplest statement I could
19 make. We'll provide whatever it is you need to make
20 that determination.

21 MR. CUNNINGHAM: To that end,
22 Mr. Bonchi, I'll make my statement and then I'll
23 open it up.

24 MR. McMANIMON: Mr. Bonchi is back
25 there. I thought you were pointing to Mr. Marmero.

1 MR. CUNNINGHAM: Let me make my
2 statement and you and your clients can come up and
3 address the Board, but I am going to move forward
4 in a step to start to move this to a resolution
5 resolution and what I came with and I don't know
6 that we'll necessarily vote on it today, but I
7 would ask my colleagues on the Board to support my
8 indulgence, but I would like to start to get a
9 dissolution plan from the authority with the
10 cooperation of the municipality and what I'd be
11 looking for in that plan would be an outstanding,
12 list of outstanding obligations, a list of all
13 creditors and I can send this to you and then I
14 would also ask for a recap of any pending
15 litigation, at what level it is, the claims that
16 were made and the status of those and, Mr. Bonchi,
17 I'm going to ask that you submit a statement to
18 that end as well just so I can make sure I can
19 compare to make sure everyone is on the same page.

20 We think at this point or I think at
21 this point that it is not a port being serviced or
22 doesn't appear to be a public purpose being served
23 and we need to come to some resolution on this. I
24 want to have what I'm calling a dissolution plan
25 submitted by a date certain so that the Board could

1 address the dissolution of the port authority at
2 the October 9th meeting and I think when we looked
3 at the calendar we saw that the Wednesday the 23rd
4 was the normal date for applications. We thought
5 that, you know, we're not asking for a significant
6 amount of information. We thought that if the
7 parties could submit that to us by the 23rd we
8 would address this at the meeting on the 9th.

9 So, Mr. McManimon, again, if you have
10 any questions on what's in there, I'm happy to, you
11 know, have a correspondence with you and we can
12 e-mail on that and the same to Mr. Bonchi. So, is
13 there anything you want to --

14 MR. McMANIMON: I assume that will
15 include a list of assets?

16 MR. CUNNINGHAM: Yeah, I'm sorry if I
17 didn't mention that, I certainly should have.

18 MR. McMANIMON: So, it's the
19 outstanding obligations, the list of the creditors
20 which is sort of part of that, the assets and the
21 recap of the pending litigation and the status of
22 where that is.

23 MR. CUNNINGHAM: Precisely.

24 MR. McMANIMON: Fine.

25 MR. CUNNINGHAM: I would ask you and

1 Mr. Bonchi --

2 MR. LIGHT: Mr. Chairman, I may have
3 missed that, you said by the October meeting;
4 correct?

5 MR. CUNNINGHAM: Yes.

6 MR. LIGHT: That's October 14th.

7 MR. CUNNINGHAM: I'm sorry, I had the
8 wrong date. Thank you.

9 MR. McMANIMON: October 14th is the
10 meeting?

11 MR. LIGHT: The October meeting, the
12 regularly scheduled October meeting is October
13 14th.

14 MR. McMANIMON: The 14th.

15 MS. PARKIN McNAMARA: The 24th is the
16 due date.

17 MR. LIGHT: The next regular meeting
18 according to the schedule I have is the 14th.

19 MR. CUNNINGHAM: The said the
20 application date is October 23rd, but the date of
21 the meeting is October 14th, so I misspoke.

22 MR. McMANIMON: I got it. Thank you.

23 MR. CUNNINGHAM: Thank you for that.

24 MR. McMANIMON: Thank you very much.

25 MR. CUNNINGHAM: Mr. Bonchi, good to

1 see you. Just introduce your client to the court
2 reporter and have those that will give testimony be
3 sworn in.

4 MR. BONCHI: Mr. Walt Smart and Mr.
5 Thomas Smart.

6 (Whereupon, Walt Smart and Thomas
7 Smart are sworn.

8 MR. BONCHI: Mr. Chairman, obviously
9 music to my ears having a date finally to order the
10 dissolution. Again, I think this is a lot simpler
11 than it's being made. There's a statute
12 NJSA40:68A-38 that governs the dissolutions of
13 municipal port authorities. The statute is very
14 clear that the property vests back to the city.
15 So, why we have to go through transactions to
16 transfer property to the city and have bonds when
17 it goes back to the city anyway, of course, the
18 same statute passed by the legislature also says
19 that the city must appropriate monies to require to
20 enable all such debts to be discharged. All which
21 is our issue.

22 All I'm asking for is the law to be
23 followed here. The statute is very, very clear in
24 this area. My client has been over a year trying
25 to get this issue dropped. Before you one more

1 month isn't going to make a difference and we're
2 very pleased to hear your order. All we're asking
3 is that the order that you issued follow the
4 statute and the law in this area.

5 I've sat here for many meetings about
6 people paying their debts. This is the only
7 application I've ever heard where a public entity
8 is trying to figure out a way not to pay their
9 debt. Every application wants to pay debts. We're
10 the ones who brought this before you and told you
11 they don't operate. They didn't have audits. The
12 prior director worked the audits. We had to go
13 before the judge to compel them to finish the
14 audits. So, all we're asking is to pay the
15 legitimate debts here of a public entity that
16 hasn't operated in this manner.

17 So, again, I guess at the next
18 meeting in my submission we'll do our best based on
19 the knowledge we have through the audits. We
20 certainly know how much is owed to --

21 MR. CUNNINGHAM: I think we'll rely
22 on the authority for that, but what I really would
23 like to see in the submission you give us is the
24 pending claims and the status of the litigation. I
25 want to make sure that that marries up with --

1 MR. BONCHI: Absolutely. And the
2 clarifying thing, there is over a year ago you had
3 approved the sale of what we called the warehouse
4 property and the attorney for renewable told you
5 that he would have it done by the end of last year.
6 That has never taken place. We did not appeal that
7 ruling. We didn't appeal the ruling by the judge
8 clearing the mortgage off of it. That never
9 happened as they shopped for financing. So that
10 never closed. My reading of it is that your orders
11 are only good for a year and I don't believe the
12 nonfunctioning municipal port authority ever passed
13 a resolution afterwards approving it. So, I think
14 that will have to come back before you anyway.
15 Nothing's happened is my response to you. The only
16 thing that's going to make this end is an order by
17 this Board telling this nonfunctioning -- and it's
18 not just not functioning. There's never been a
19 port. Never.

20 So, it's gone on for years like this
21 just incurring debt, not paying its debts. I think
22 in a month if you order dissolution, it will bring
23 this thing to a head.

24 MR. CUNNINGHAM: Okay. Thank you very
25 much.

1 MR. BONCHI: Thank you.

2 MR. McMANIMON: I just want to make
3 one more comment. As you know the dissolution
4 governed by your local authority fiscal control law
5 it's no longer governed by individual statutes
6 which have ways in which you can dissolve an
7 authority whether it's MUA or a parking authority.
8 All dissolutions are under the local authority
9 fiscal control law.

10 I know Mr. Bonchi's language and
11 interpretation of that is different than mine. He
12 continues to reference the failure of a public body
13 to pay its obligations. This is not an obligation
14 of the city. It never was. The port authority has
15 no ability to create an obligation on the part of
16 the city and so the idea that, you know, this is
17 application and an effort by Bridgeton and the port
18 authority to not pay their debts, the city is not
19 an obligor on this debt and we can deal with
20 interpretation of the language if you push the
21 dissolve of this authority in terms of whether
22 adequate provision has been made to the creditors
23 as opposed to payment in full of those creditors.
24 We can describe that obligation as we said many
25 times before. I just don't want this Board left

1 with any impression that because if the
2 taxpayers --

3 MR. CUNNINGHAM: I think the
4 impression that we have is that it's very clear
5 there's a difference of opinion between the parties
6 here. This is the first step in the dissolution
7 process to get what I'm calling a dissolution plan
8 and then I will work with my colleagues from the
9 attorney general's office to draft the appropriate
10 dissolution, I'm assuming a forced dissolution that
11 the authority doesn't voluntarily deal with the
12 dissolution in the interim for the October 9th
13 meeting --

14 MR. LIGHT: 14th.

15 MR. CUNNINGHAM: October 14th. Thank
16 you. I might move the meeting to October 9th.

17 MR. McMANIMON: I can't be here then
18 so that might be better.

19 MR. CUNNINGHAM: It might be better
20 and we will proceed under that course.

21 MR. McMANIMON: Thank you very much.

22 MR. CUNNINGHAM: Okay. Thank you.
23 Thanks, gentlemen.

24 The next matter before the Board is
25 the continuation of supervision, finance

1 supervision under the State Supervision Act, NJSA
2 5227BB-54. I guess the first question I would
3 have, is there anybody from the City of Newark here
4 today? I didn't think so. Seeing none, I'm going
5 to present this matter to my colleagues on the
6 Board. The City of Newark is a transitional aid
7 municipality. It continues to receive a
8 significant amount of funding from the State of New
9 Jersey. We assigned under the terms of the
10 Supervision Act and Transitional Aid Memorandum of
11 Understanding we assigned a fiscal monitor and in
12 addition to the fiscal monitor, we brought on a
13 financial consulting firm who has been really help
14 us dive into the city's book and moving them
15 towards budget sustainability.

16 However, it's clear that the
17 challenge is still exist. I spoke with Mayor
18 Baraka in person on Thursday and advised him that
19 the Board was going to consider renewal of the
20 Supervision Act. I think it's understood it's
21 needed for the City of Newark and we would need a
22 vote on that. So, I will ask my colleagues
23 indulgence on that and support and I will make the
24 motion that the City of Newark be continued on
25 under the State Supervision Act for a period of

1 another year and I would ask for a second and a
2 roll call.

3 MR. AVERY: Second.

4 MR. CUNNINGHAM: Thank you, Mr. Avery.
5 Roll call, please, Pat.

6 MS. PARKIN McNAMARA: Mr. Cunningham.

7 MR. CUNNINGHAM: Yes.

8 MS. PARKIN McNAMARA: Mr. Avery.

9 MR. AVERY: Yes.

10 MS. PARKIN McNAMARA: Miss Rodriguez.

11 MS. RODRIGUEZ: Yes.

12 MS. PARKIN McNAMARA: Mr. Blee.

13 MR. BLEE: Yes.

14 MS. PARKIN McNAMARA: Mr. Light.

15 MR. LIGHT: Yes.

16 MR. CUNNINGHAM: Thank you. We're
17 going to take up the same issue with the City of
18 Atlantic, but I know that Mike Stiton (phonetic) is
19 here as an observer.

20 MR. STITON: I'm here just in case you
21 have any questions.

22 MR. CUNNINGHAM: Thank you very much.
23 Just for the Board Mike Stinton is the very
24 competent CFO for the City of Atlantic City. We
25 worked very closely together similarly and as I

1 don't think it is a surprise to anybody --

2 MR. BLEE: I'm going to step down.

3 MR. CUNNINGHAM: Thank you. The city
4 of Atlantic City is facing extraordinary financial
5 crisis and pressures. Mayor Guardian's
6 administration has worked very closely with the
7 division. Again, we have our monitor, Ed Sistelli
8 (phonetic) who's active. I should note that in the
9 City of Atlantic City's case the government took
10 the step of passing the executive order where he
11 appointed an emergency manager.

12 The problems in Atlantic City are
13 significant. We're working collaboratively on
14 solutions, but I think in this context again it's
15 very, very clear that the City of Atlantic City
16 needs to remain under the State Supervision Act for
17 a period of another year and once again I will make
18 the motion and ask for my colleagues on the Board's
19 support in that regard. So, I'll make a motion to
20 continue the City of Atlantic City under the State
21 Supervision Act for a period of another year.

22 MR. AVERY: Second.

23 MR. CUNNINGHAM: Second, Mr. Avery.

24 Roll call, please, Pat.

25 MS. PARKIN McNAMARA: Mr. Cunningham.

1 MR. CUNNINGHAM: Yes.

2 MS. PARKIN McNAMARA: Mr. Avery.

3 MR. AVERY: Yes.

4 MS. PARKIN McNAMARA: Miss Rodriguez.

5 MS. RODRIGUEZ: Yes.

6 MS. PARKIN McNAMARA: Mr. Light.

7 MR. LIGHT: Yes.

8 MR. CUNNINGHAM: Mr. Stiton it will be
9 a pleasure working with you for another year.

10 MR. STITON: Thank you for your help.

11 MR. CUNNINGHAM: Thank you very much.

12 The last matter before the Board today is a matter
13 that I will not participate in because it
14 ultimately deals with the appeal of the director's
15 division. So, I will recuse myself and join the
16 gallery and I believe Mr. Light is going to handle
17 this matter on behalf of the Board. Actually maybe
18 we could take a break so people could use the
19 facilities.

20 (Whereupon, a brief recess is taken.)

21 MR. LIGHT: I have a report that I
22 need to read for the record. I'll go as rapidly as
23 I can through the report. "The sole issue for the
24 Local Finance Board is whether Mr. Jeffery Feld had
25 standing to appeal Director Thomas Neff's

1 determination to approve a request from the City of
2 Orange to rescind and reintroduce its CY 2014
3 budget.

4 The Board originally considered Mr.
5 Feld's appeal at its meeting on October 8th, 2014,
6 and rendered a decision affirming Director Thomas
7 Neff's determination at its meeting on January 14,
8 2015. By way of background, Mr. Feld had filed his
9 appeal as a pro se applicant, claiming he was doing
10 so in the interest of his family's businesses,
11 which are located in the City of Orange. Mr. Feld
12 referred to his interest as that of "local
13 taxpayers and stakeholders." He also used a City of
14 Orange return address in all correspondence with
15 the Board. The issue of standing was not directly
16 addressed.

17 Mr. Feld appealed the Board's
18 January 2015 decision to the Appellate Division.
19 Subsequently, it came to the attention of counsel
20 that Mr. Feld may not have had standing to appeal
21 to the Board. In particular, on March 26, 2015,
22 the Appellate Division issued a decision in an
23 unrelated matter holding that Mr. Feld did not have
24 standing to challenge municipal actions in Orange
25 as he was neither a resident nor property owner or

1 business owner in the city. In light of this
2 decision, the DAG Walter filed a Motion of Remand
3 seeking an opportunity for the Board to address the
4 issue of standing. On August the 3rd, 2015, that
5 Appellate Division granted the Board's motion and
6 directed the Board to issue a decision on or before
7 September 30th, 2015.

8 Board staff notified Mr. Feld by
9 letter, excuse me, dated August 17th, 2015, that he
10 could submit "any documentation, evidence or
11 information with respect to the standing issue
12 particularly whether he was as a taxpayer, citizen
13 or business owner in the City of Orange at the time
14 of his application to the Local Finance Board.
15 Mr. Feld was given a deadline of August 31st, 2015,
16 to submit such information.

17 While awaiting Mr. Feld's response,
18 Board staff independently contacted the City of
19 Orange tax assessor by email on August 18, 2015, to
20 verify that Mr. Feld was not a taxpayer, resident,
21 property owner or business owner in the City of
22 Orange from the period January 2014 to present.
23 Board staff followed up via telephone on August 27,
24 2015, and was advised by Evon Ikner that Mr. Feld
25 does not own property in the City of Orange. Miss

1 Ikner further advised the Board staff that there
2 are three properties associated with the last name
3 Feld, 268 Main Street (Four Felds, Inc. d/b/a
4 Epstein Hardware) at 36 North Centre Street at 248
5 Williams Street, but all three are owned by Robert
6 and Judith Feld, not Mr. Jeffrey Feld. Board staff
7 requested written confirmation of this information
8 on August 27th and again on August 31st and
9 September 2nd, 2015. Staff received an email from
10 the tax assessor's office confirming that Mr. Feld
11 is not currently listed and there is no indication
12 that the name has been listed as a taxpayer,
13 property owner or business owner in the City of
14 Orange.

15 The Board staff ran a public records
16 search through Lexis Nexis for Jeffrey S. Feld,
17 Four Felds, Inc., and Epstein Hardware Company.
18 The public records search confirmed that
19 Mr. Jeffrey Feld does not own property in the City
20 of Orange nor does he have an ownership interest in
21 either of the businesses located in the city.

22 On August 31st, 2015, Mr. Feld
23 submitted a brief, historical summary of
24 responsible parties and proposed exhibits to the
25 Board. In his brief Mr. Feld acknowledges that he

1 does not reside or own property in the City of
2 Orange. Instead Mr. Feld asserts that he is an
3 officer, employee, and in-house attorney for four
4 family related tax paying businesses located in the
5 City of Orange. He is the son of Judith and Robert
6 Feld. The sole equity owners of four family
7 controlled business.

8 The following documents have been
9 reviewed by the Board and constitute the agency
10 record as related to the Appellate Division Order
11 of Remand: There's eight of them. Number one, a
12 letter to Mr. Jeffrey S. Feld from Patricia Parkin
13 McNamara dated August 17th, 2015; and number two,
14 the order on motion dated August 3rd, 2015, and
15 cover letter, certification, notice of motion,
16 brief and appendix of the DCA in Support of Motion
17 Remand, excuse me, dated July 8th, 2015. Number
18 four, cover letter, verified jurisdictional
19 standing remand brief, historical summary of
20 responsible parties, and proposed exhibits filed by
21 Jeffrey Feld dated August 29, 2015. Number five,
22 Lexis Nexis public records search results for
23 Jeffrey Feld. Number six, Lexis Nexis public
24 records search result for Four Felds, Inc. Number
25 seven, Lexix Nexis public records search results

1 for Epstein Hardware. Number eight, email to staff
2 from Linda C. Askew, City of Orange tax assessor's
3 office dated September 2, 2015. So, at this point
4 the Board will consider testimony and argument
5 presented by Mr. Feld at its meeting on September
6 9, which is today. 2015.

7 MR. FELD: First, I think your record
8 ignored issue I had in October. It was more than
9 just a rescission, reintroduction and adoption of the
10 amended calendar year 2014 budget. It's also after
11 the fact adoption of the calendar year 2014 COAH
12 Cap Ordinance. That needs to be part of the
13 record, that there were two acts that occurred.

14 First, the issue we have today is
15 whether I have constitutional and statutory
16 standing to contest the determination of the former
17 Local Finance Board Chairman, Mr. Neff. At no
18 point did you cite the statute. The statute that
19 you're looking at begins with a person. I am a
20 person. It uses the word including. Including is
21 not a word of limitation. It was agreed by the
22 determination. When you look at the word agreed
23 and you look at my brief, I agreed in several ways.
24 I am a citizen of the United States of America. I
25 am a citizen and taxpayer of the State of New

1 Jersey. There are state statutes. Prior to my
2 appearance right here, a group appeared before you.
3 They talked about Bridgeton. They talked about the
4 application. As a citizen, as a taxpayer and as a
5 representative of four family related entities I am
6 entitled for law to be applied. I am entitled to
7 the opinions from your colleagues, from the
8 attorney general's office. In my brief I talk about
9 the duties and the functions and one of the things
10 is that we talked about a March 26 opinion.

11 I was hear on July 8th with various
12 other people from the City of Orange. At that time
13 your new chairperson stated on the record that this
14 group lacked the manpower and the resources to
15 monitor the City of Orange. I am an attorney. I am
16 obligated as an officer of the court to bring out
17 points to municipal regulatories when official
18 wrongdoings, other act of malfeasor misconducts
19 occur.

20 Subsequent to March 26, about ten
21 days ago, the same Appellate panel, we're talking
22 about Judges Fuentes, Judge Aswafi (phonetic) and
23 Judge O'Conor issued another opinion regarding
24 standing involving Jersey City. That was part of
25 my packet. It talked about standing, how liberal

1 it is supposed to be done, that how in the public
2 interest -- it's broad and liberal approach to
3 standing, interpreting standing more broadly than
4 under the United States Constitution. Our courts
5 hold where the Plaintiff is not simply an
6 interloper. How am I an interloper. I'm an
7 attorney of the court. I represent four family
8 business that employ 15 people.

9 At some point if you permit me I'll
10 bring residents up there and they'll tell you the
11 impact on them. Earlier today we heard about
12 properties being abandoned. Orange is disaster.
13 Properties are being abandoned. My customer base
14 has been destroyed by the increase of taxes. So,
15 you're talking about an increase. I don't know if
16 my business, my family business is going to be in
17 operation in the next six months. So, you say I'm
18 not affected.

19 The Court says simply an interloper
20 and the proceeding serves the public interest. I
21 think the courts have said whether a municipal
22 entity or an officer who's a creature of the state
23 created by the state legislature follows state
24 laws, that's an issue of public interest. We, my
25 family as a taxpayer, this group, you have to

1 answer today why they're not entitled to an answer.
2 Today what the former director did was valid. All
3 you need to look at the very brief that was filed
4 by the remand brief. Read the first sentence. It
5 says the former director made a determination. It
6 doesn't say it was oral. It doesn't say it was
7 written. It doesn't say whether it was ever
8 approved by you.

9 Remember July 8th it was something
10 that struck me like a thunderbolt, lightning that
11 hit me in the head on July 8th. At that time there
12 was a CAP application. There was an application by
13 the city that I went to the city council to be
14 approved. The application that was made by the
15 former -- approved by the former director, was
16 there ever a written application? I made an OPRA
17 request. There's nothing in writing. What
18 authority does he have or did he have to authorize
19 a recision of the budget? Where in the State law?
20 Especially when we have an attorney general's
21 written opinion where it says you have to follow
22 the law. These are your steps. You don't have
23 discretion to amend it. If you did maybe have the
24 discretion, you either have to have one, a formal
25 application by the municipality and there had to be

1 action by this Board. That never occurred.

2 Now you're saying to me, Mr. Feld,
3 you might be right. There might be a legal issue,
4 but you have no right as one, a taxpayer of the
5 State and the reason I say a taxpayer of the State,
6 if you recall what happened on December 31st of
7 last year, there's a case called Rosenstein where
8 the president of the unions for state employees was
9 changing about whether the State can unilaterally
10 increase the medical contributions. If a public
11 division says that person is the president of the
12 organization and she has resident status and she's
13 a taxpayer, she has standing to challenge the
14 determination of a state board. Why am I
15 different?

16 I've asked the State Attorney General
17 to give me an answer. I don't get an answer. The
18 State Attorney General because when I talked about
19 Judges Fuentez, Aswabi and O'Connor you ask these
20 three people they were at the hearing on December
21 10th and I wrote to this Board saying I couldn't be
22 here on December 10th because I had to appear on
23 the issue of individual standing. Judge Aswabi was
24 having a stroke when I put to him a question. I
25 put a case that he had authored about standing. He

1 talks about standing when we talk about public
2 interest when there's an allegation of misconduct,
3 of fraud, the courts have to address this issue and
4 when I talk about this panel and this is something
5 that your state attorney -- I feel sorry for the
6 attorney general because Judge Fuentez issued a
7 very harsh, harsh opinion since I filed my appeal
8 attacking and chastising our attorney general.
9 With all due respect this attorney is not attacking
10 her, but I'm saying there's a function, statutory
11 function of the attorney general, not just the
12 advisor to this body because remember we're here
13 not a rulemaking decision, we're here at a judicial
14 hearing. That's a different context that he also
15 represents the city, represents me and this group
16 and the role of attorney general is to interpret
17 the statute. At no point have I seen a written
18 opinion from the attorney general as to what
19 happened was valid and the reason I say it because
20 the opinion that Judge Fuentez offered was
21 regarding another agency and he chastised the
22 attorney general because the agency basically
23 didn't follow the advice of the attorney general.

24 I'm going to tell you right now we
25 are on record, the attorney general has issued

1 written opinions, maybe not in this case, but
2 before about the budget process that the Local
3 Finance Board, the Director of State Local
4 Government Services lacks the discretion not to
5 follow the law and I don't want to repeat the
6 arguments that I had before. It says, you know,
7 you adopt, you introduce, you adopt, you amend. It
8 doesn't say you rescind especially when about the
9 CAP COAH ordinance. That's very important. We
10 don't have it that is very clear to this body has
11 issued -- it skips my mind what you call it, but,
12 you know, your reports, they say this is the
13 steps. Every municipality has to do it. That did
14 not occur here.

15 Look at what I'm saying to you, one,
16 is that you look at the statute. The statute does
17 not have a geographic gloss on it. You're going to
18 say, well, that panel said you did, but that panel
19 about three weeks ago issued a case called Operb
20 debt. It's O-p-e-r-b, I cite it in my brief.
21 Judge Fuentes chastised the executive branch and
22 the legislative branch regarding OPRA and Open
23 Public Records Act. It says you cannot add language
24 to a statute that the State legislature enacted.

25 When you look at the statute you're

1 looking at the first sentence I think that should
2 be not contested. What we're talking about do I
3 have standing under statute as a person that's
4 agrieved by this. There's no geographic
5 limitations. If you're a person. I'm a person.
6 I'm a person. I'm an attorney. I'm
7 representing -- I'm an employee. I'm a citizen.
8 My livelihood is at risk based on your decision.

9 You say how is that? Because the
10 increase of taxes when you were here September 8th
11 when we had two council members who were sworn
12 under oath and they say we agree with everything
13 that Mr. Feld is saying. When you had the
14 chairperson or the secretary who assisted the
15 Budget Advisory Committee saying I agree with Mr.
16 Feld. We are getting crushed. We're losing our
17 homes. I'm going to loose my business. I'm going
18 to put 15 employees out of work. You want to swear
19 them in. They'll tell you the hardship the city and
20 residents are having. They question you have is
21 whether I have a constitutional right under the
22 United States and New Jersey Constitution to make
23 sure there's equal protection of the law. Do I
24 have a right as taxpayer to make sure the laws are
25 enforced? Do I have a right as the in-house

1 attorney to represent the interest. You have to
2 remember the resolution that's being challenged, I
3 did not draft. It was drafted by someone
4 representing you.

5 There was also references to that
6 resolution to two other citizens who agreed with me
7 and who was denied an opportunity on October 9th to
8 join into the application. Unfortunately we're in a
9 very tough situation because earlier today you
10 talked about the new Commissioner Richmond and
11 about pilots. I'm not going to worry about pilots,
12 but based on the materials that you received a year
13 ago in June, the city told this Board, the State
14 Local Government Services that it does not get
15 fiscal impact studies for its pilots.

16 One of the issues that is coming up
17 with Richmond and the people have to consider is
18 when you sell a property that's subject to a long
19 term tax abatement do the old owners get to keep
20 the net profits from them. That's an issue that
21 we're doing. What I'm hearing today is that,
22 Mr. Feld, because you don't live within the
23 geographic borders of Orange, even though your
24 family own businesses, even though your family
25 might employ 20 people, we don't give a hoot what

1 you say. That's what you're telling me and telling
2 everyone and I can tell you right now we are at a
3 very crisis stage.

4 The Attorney General has come back
5 and said why aren't they protecting our civil
6 right. As I told you many times I am being sued
7 personally for standing up in a city council
8 meeting and talking about the abuses that I found
9 under the Long Term Tax Exemption Law. Has the
10 Attorney General come to protect my rights or their
11 rights? No. Is it because it's the largest
12 redeveloper in the State of New Jersey? I don't
13 know.

14 There's other issues going on in the
15 Essex County Courthouse, how documents are lost. I
16 know I'm a rebel rouser. I'm pushing the wrong
17 buttons. We have wrongdoings and when I woke up
18 today, you know, when you hear Hillary talking
19 about admitting that she made mistakes, but
20 yesterday I was on vacation. I just want to read
21 this to you an editorial. This is by a local
22 newspaper. It's called Local Talk. I'll give
23 copies to you. "When I moved to Orange, only a few
24 feet away from East Orange, I found that the
25 community as a whole needed help, so I started

1 Local Talk newspaper. My goal is to improve the
2 quality of life for the people. However, due to
3 many reasons it's not as successful as I would have
4 wanted. The problems are a mixup of many things.
5 Number one is politicians. Those who get elected
6 serve people, but mostly serve their own group of
7 money people. Number two are people who do not
8 involve themselves and vote one line item all the
9 time rather than finding out the facts and trying
10 to understand which candidate serves the people
11 best in general. Number three is the trend in the
12 United States where larger name brand businesses
13 succeed due to buying power and advertisements.
14 Number four, people are not receptive when it comes
15 to a new community and new ideas. Number five,
16 drugs and weapons are moving in the community
17 freely. Number six, when residents know the names
18 about the criminals the police department may not
19 know as well, but does not use the information to
20 make these communities better.

21 MR. LIGHT: Mr. Feld --

22 MR. FELD: The issue is you have a
23 legal issue.

24 MR. LIGHT: Stick to the issue that
25 we're confronted with.

1 MR. FELD: The legal issues,
2 statutory interpretation, I have three people on
3 the panel that are not attorneys. With all due
4 respect you're not an attorney.

5 MR. LIGHT: We're not making a legal
6 decision.

7 MR. FELD: It is a legal decision.
8 Today you're interpreting a statute. You're
9 remanded by Judge Sabitino and Gardano to have a
10 hearing. The question might be well, why am I
11 appear before the Board and why didn't I go before
12 an administrative law judge? Why am I here in
13 front of a panel who's basically like Star Chambers
14 to justify his act, but the very simple issue you
15 have is under a statute. Read the sentence. We
16 does it give you the authority to add a geographic
17 loss. Judge Fuentez in the last month says you lack
18 that authority. The state legislature says a
19 person including a taxpayer resident, it didn't say
20 only limited to, who is agreed by a determination
21 has the right to appeal and then compare that to
22 the Declaratory Judgment Act.

23 If you're making a determination
24 because I'm not this person, then just say that
25 because I know my rights and I'll go off to an

1 appeal, but you had to make very specific findings
2 and there should be a legal opinion saying we find
3 that we have the authority to put this gloss on the
4 statute. That's the issue.

5 I've never hidden -- one of the
6 things that I find insulting is that people say I
7 hid or that I implied I own property. I filed a
8 lawsuit against the State of New Jersey Division of
9 Community Affairs, the state controller. Everyone
10 know I've never represented that I own property and
11 I find it insulting especially because people -- it
12 goes back to the last meeting. At the last meeting
13 there's still an issue that no one replied back to
14 me whether perjury was committed at the last
15 meeting.

16 You had the finance director
17 basically certifying to you that the city council
18 approved the application. The city council never
19 saw it. You had a city council member stand up here
20 saying that I never won a case under sworn
21 testimony.

22 MR. LIGHT: Mr. Feld, none of the
23 things you're saying now have anything to do with
24 the issue before us today. Please focus on what the
25 issue is.

1 MR. FELD: Well, the issue today is a
2 statutory issue. I'm asking the attorney general
3 to give me an opinion, to give these people an
4 opinion. You know, you look at the one sentence. I
5 think we should all agree as to the one sentence
6 and we should be talking to the person who drafted
7 the brief. What does the one sentence say? Where
8 does the authority come from that you put into your
9 record based? You're going to make a finding. I'm
10 not a dummy. I know where we're heading and we're
11 going to be going up to the Appellate Division on
12 it.

13 I'm saying just to you don't rely on
14 March 26, you should be looking at the subsequent
15 opinions written by the same panel, especially what
16 they wrote on August 28th about when there's fraud
17 and also in that opinion they talk about a person
18 that I was trained by, former Attorney General
19 Highland and he talks public fraud and the one
20 issue they ask is, and this is one thing, when oral
21 argument occurred on December 10th out of the blue
22 Aswabi and Fuentes say, one question, where is the
23 state? At that time you put these people under
24 oath. We have no idea what he's talking about, but
25 then later on, three or four months later they

1 issue an opinion. They say attorney general. You
2 represent other people, not just this body. You
3 represent these people and you represent me. When
4 are you going to stand up for our civil rights and
5 interpret the statute. The person that really
6 should be here talking about interpreting statutes
7 isn't me. Why isn't the attorney general standing
8 here and telling us what the statute means.

9 I've asked them to put the brief in.
10 They didn't put a brief in. Why? Why? That's the
11 issue you have to ask. Is Mr. Feld always crazy?

12 MS. RODRIGUEZ: Can we --

13 MR. FELD: That's what it really is.
14 This is a statutory interpretation. You have three
15 people who are not attorneys being asked to
16 interpret a statute put on a gloss that there's
17 case law coming out and you also have the State
18 Supreme court coming back and talking about
19 qualified immunity and putting limitations on it.
20 They say if people don't follow the law they're not
21 subject to qualified immunity. The world is
22 changing. I'm just trying to protect you. The
23 world is changing from our State Supreme Court.
24 It's changing since the time --

25 MS. RODRIGUEZ: Mr. Feld, we all due

1 respect and I respect all your comments, I have to
2 leave within the next five minutes. So, I'm just
3 hoping that we can --

4 MR. FELD: This is really a statutory
5 issue. It's very clear. There's one sentence, if
6 you read the brief that was filed by you're body to
7 the Appellate Division, you didn't cite the full
8 statute. You didn't cite the statute.

9 MR. LIGHT: Is there anything else
10 that you have?

11 MR. FELD: Well, if you want to know
12 how I'm agrieved I can bring these witnesses and
13 testimony. I don't think it's required.

14 MR. LIGHT: No, I don't think it's
15 proper at this time because this is a legal
16 question. It's based on an opinion that was made
17 March 26th. You've addressed I think your feelings
18 as to what that is to the Board. I think every
19 member of the Board understands. Are there any
20 questions?

21 MR. FELD: Just one thing, you said
22 based on the March thing. I've been pointing out in
23 my brief there's been subsequent opinions and I
24 hope you address those subsequent opinions.

25 MR. LIGHT: Are there any other

1 questions that the member have?

2 MS. RODRIGUEZ: I don't have any
3 questions.

4 MR. LIGHT: Okay. I appreciate your
5 coming to talk with us. The sole issue that's
6 before us here today is whether Mr. Feld has
7 standing issue and based on the information and
8 opinion that was issued March 26th that was given
9 to this Board from my point of view and I am not an
10 attorney, but I do have to vote on this, it appears
11 to me that you have not presented information that
12 has shown you are and do have standing to be able
13 to represent and ask us to over change and overturn
14 the director's decision which is the issue before
15 us today. So, with that in mind, are there any
16 questions or any statements? I would make a motion
17 based on the information we have and opinion that
18 was issued on March 26 that we appreciate your
19 being here and presenting the information, Mr.
20 Feld, you haven't given me information that
21 convinced me that you have standing that's either a
22 resident, property owner or business owner in the
23 Township of Orange. Therefore, the motion that we
24 are not going to overturn the director's decision
25 and that we are not going to find that you have the

1 standing to be able to ask us to do that.

2 MR. BLEE: Second.

3 MR. LIGHT: Are there any other
4 questions by the members? All right. If not, call
5 the roll.

6 MS. PARKIN McNAMARA: Mr. Avery.

7 MR. AVERY: Yes.

8 MS. PARKIN McNAMARA: Miss Rodriguez.

9 MS. RODRIGUEZ: Yes.

10 MS. PARKIN McNAMARA: Mr. Blee.

11 MR. BLEE: Yes.

12 MS. PARKIN McNAMARA: Mr. Light.

13 MR. LIGHT: Yes.

14 MR. FELD: I thank you. Just send me
15 a copy so I can continue the Appellate process and
16 we will be continuing because this is going to be a
17 larger issue regarding the Attorney General.

18 MR. LIGHT: Have a good day.

19 MR. FELD: I will have a good day.

20 MR. CUNNINGHAM: All we need is a
21 motion to adjourn.

22 MR. BLEE: Motion.

23 MR. AVERY: Second.

24 MR. CUNNINGHAM: All in favor?

25 (Whereupon, all Board Members say

1 aye.)

2 (Whereupon, the Board meeting is
3 adjourned at 1:20 p.m.)

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I, THERESE J. LECWIENKO-HOEY, a Certified Shorthand Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript.

I further certify that I am neither attorney nor counsel for, nor related to or employed by any of the parties to the Board meeting and that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in the action.

C:\TINYTRAN\TERRY-H.BMP

THERESE J. LECWIENKO-HOEY
CERTIFIED SHORTHAND REPORTER

Dated: September 25, 2015
License No. XI01417
My commission expires:
November 6, 2016

STATE SHORTHAND REPORTING SERVICE, INC.

