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STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL FINANCE BOARD

101 South Broad Street
Trenton, New Jersey
OCTOBER 14, 2015

B E F O R E: TIMOTHY J. CUNNINGHAM, CHAIRMAN
 IDIDA RODRIGUEZ
 TED LIGHT
 FRANCIS BLEE
 ALAN AVERY

ALSO PRESENT: PATRICIA PARKIN McNAMARA,
 Executive Secretary
 EMMA SALAY,
 Deputy Executive Secretary

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

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

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1 CHAIRMAN CUNNINGHAM: Good morning.
2 This meeting has already been opened to the public
3 in a different session, so no need to deal with
4 any of those formalities. Before we move into the
5 actual applications, we do have one matter before
6 us the board. The members were given copies of
7 the 2016 meeting dates, and unless there's any
8 conflicts with them, I would look for a motion and
9 a second to adopt the calendar for the 2016 Local
10 Finance Board meetings.

11 MR. BLEE: Motion to approve.

12 CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.

13 MS. RODRIGUEZ: Second.

14 CHAIRMAN CUNNINGHAM: Second, Ms.

15 Rodriguez. Roll call, please.

16 MS. McNAMARA: Mr. Cunningham.

17 CHAIRMAN CUNNINGHAM: Yes.

18 MS. McNAMARA: Mr. Avery.

19 MR. AVERY: Yes.

20 MS. McNAMARA: Ms. Rodriguez.

21 MS. RODRIGUEZ: Yes.

22 MS. McNAMARA: Mr. Blee.

23 MR. BLEE: Yes.

24 MS. McNAMARA: Mr. Light.

25 MR. LIGHT: Yes.

1 CHAIRMAN CUNNINGHAM: Okay. Thank you.

2 MR. LIGHT: These all look they're all
3 Wednesdays --

4 CHAIRMAN CUNNINGHAM: Couple tweaks
5 around the holidays, but yes, other than that it
6 would be the same.

7 MR. LIGHT: Okay.

8 CHAIRMAN CUNNINGHAM: The board is
9 considering the first matter on a consent agenda.
10 It deals with East Brunswick Township. The
11 Township of East Brunswick has requested approval
12 to enter into a public-private partnership with
13 utility service group to operate, maintain, and
14 restore three storage vessels. And I note that
15 the municipality would retain a notice to
16 terminate clause. So it's the responsibility of
17 the Local Finance Board to review the application
18 for completeness and compliance. Staff has
19 reviewed that, they looked at the documents, the
20 award of the contract, the minutes of the public
21 hearing, and letter of bond counsel, which all are
22 in the record and appear to be in order. So,
23 again, dealing with this on a consent matter, I'll
24 make the motion to approve the public private
25 contract.

1 MR. BLEE: Second.

2 CHAIRMAN CUNNINGHAM: Second, Mr. Blee.

3 Roll call, please.

4 MS. McNAMARA: Mr. Cunningham.

5 CHAIRMAN CUNNINGHAM: Yes.

6 MS. McNAMARA: Mr. Avery.

7 MR. AVERY: Yes.

8 MS. McNAMARA: Ms. Rodriguez.

9 MS. RODRIGUEZ: Yes.

10 MS. McNAMARA: Mr. Blee.

11 MR. BLEE: Yes.

12 MS. McNAMARA: Mr. Light.

13 MR. LIGHT: Yes.

14 CHAIRMAN CUNNINGHAM: I know Mr. Nealy

15 is here, but thank you for submitting the

16 documents. I think everything is in order and we

17 wish you luck with the project.

18 AUDIENCE MEMBER: Thank you.

19 CHAIRMAN CUNNINGHAM: First appearance

20 today in front of the board, Florence Township

21 Fire District Number 1. I'm sorry, Manalapan was

22 the first. Florence, please. Would you please

23 introduce yourself to the reporter and be sworn

24 in.

25 MR. MULLEN: My name is Kevin Mullen,

1 Fire Chief, M-U-L-L-E-N.

2

3 K E V I N M U L L E N , after having been duly
4 sworn, did testify as follows:

5

6 CHAIRMAN CUNNINGHAM: Chief, thank you
7 for your appearance today. It's my understanding
8 that the Fire District Number 1 in Florence is
9 looking to acquire 30 self contained breathing
10 apparatus?

11 MR. MULLEN: Yes.

12 CHAIRMAN CUNNINGHAM: Further, those are
13 pieces of equipment that expire, they need to
14 be --

15 MR. MULLEN: Yes, per OSHA, POSHA
16 regulations, the cylinders expire in 15 years, and
17 that expiration date is July of next year.

18 CHAIRMAN CUNNINGHAM: Okay. So you're
19 purchasing these at a cost of \$220,000, using a
20 national co-op?

21 MR. MULLEN: Yes.

22 CHAIRMAN CUNNINGHAM: I note that the
23 district is not putting cash down on this, but
24 there's no impact on the tax rate?

25 MR. MULLEN: Correct.

1 CHAIRMAN CUNNINGHAM: And your debt does
2 not appear to be -- with the exception of fire
3 house instruction, outstanding debts, you know,
4 relatively reasonable for the town, under four
5 million dollars. And you would be doing a six
6 year lease purchase?

7 MR. MULLEN: It would be actually a five
8 year.

9 CHAIRMAN CUNNINGHAM: And do you recall
10 the rate of 2.4 percent?

11 MR. MULLEN: 2.4 percent, yes.

12 CHAIRMAN CUNNINGHAM: And you sought
13 proposals for financing and the bank that you're
14 going with, who I think is --

15 MR. MULLEN: National Penn.

16 CHAIRMAN CUNNINGHAM: National Penn,
17 thank you. That was a low bidder, correct?

18 MR. MULLEN: That is correct.

19 CHAIRMAN CUNNINGHAM: Okay. I guess the
20 only question I had is I saw that the measure, the
21 referendum passed by a vote of 109 in favor, 20
22 opposed. I was wondering do you happen to know
23 how many voters are in the fire district?

24 MR. MULLEN: That I do not.

25 CHAIRMAN CUNNINGHAM: I'm going to guess

1 it's probably more than 129.

2 MR. MULLEN: Yes. But that was held at
3 our annual election, and not a special election.

4 CHAIRMAN CUNNINGHAM: I understand. Do
5 the board members have any additional questions or
6 concerns that they would like to address the
7 chief?

8 MR. LIGHT: Move that we approve it.

9 CHAIRMAN CUNNINGHAM: Motion, Mr. Light?

10 MR. BLEE: Second.

11 CHAIRMAN CUNNINGHAM: Second, Mr. Blee.

12 Roll call, please.

13 MS. McNAMARA: Mr. Cunningham.

14 CHAIRMAN CUNNINGHAM: Yes.

15 MS. McNAMARA: Mr. Avery.

16 MR. AVERY: Yes.

17 MS. McNAMARA: Ms. Rodriguez.

18 MS. RODRIGUEZ: Yes.

19 MS. McNAMARA: Mr. Blee.

20 MR. BLEE: Yes.

21 MS. McNAMARA: Mr. Light.

22 MR. LIGHT: Yes.

23 CHAIRMAN CUNNINGHAM: Chief, thanks for
24 your appearance. Hope you guys never have to use
25 these.

1 MR. MULLEN: Thank you.

2 CHAIRMAN CUNNINGHAM: Next matter is
3 Bordentown Fire District Number 2.

4 MR. MacFARLAND: Good morning, Robert
5 MacFarland, chief.

6

7 R O B E R T M A C F A R L A N D , after
8 having been duly sworn, did testify as follows:

9

10 CHAIRMAN CUNNINGHAM: Chief, thank you
11 for your appearance today in front of the board.
12 It's the board's understanding that you're seeking
13 to finance the purchase of a fire pumper truck and
14 a four-by-four crew cab?

15 MR. MacFARLAND: Yes.

16 CHAIRMAN CUNNINGHAM: So breaking these
17 down one by one, the pumper truck is about
18 \$481,000 and you're purchasing that off a national
19 co-op?

20 MR. MacFARLAND: Yes.

21 CHAIRMAN CUNNINGHAM: And then the
22 truck, the pickup truck is 37,000 and change and
23 that's being purchased from a dealership on New
24 Jersey state contract?

25 MR. MacFARLAND: Yes.

1 CHAIRMAN CUNNINGHAM: So you would do
2 them through a lease purchase agreement with PNC
3 Equipment Finance, which for the board's benefit,
4 I guess Oshkosh changed their name.

5 As I asked Florence right before you, I
6 note that the measure passed by a vote of 37 in
7 favor and 8 opposed. I would ask you if you
8 happen to know how many voters are --

9 MR. MacFARLAND: I don't know the
10 number, no.

11 CHAIRMAN CUNNINGHAM: Likely more than
12 45?

13 MR. MacFARLAND: Oh, yeah. Typically we
14 get around 100 to 150 at a normal election.

15 CHAIRMAN CUNNINGHAM: But this is was a
16 normal election, this was not a --

17 MR. MacFARLAND: It was a special
18 election.

19 CHAIRMAN CUNNINGHAM: This was a special
20 election?

21 THE WITNESS: Yes.

22 CHAIRMAN CUNNINGHAM: Okay. I guess the
23 other question I had is a lot of times when we see
24 applicants come before us with this, they put some
25 money down as opposed to financing the whole

1 freight. And I was wondering if that's something
2 you and your colleagues in the district thought
3 about?

4 MR. MacFARLAND: We discussed it, but we
5 were concerned with the finances for this year and
6 how it would impact the budget for this year. So
7 we decided to do the financing across for all the
8 equipment.

9 CHAIRMAN CUNNINGHAM: But this purchase
10 would have no effect on the tax rate?

11 MR. MacFARLAND: No.

12 CHAIRMAN CUNNINGHAM: And that's because
13 you had, prior -- I guess in 2014, the district
14 made it's final payment on a previous capital
15 acquisition?

16 MR. MacFARLAND: Yes.

17 CHAIRMAN CUNNINGHAM: Last question I
18 had. And then I'll obviously see if any other
19 board members have questions, but the pickup
20 truck, I mean as it's written up here, it's a
21 pretty significant, you know, vehicle. Is this
22 going to be a take home vehicle?

23 MR. MacFARLAND: No, it's going to be in
24 motor pool within the building.

25 CHAIRMAN CUNNINGHAM: Okay. Those are

1 the questions I had. Any other members have
2 questions or concerns with the application?
3 Hearing none, then I would ask for a motion and a
4 second.

5 MR. BLEE: Second.

6 MS. RODRIGUEZ: Second.

7 CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.
8 Second, Ms. Rodriguez. Roll call, please, Pat.

9 MS. McNAMARA: Mr. Cunningham.

10 CHAIRMAN CUNNINGHAM: Yes.

11 MS. McNAMARA: Mr. Avery.

12 MR. AVERY: Yes.

13 MS. McNAMARA: Ms. Rodriguez.

14 MS. RODRIGUEZ: Yes.

15 MS. McNAMARA: Mr. Blee.

16 MR. BLEE: Yes.

17 MS. McNAMARA: Mr. Light.

18 MR. LIGHT: Yes.

19 CHAIRMAN CUNNINGHAM: Thanks, chief,
20 appreciate it.

21 MR. MacFARLAND: Thank you.

22 CHAIRMAN CUNNINGHAM: Borough of
23 Englewood Cliffs. Would you introduce yourself to
24 the reporter and those that aren't counsel be
25 sworn in.

1 MR. WIELKOTZ: Steve Wielkocz, I'm the
2 auditor for the Borough of Englewood Cliffs.

3 MR. MAYER: Bill Mayer, DeCotiis,
4 FitzPatrick and Cole, bond counsel to Englewood
5 Cliffs.

6 MR. BATTAGLIA: Chris Battaglia, CFO.

7

8 S T E V E W I E L K O T Z , after having been
9 duly sworn, did testify as follows:

10

11 C H R I S B A T T A G L I A , after having been
12 duly sworn, did testify as follows:

13

14 CHAIRMAN CUNNINGHAM: So you're looking
15 to do taxpayer refunding bonds. I don't know,
16 Steve, if you or your colleagues want to introduce
17 the application to the board.

18 MR. WIELKOTZ: I wasn't in the room and
19 they voted me to do it.

20 CHAIRMAN CUNNINGHAM: The system works.

21 MR. WIELKOTZ: It does at this point.
22 This application is requesting the approval of a
23 \$1,460,000 refunding bond ordinance to refund tax
24 appeals in Englewood Cliffs that date from 2008 to
25 2014. The impact on these appeals to be raised in

1 one year would be \$551 on the average taxpayer.
2 We are requesting a six year repayment schedule,
3 which equates to about \$92 to the average
4 taxpayer, which is still above what the board has
5 considered the annual minimum in terms of tax
6 appeal refunding bond issues.

7 The good news is, according to our tax
8 appeal attorney, there's only one significant
9 appeal left to deal with in Englewood Cliffs and
10 hopefully that will be dealt with next year.
11 Otherwise, all the large appeals -- and again
12 Englewood Cliffs is a small municipality in
13 northern Bergen County. It used to be Route 9W,
14 Sylvan Avenue used to be characterized as the
15 million dollar mile, it's now the billion dollar
16 mile. But what comes with large commercial
17 taxpayers are large commercial tax appeals.

18 So there's, you know, over the last few
19 years, there's been a number of appeals. The
20 Borough has been to the board a number of times.
21 At present, in the 2015 budget, we're repaying
22 over \$800,000 of previous refunding bond ordinance
23 that were approved. This structure gets us so
24 next year we're still around \$800,000 in the 2016
25 budget. If there are any questions, we'll try to

1 answer them.

2 CHAIRMAN CUNNINGHAM: Are they all
3 commercial?

4 MR. WIELKOTZ: Generally -- there's some
5 small residential, but the biggest one in this is
6 Unilever, which was one, two, three, four, five,
7 six, seven years to the tune of about 1.1 million
8 dollars.

9 CHAIRMAN CUNNINGHAM: So, you know,
10 you've indicated that it's a bit of an ongoing
11 issue. And I guess I would ask why no reserve?
12 Why wasn't a reserve set up to deal with this?

13 MR. WIELKOTZ: I'll take because Chris
14 is new, he just started in January, he replaced a
15 CFO that was there for a long time that retired.
16 Everything involves the budget and taxes. And
17 Englewood Cliffs has been in this continuum of
18 refunding bond ordinances as evidenced by what's
19 being raised in the budget. There's \$800,000 in
20 this year's budget and there will be \$800,000 in
21 next year's budget to deal with repaying these
22 refunds.

23 Notwithstanding that, in 2015, Englewood
24 Cliffs had its largest municipal tax increase in
25 the last -- maybe forever, close to \$400 on the

1 average home owner just for municipal taxes. So,
2 again, it's always a weighing what can the
3 taxpayer afford. Having been in this methodology
4 for a number of years, it was felt that this is
5 really the best way to deal with the issue. And
6 notwithstanding the fact that, again, there's only
7 one large appeal that's still outstanding. We're
8 being told it should be settled at some point next
9 year. And then every commercial property that had
10 the ability to appeal would have appealed, it
11 would have been settled. And, again, the ratio is
12 still near 100 percent.

13 CHAIRMAN CUNNINGHAM: So you would
14 envision that you would pay these notes off over
15 the six year period, if approved, then that would
16 obviate any tax appeal issues for the Borough?

17 MR. WIELKOTZ: Again, nobody has a
18 crystal ball. But having dealt with all the major
19 corporations on Route 9W over the last five or six
20 years, again, we're being advised by tax appeal
21 counsel there's only one left, it's somewhere --
22 could be five or six hundred thousand dollars,
23 depending on where that ends up, will depend on
24 how they deal with it in next year's budget.

25 CHAIRMAN CUNNINGHAM: I understand your

1 point that taxes have gone up, in this particular
2 municipality's case, it is a very affluent
3 community, the average assessed home is
4 significant --

5 MR. WIELKOTZ: Which is why the impact
6 to the average home owner because the tax point is
7 \$336,000. So a million 460 is a \$550, you know,
8 impact on the average home. Again, it's all
9 about --

10 CHAIRMAN CUNNINGHAM: Okay. Well, I
11 mean as you've indicated -- and I should just put
12 on the record that the board typically requires a
13 \$50 minimum. We try to get the payment period to
14 land right there. In this case, the Borough's
15 asking for a repayment schedule that's at \$92. So
16 I think it's certainly within the guidelines we
17 previously established.

18 So they were the questions I had. Any
19 other questions from board members? Okay.

20 MR. AVERY: Motion to approve.

21 CHAIRMAN CUNNINGHAM: Motion, Mr. Avery.

22 MS. RODRIGUEZ: Second.

23 CHAIRMAN CUNNINGHAM: Second, Ms.

24 Rodriguez. Roll call, please, Pat.

25 MS. McNAMARA: Mr. Cunningham.

1 CHAIRMAN CUNNINGHAM: Yes.

2 MS. McNAMARA: Mr. Avery.

3 MR. AVERY: Yes.

4 MS. McNAMARA: Ms. Rodriguez.

5 MS. RODRIGUEZ: Yes.

6 MS. McNAMARA: Mr. Blee.

7 MR. BLEE: Yes.

8 MS. McNAMARA: Mr. Light.

9 MR. LIGHT: Yes.

10 CHAIRMAN CUNNINGHAM: Thank you,
11 gentlemen. Continue with tax appeal refunding
12 bonds, City of Newark.

13 Would you please introduce yourself and
14 those that are not counsel be sworn in.

15 MR. EISMEIER: Tim Eismeier, NW
16 Financial, we're the financial advisor for the
17 City of Newark.

18 MS. SMITH: Danielle Smith, acting
19 finance director.

20 MR. GUZMAN: Benjamin Guzman, City of
21 Newark.

22 MR. MAYER: Bill Mayer, DeCotiis,
23 FitzPatrick and Cole, bond counsel for the City of
24 Newark.

25

1 T I M O T H Y E I S M E I E R , after having
2 been duly sworn, did testify as follows:

3

4 D A N I E L L E S M I T H , after having been
5 duly sworn, did testify as follows:

6

7 B E N J A M I N G U Z M A N , after having been
8 duly sworn, did testify as follows:

9

10 CHAIRMAN CUNNINGHAM: So the City's
11 contemplating tax appeal refunding bonds. And are
12 these QBA or you're seeking?

13 MR. MAYER: Yes. We are seeking
14 approval under the qualified bond act.

15 CHAIRMAN CUNNINGHAM: But not
16 necessarily intending to issue as QBA?

17 MR. MAYER: We would intend -to the
18 extent, we do convert these to long-term bonds, we
19 are doing QBA. I think right now, the plan is to
20 keep them as notes.

21 CHAIRMAN CUNNINGHAM: Okay. So did you
22 want to kind of introduce the concept of the
23 appeals to the board?

24 MR. EISMEIER: Sure. The City's seeking
25 approval of a refunding bond ordinance in the

1 not-to-exceed amount of 6,225,000. The purpose of
2 the ordinance is to fund tax appeal refunds based
3 either on stipulations of settlement or judgments
4 of the New Jersey Tax Court or the Essex County
5 Board of Taxation. City's requesting a seven year
6 pay down on the notes. The impact of a one
7 year -- of paying these in one year would be
8 approximately \$160 per taxpayer. Seven years,
9 it's about \$27 per taxpayer. Obviously, as we
10 just discussed with the last applicant, that's
11 below the \$50 amount that is typically required by
12 Local Finance Board.

13 Obviously, as you know, the City is
14 under state supervision, a transitional aid
15 recipient, and recently had two years of cash
16 deficits. Given it's fiscal situation, that's the
17 amount we're requesting to give us as much
18 financial flexibility as possible as we seek to
19 reduce our structural deficit.

20 CHAIRMAN CUNNINGHAM: Tim, I understand
21 the impact on the average assessed home, but how
22 does the extension of term to seven years, how
23 does that give the City more financial
24 flexibility?

25 MR. EISMEIER: I think it's

1 approximately -- let me get the amount in front of
2 me. The amount we would have to include in our
3 budget, as a required principal pay down each
4 year, would be approximately \$400,000 less than a
5 five year pay down in each year. A three year pay
6 down, which would be a \$59 impact per taxpayer,
7 would be almost a million dollars more in the
8 City's budget that they would have to fund during
9 that time.

10 CHAIRMAN CUNNINGHAM: Give me those
11 numbers one more time, for three, five, seven?

12 MR. EISMEIER: Sure. For three years,
13 the annual payment is projected to be
14 approximately 2.2 million, for a five year pay
15 down, it would be approximately 1.3 million. And
16 for the requested seven year, it's approximately
17 one million.

18 CHAIRMAN CUNNINGHAM: Any questions from
19 the board?

20 MR. LIGHT: Not a question, but a
21 comment. I normally don't like to go out seven
22 years. I would be more favorable with the five.
23 I understand what he's saying. I'm just throwing
24 out to the rest of the board, I would probably
25 lean toward the five year instead of seven.

1 CHAIRMAN CUNNINGHAM: I don't disagree.
2 And I am cognizant of the City's, you know, budget
3 position, but part of the balancing act that we
4 have, especially as a municipality under state
5 supervision, is trying to help you, as you said,
6 Tim, to get the structural balance back in order,
7 but at the same time not extending things out too
8 far, where we're prolonging issues. I'd be
9 comfortable with five years at an annual payment
10 of 1.3 and the impact on the home of 36.

11 MR. EISMEIER: That's fine. If that's
12 the board's position, we understand the issue.
13 And we would be okay with that.

14 CHAIRMAN CUNNINGHAM: All right. I'll
15 make the motion then to approve this application,
16 as discussed, under five year repayment schedule.
17 Year one payment approximately 1.3 million
18 dollars, impact on the average assessed home of
19 \$36.82.

20 MR. LIGHT: I'll second.

21 CHAIRMAN CUNNINGHAM: We have a second
22 from Mr. Light. Roll call, please, Pat.

23 MS. McNAMARA: Mr. Cunningham.

24 CHAIRMAN CUNNINGHAM: Yes.

25 MS. McNAMARA: Mr. Avery.

1 MR. AVERY: Yes.

2 MS. McNAMARA: Ms. Rodriguez.

3 MS. RODRIGUEZ: Yes.

4 MS. McNAMARA: Mr. Blee.

5 MR. BLEE: Yes.

6 MS. McNAMARA: Mr. Light.

7 MR. LIGHT: Yes.

8 CHAIRMAN CUNNINGHAM: I also just want
9 to put on the record that the state's assigned
10 monitor has reviewed this application. And the
11 only other thing I would ask the City to do is
12 something that came up during the review is that
13 we still have a significant number of City of
14 Newark officials and appointees who have not filed
15 their 2014 financial disclosure statements. We
16 are sending notices of violation out. But the
17 best course of action would be to have non-filers
18 submit their disclosure statements, get off the
19 list. And it would make their lives and our lives
20 easier. So I wanted to note that as well, but
21 thank you very much for your appearance today.
22 And we'll continue to work together.

23 MR. EISMEIER: Thank you.

24 MR. MAYER: Thank you.

25 CHAIRMAN CUNNINGHAM: Borough of

1 Moonachie.

2 MR. MAYER: Bill Mayer with DeCotiis,
3 FitzPatrick and Cole, bond counsel to the Borough
4 of Moonachie. With me is Tony Ciannamea, the
5 administrator CFO for the Borough. Tony, you'll
6 need to be sworn in.

7

8 T O N Y C I A N N A M E A , after having been
9 duly sworn, did testify as follows:

10

11 MR. CIANNAMEA: My mayor asked me to
12 apologize for not being here today. He had
13 commitments at his regular full time job. He
14 tried reaching out to you yesterday, but I guess
15 you were in meetings all day. So he expresses his
16 apologies to the board.

17 CHAIRMAN CUNNINGHAM: Not an issue.

18 MR. CIANNAMEA: Thank you.

19 MR. MAYER: As part of their Sandy
20 capital bond ordinance back in 2013, they included
21 an appropriation for \$4.9 million for a new
22 municipal building. They've been going around and
23 around with FEMA on the building, on contributions
24 and what we should do. Tony, could give you a
25 pretty long detailed story on that, if you like.

1 But they've decided what they would like to do
2 rather than build -- rather than repair the
3 building with only three walls covered and not
4 feel safe, they want to build a new municipal
5 building.

6 They are asking, what you have in front
7 of you a \$4 million supplemental appropriation
8 bond ordinance supplementing the prior Sandy
9 approved bond ordinance. They're requesting
10 waiver of the \$200,000 down payment. Total
11 project cost comes in a little bit under \$9
12 million, the expected FEMA reimbursement, \$4.5
13 million. They're cost estimate, they expect to
14 get back about 3.7 million with the 5.3 million
15 balance. I did that too fast.

16 At the end of the day, they're asking
17 for \$4 million addition to the prior bond for the
18 municipal building. There is substantial FEMA aid
19 coming in, but it hasn't been increased for
20 this --

21 CHAIRMAN CUNNINGHAM: So I guess the
22 question I have is -- and you should know that I
23 have previously worked with your mayor on this
24 topic. I've done a lot of Sandy recover work on a
25 prior job. And I was there through a lot of the

1 conversations with FEMA. And I did understand and
2 empathize with, frankly, the situation that the
3 Borough found itself in. And the dispute over
4 contactually how much water was in the municipal
5 building, was it 12 inches or was it four feet. I
6 know there was strong opinions on both sides.

7 I think, you know, my fundamental
8 question is, I've stepped out of that world.
9 Where did that ultimately land? What did FEMA
10 ultimately --

11 MR. CIANNAMEA: What ended up happening
12 was they gave us an offer of 4.5 million to fix
13 the building with the three five foot walls. At
14 that stage, we were told -- we were told we could
15 appeal it because we had been appealing all the
16 way along. Their first offer to us was \$50,000
17 and we have been appealing. But it was almost
18 like a tax appeal, you appeal, you either get more
19 money or you stay where you are. We are now at
20 the stage where they said the next appeal, you can
21 get more money or we could take money away from
22 you, it would be a complete rehearing. So now
23 you're putting what was in the 4.5 million, you
24 were now putting that at risk. And the appeal
25 process could take up to a year and a half. And

1 we reached the stage where we really need to go
2 forward. And the risk was too great, so we kind
3 of hit an agreement there -- and then they agreed
4 whereas the 4.5 million is to repair the building,
5 they agreed we could use 4.5 million as we see
6 fit.

7 CHAIRMAN CUNNINGHAM: So, not an ideal
8 result by the Borough's viewpoint, but
9 nevertheless one that you could accept and move on
10 and using another capital funds, put your
11 municipal operations in a place where they're more
12 resilient from a future storm?

13 MR. CIANNAMEA: Right. And the catch-22
14 was when we came forward with our plan to rebuild
15 the building, FEMA says that's nice, but now that
16 you are -- you know they held us at like 40
17 percent damage. Now you're going to rebuild the
18 building, there are new codes and standards
19 because you're going to rebuild the building. And
20 it's a critical facility because the police are
21 there. They're holding us to the 500-year flood.
22 So they didn't come to the plate. And then they
23 said, oh, yeah, by the way.

24 CHAIRMAN CUNNINGHAM: So I mean the only
25 thing the Borough is really looking for from the

1 board is the approval to waive the down payment?

2 MR. CIANNAMEA: Correct.

3 CHAIRMAN CUNNINGHAM: I guess I first
4 want to ask if any of my colleagues have any
5 questions on the application? So I think what I
6 want to say though is, you know, I've been pretty
7 close to this at one point. As I said, I didn't
8 just sympathize, I empathize with what you're
9 going through. I was dealing with it in my own
10 home. I think the Borough, you know, worked very
11 hard to the benefit of its taxpayers to push back
12 against FEMA, not that we don't, as a state, have
13 good relationship with them. But this clearly was
14 an issue of dispute. And I think your mayor and
15 other elected officials worked very, very hard to
16 get that number up.

17 I mean the pictures I saw of the
18 municipal building seemed to indicate there was
19 significant water in there. So I do -- I'm happy
20 to see that you're getting to the point where
21 you'll have a new municipal building that's
22 resilient. I think it's certainly something that
23 you can withstand budgetarily. And I have no
24 problem in assisting in that by waiving the down
25 payment. So I'll make the motion to waiver the

1 down payment for this application. I would ask
2 for a second.

3 MR. BLEE: Second.

4 CHAIRMAN CUNNINGHAM: Thank you, Mr.
5 Blee. Roll call, please, Pat.

6 MS. McNAMARA: Mr. Cunningham.

7 CHAIRMAN CUNNINGHAM: Yes.

8 MS. McNAMARA: Mr. Avery.

9 MR. AVERY: Yes.

10 MS. McNAMARA: Ms. Rodriguez.

11 MS. RODRIGUEZ: Yes.

12 MS. McNAMARA: Mr. Blee.

13 MR. BLEE: Yes.

14 MS. McNAMARA: Mr. Light.

15 MR. LIGHT: Yes.

16 MR. CIANNAMEA: Thank you.

17 MR. MAYER: Thank you.

18 CHAIRMAN CUNNINGHAM: Good luck.

19 Next matter before the board is City of
20 Asbury Park.

21 MR. GARTZ: Ricky Gartz, CFO.

22 G-A-R-T-Z.

23 MR. CANTALUPO: John Cantalupo, bond
24 attorney.

25

1 R I C K Y G A R T Z , after having been duly
2 sworn, did testify as follows:

3

4 CHAIRMAN CUNNINGHAM: Good morning,
5 gentlemen. How are you? So you're appearing
6 before the board today looking for the issuance --
7 approval to issue qualified bonds, as it relates
8 to your roadway and sewer improvement program?

9 MR. CANTALUPO: Yes, sir.

10 CHAIRMAN CUNNINGHAM: So, Ricky, I don't
11 know if you or John want to kind of just introduce
12 the application or some of the project.

13 MR. CANTALUPO: We're here today for the
14 City of Asbury Park John Cantalupo from Archer and
15 Greiner, for \$2,850,000 issuance of bonds or notes
16 under the qualified bond program. The City
17 anticipates issuing notes for this, but also in
18 the application, we have a conforming debt service
19 schedule for 20 years, with approximately \$200,000
20 in debt service. The impact on the average
21 resident for this is \$37.20 per year on the
22 average home of \$226,000.

23 The program is a road and sewer program,
24 that I think is sorely needed in the Borough.
25 There are a number of streets outlined in the bond

1 ordinance that's in the application. And we're
2 happy to have any other questions answered at this
3 time.

4 CHAIRMAN CUNNINGHAM: Thank you. I just
5 note for the record that the City of Asbury Park
6 is a transitional aid municipality. In my other
7 capacity as director of the division, we work very
8 closely with the administration there. There have
9 been a lot of good progress on a lot of the
10 redevelopment projects, which I think are going to
11 improve the ratable base. I understand, Ricky,
12 that your fees, the collection of fees have been
13 significant, I think it was a pretty good summer
14 for the City of Asbury Park in terms of parking
15 and the beach fees?

16 MR. GARTZ: That is correct.

17 CHAIRMAN CUNNINGHAM: Now, John, I saw
18 in the application that you may wind up not
19 issuing these as qualified bond debt, if the
20 finances were such, you might go through the
21 improvement authority?

22 MR. CANTALUPO: That's correct. That's
23 typically how the City issues the bonds, but we
24 want to, obviously, preserve our right to issue
25 through the program.

1 CHAIRMAN CUNNINGHAM: Any questions from
2 the board? Okay. I have no issue with this, you
3 know. I appreciate the cooperation we've had with
4 the City in terms of, you know, restoring
5 structural balance. I think the City of Asbury
6 Park could be out of the TA program in relatively
7 short order, thanks to, like I said, a lot of
8 redevelopment projects coming online and other
9 increased revenues.

10 So I'll make a motion to approve this
11 application and I would ask for a second.

12 MS. RODRIGUEZ: Second.

13 CHAIRMAN CUNNINGHAM: Second, Ms.
14 Rodriguez. Roll call, please, Pat.

15 MS. McNAMARA: Mr. Cunningham.

16 CHAIRMAN CUNNINGHAM: Yes.

17 MS. McNAMARA: Mr. Avery.

18 MR. AVERY: Yes.

19 MS. McNAMARA: Ms. Rodriguez.

20 MS. RODRIGUEZ: Yes.

21 MS. McNAMARA: Mr. Blee.

22 MR. BLEE: Yes.

23 MS. McNAMARA: Mr. Light.

24 MR. LIGHT: Yes.

25 CHAIRMAN CUNNINGHAM: Ricky, the only

1 other thing I wanted mention is similar to what I
2 said to Newark. We're going through the 2014 FDS
3 filings. And we noticed that for Asbury Park,
4 there's a significant amount of non-filers. If
5 you could communicate that back to, perhaps the
6 clerk or the mayor for me.

7 MR. GARTZ: Sure.

8 CHAIRMAN CUNNINGHAM: We're going to be
9 sending notices of violation out. The best way to
10 obviate that is to have people file their forms
11 and go from there.

12 MR. GARTZ: Okay. Thank you.

13 CHAIRMAN CUNNINGHAM: Thank you.

14 The board will move to the City of Union
15 City.

16 MS. COLDITZ: Susan Colditz, CFO for the
17 City, C-O-L-D-I-T-Z.

18 MR. TANGO: Ralph Tango, municipal
19 engineer for the City.

20 MS. STIEFEL: Jeanne Stiefel, Parker
21 McCay, we're bond counsel to the City of Union
22 City.

23

24 S U S A N C O L D I T Z , after having been
25 duly sworn, did testify as follows:

1

2 R A L P H T A N G O , after having been duly
3 sworn, did testify as follows:

4

5 CHAIRMAN CUNNINGHAM: Okay. So I had a
6 conversation with the mayor about this
7 application. But perhaps you want to introduce
8 the concept to the board?

9 MS. COLDITZ: The City had a bond
10 ordinance approved last October. We'd like to
11 reallocate some of those funds to be able to
12 rehabilitate an old fire house for transitional
13 housing. We find that there's a strong need for
14 it because all the fires the City's been having,
15 they seem to be getting worse and worse. And it's
16 overpopulated. We find that we're paying for
17 hotels after we go through the Red Cross and
18 whatever agencies we can get to help us. The only
19 problem is we're finding it's very small amounts.
20 And we have a lot, a lot of constituents that need
21 transitional housing. So we'd like to do the fire
22 house. I don't know much about the construction,
23 but our engineer does.

24 MR. TANGO: I can give you a brief. As
25 Susan mentioned, the issue here is after

1 emergencies and fires, relocating families that
2 are displaced. Historically, we housed the people
3 outside the city limits, besides the cost issue,
4 it's become a burden with children trying to get
5 back to the city to attend school. So the concept
6 was to convert an existing 4,000 square foot fire
7 house, two stories, 2,000 square feet on each
8 floor, approximately nine, I'll call them bedroom
9 units. On each floor, there will be common
10 kitchen, restroom facilities, in addition to a
11 common living space.

12 The outside of the building will receive
13 some cosmetic treatments to give it more of a
14 residential look. There are issues that need to
15 be addressed because of the age of the building,
16 like the replacement of the roof and some
17 environmental considerations. It's an older
18 building with asbestos wrapped around the boiler
19 system piping, that has to be remediated. But
20 most of the cost and construction is associated
21 with the interior conversion and improvements.

22 CHAIRMAN CUNNINGHAM: Okay. And it's
23 also my understanding from the mayor that the
24 municipality will go out for an RFP and hire an
25 operator to actually run the transitional --

1 MS. COLDITZ: Yes.

2 CHAIRMAN CUNNINGHAM: -- housing, okay.

3 So what you're really in front of the
4 board today for is shifting, if you will, a
5 previous allocation under bond ordinance and
6 saying, instead of this, we want to do that?

7 MS. COLDITZ: Yes.

8 CHAIRMAN CUNNINGHAM: And in addition to
9 that transitional housing piece, Susan, I think
10 there's a re-appropriation of 110,500, that's for
11 a police precinct as well?

12 MS. COLDITZ: Yes. Actually the total
13 is for the fire house. We're going to be taking
14 the funds the roads and from the precinct.
15 Because the precinct is done and we find that we
16 have a little bit of extra that we can use to move
17 for the fire house.

18 CHAIRMAN CUNNINGHAM: Okay, I
19 misunderstood.

20 MS. COLDITZ: We're taking from two --

21 CHAIRMAN CUNNINGHAM: Taking two line
22 items and putting, okay.

23 MS. STIEFEL: Two projects, correct.
24 Roads and reconstruction. And then the precinct
25 building.

1 CHAIRMAN CUNNINGHAM: So, again, I've
2 had the benefit of having a conversation with the
3 mayor about this, but other members of the board
4 haven't. So I just wanted to see if any of the
5 members had questions on this application?

6 MS. RODRIGUEZ: I have a question. This
7 fire house currently is not being used?

8 MS. COLDITZ: It's an old fire house.

9 MR. TANGO: That's correct.

10 MS. RODRIGUEZ: Not being used. So
11 you're looking to rehabilitate it into an
12 apartment?

13 MS. COLDITZ: Transitional housing.

14 MS. RODRIGUEZ: So how does this get
15 sustained, though? I guess my question is -- I
16 understand the density and population in Union
17 City is probably the most densely populated city
18 in -- one in the country rather. But I mean, I
19 guess my question is it's okay to, you know,
20 rehabilitate it, renovate it, redevelop it, but
21 then --

22 CHAIRMAN CUNNINGHAM: I think -- and I'm
23 sure it's really for the applicant, but correct me
24 if I'm wrong. The application, as I understand
25 it, is there will actually be cost savings to the

1 municipality?

2 MS. COLDITZ: Yes.

3 CHAIRMAN CUNNINGHAM: Susan, can --

4 MS. COLDITZ: Over time. Right now,
5 it's getting worse and worse, you know, the
6 amounts, the hotel that we have to put these
7 people in. The hotel is not the greatest and it's
8 costing us \$100 a night sometimes after we get
9 help from the social agencies.

10 CHAIRMAN CUNNINGHAM: Where is it?

11 MS. COLDITZ: I think it's in North
12 Bergen, because Union City, we don't have --

13 MS. RODRIGUEZ: It's 1&9.

14 MS. COLDITZ: And putting the kids in
15 there, it's hard because now we have to take the
16 school busses and have a special trip for the
17 school to pick up the kids to bring them to
18 school. So that's costing us more money, too.
19 But I think over time, we're going to save close
20 to a hundred thousand a year, easy. If it gets
21 worse and worse, at least now we have somewhere to
22 put them until we can relocate them and/or until
23 there's a fire and the landlord or the insurance
24 makes the repairs that need to be made before they
25 can live back in the house.

1 CHAIRMAN CUNNINGHAM: And then there's
2 also the -- although I know the municipality
3 certainly tries to prevent this, but there's a
4 proliferation of basement apartments?

5 MS. COLDITZ: Yes.

6 CHAIRMAN CUNNINGHAM: That compounds the
7 issue.

8 MS. COLDITZ: Yes, that compounds it,
9 yes, it does.

10 MR. LIGHT: I became confused. You're
11 putting some of the people from Union City to
12 North Bergen?

13 MS. COLDITZ: We don't have a choice, we
14 have no hotels in Union City to put them in. And
15 we have no place to put them --

16 MR. LIGHT: Once they're in North
17 Bergen, aren't they part of that community?

18 MS. COLDITZ: No, they live in Union
19 City. We have to locate them somewhere until we
20 can get the housing ready to put them back to
21 where it's --

22 MR. LIGHT: Okay, I see. The housing is
23 dilapidated and needs repairs, so they live there
24 and you're putting them temporarily in North
25 Bergen.

1 MS. COLDITZ: Yes.

2 MS. STIEFEL: It's a fire.

3 MR. TANGO: It's fire damaged building.

4 MS. STIEFEL: Displacements due to
5 housing fires.

6 MS. COLDITZ: We don't -- in Union City,
7 we don't --

8 MR. LIGHT: So they still own the
9 property, they're coming back at some point, it's
10 temporary --

11 MS. COLDITZ: Yes, it's only
12 transitional.

13 MR. TANGO: Excuse me, they may not own
14 the property. These may be tenants in multifamily
15 buildings.

16 MR. LIGHT: Residents, I should say.

17 CHAIRMAN CUNNINGHAM: That's largely the
18 issue, Mr. Light, is that they are tenants. And
19 until they find either that location or another
20 location to move back to. And I think the
21 engineer made the point, and the mayor made the
22 point to me as well, that it's not just the per
23 diem cost of the hotel, which is significant, it's
24 adding significant bussing costs to bring children
25 back to --

1 MR. LIGHT: That's why I was wondering
2 why they weren't part of North Bergen, but I think
3 I understand.

4 MS. RODRIGUEZ: I have to commend Mayor
5 Stack because I live in a city where there's
6 fires, it's the City of Paterson and I never heard
7 of such a program. So I tip my hat, if you guys
8 can afford it and sustain it.

9 MS. COLDITZ: I really think it's going
10 to help the City's budget.

11 MS. RODRIGUEZ: I think it's
12 revolutionary and visionary. And I commend them
13 because I'm here in awe because I've never heard
14 of such a thing.

15 MS. COLDITZ: Thank you.

16 MS. RODRIGUEZ: If you can afford it.

17 CHAIRMAN CUNNINGHAM: Yeah, I would add
18 that, again, Union City being a transitional aid
19 city, the state monitor has been involved in these
20 conversations, as have I, the deputy division
21 director. But I would then ask for -- unless
22 there's any other questions, I would ask for --

23 MR. LIGHT: Just one other, I don't mean
24 to delay it, but I see that the debt ratio is
25 3.165, which is a little bit over the limit. And

1 I know that this does not affect that --

2 MS. COLDITZ: No, it doesn't.

3 MR. LIGHT: What do you see for the
4 future? Is the future going to get the township
5 or the city back under that 3.0 debt --

6 MS. COLDITZ: Yes. I don't believe the
7 City's going to be going out to debt in the near
8 future at all. I think we're at a point where we
9 just did the bond ordinance and we won't be doing
10 that for a long time.

11 MR. LIGHT: In a year or two --

12 MS. COLDITZ: If I know the mayor, he's
13 not going to want to.

14 MR. LIGHT: What do you foresee, two,
15 three years?

16 MS. COLDITZ: I hope, yes. I don't know
17 for sure, but I don't believe that there's going
18 to be a bond ordinance that we have to go out for
19 any time soon.

20 MR. LIGHT: You should have some debt
21 retiring.

22 MS. COLDITZ: Yes, we do.

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

24 CHAIRMAN CUNNINGHAM: We have a motion
25 from Mr. Light.

1 MR. BLEE: Second.

2 CHAIRMAN CUNNINGHAM: Second, Mr. Blee.

3 Roll call, please, Pat.

4 MS. McNAMARA: Mr. Cunningham.

5 CHAIRMAN CUNNINGHAM: Yes.

6 MS. McNAMARA: Mr. Avery.

7 MR. AVERY: Yes.

8 MS. McNAMARA: Ms. Rodriguez.

9 MS. RODRIGUEZ: Yes.

10 MS. McNAMARA: Mr. Blee.

11 MR. BLEE: Yes.

12 MS. McNAMARA: Mr. Light.

13 MR. LIGHT: Yes.

14 CHAIRMAN CUNNINGHAM: Thank you very
15 much. I know you'll work with the monitor going
16 forward, but keep us posted on this and let us
17 know how it's going.

18 MS. COLDITZ: We definitely will.

19 CHAIRMAN CUNNINGHAM: I think we as a
20 board are all interested to see how this works
21 out.

22 MS. COLDITZ: No problem. We'll be
23 working closely with Eileen, so she'll know.

24 MS. STIEFEL: I'm on the next one, too.

25 CHAIRMAN CUNNINGHAM: Then we'll move to

1 Bloomfield Township Parking Authority.

2 MR. EISMEIER: Tim Eismeier, NW
3 Financial.

4 MR. WIELKOTZ: Steve Wielkotz the
5 auditor.

6 MR. K. McMANIMON: Kevin McManimon, bond
7 counsel.

8 MR. DOMENICK: Glenn Domenick, Executive
9 Director of the Parking Authority.

10

11 G L E N N D O M E N I C K , after having been
12 duly sworn, did testify as follows:

13

14 STEVE WIELKOTZ, previously sworn.

15 TIM EISMEIER, previously sworn.

16

17 CHAIRMAN CUNNINGHAM: Gentlemen, good
18 morning. Thanks for your appearance today.

19 So I know that the Authority is looking
20 to hold notes as it relates to a parking garage.
21 What I was hoping you could do or someone among
22 you, could you just introduce the concept to the
23 board because I know the garage had been under
24 construction, I think it's constructed now. But
25 would you please bring the board up to date on

1 what the latest status of the project is?

2 MR. K. McMANIMON: Sure, Director.

3 Kevin McManimon from McManimon, Scotland and

4 Baumann, bond counsel to the Parking Authority.

5 The original project that was issued the finance

6 the construction of the parking garage, which was

7 part of a larger mixed use redevelopment project.

8 The parking garage was completed in 2013.

9 However, the residential and retail components of

10 the project were only completed a few weeks ago.

11 The Township issued a certificate of occupancy for

12 the remaining components of the project on

13 September 22nd, I think. So the Township provided

14 a tax exemption for those improvements, the

15 residential and retail improvements. The Township

16 pledged the annual service charge that will be

17 realized from the tax exemption to the payment of

18 debt service on bonds issued by the Parking

19 Authority. So once that revenue stream

20 stabilizes, which will happen in 2016, that will

21 be the first full year that we receive the annual

22 service charge revenues. The Parking Authority, I

23 think, will be in a position at that time to

24 permanently finance the notes, that's our plan.

25 So our request at this time is to pay

1 down \$80,000 of the outstanding principal amount
2 of the project notes and renew the balance for
3 another year. We think that under these
4 circumstances the renewal of the note is
5 reasonable and the \$80,000 proposed pay down is
6 reasonable. And we ask the board to approve the
7 application.

8 CHAIRMAN CUNNINGHAM: Thank you,
9 counselor. As far as you said it was a
10 residential component and retail?

11 MR. McMANIMON: There are apartments and
12 retail space.

13 CHAIRMAN CUNNINGHAM: Do you have a
14 sense of now that it's constructed what the
15 occupancies are looking like.

16 MR. DOMENICK: The retail component --
17 Glenn Domenick on behalf of the Parking Authority,
18 Director. Retail component is about 80 percent
19 leased, the residential is close to a hundred
20 percent.

21 CHAIRMAN CUNNINGHAM: Great.

22 MR. K. McMANIMON: If I could note,
23 Director, the receipt of the annual service charge
24 revenues does not depend upon the occupancy. The
25 annual service charge is due regardless of whether

1 the units are actually occupied. They're going
2 to be --

3 CHAIRMAN CUNNINGHAM: Always makes life
4 easier when somebody is getting the money in.

5 MR. K. McMANIMON: No doubt about it.

6 CHAIRMAN CUNNINGHAM: So I just want to
7 note for the record especially for the benefit of
8 my colleagues, the application, as it came in
9 originally, did not have the \$80,000 pay down.
10 That was something that staff and I discussed with
11 folks from the Authority and their professionals
12 and agreed that while the rolling of the note was
13 prudent, so was a pay down. And I'm still not
14 sure how we landed at the \$80,000. You want to
15 touch that one again, Steve?

16 MR. WIELKOTZ: Sure. Even though the
17 Parking Authority is not under the local bond law
18 in terms of statutory pay downs, we did the
19 calculation, NW did the calculation. And if we
20 were, then \$80,000 was the magic number that would
21 be required by statute if we had to comply with
22 the local bond law.

23 CHAIRMAN CUNNINGHAM: I think our math
24 might have been slightly off, but it's really
25 irrelevant at this point. I think the \$80,000 pay

1 down is something we agreed on and I think, as I
2 said, is prudent. Any board members have
3 questions or concerns about the application?

4 MS. RODRIGUEZ: Nice to see this project
5 finally completed.

6 MR. K. McMANIMON: Transforming
7 Bloomfield.

8 MS. RODRIGUEZ: Yes, beautiful.

9 CHAIRMAN CUNNINGHAM: Just the one year
10 renewal?

11 MR. K. McMANIMON: Yes.

12 CHAIRMAN CUNNINGHAM: And the other
13 thing that I did appreciate, we did get the cash
14 flow analysis, which is something we asked you
15 for. And we did take a look at that. So we have
16 that in the package as well. Any other questions
17 for the applicant? So I will -- considering my
18 involvement in this, I'll make the motion to
19 approve this application. And I would ask for a
20 second?

21 MS. RODRIGUEZ: Second.

22 CHAIRMAN CUNNINGHAM: Thank you. Roll
23 call, please, Pat.

24 MS. McNAMARA: Mr. Cunningham.

25 CHAIRMAN CUNNINGHAM: Yes.

1 MS. McNAMARA: Mr. Avery.

2 MR. AVERY: Yes.

3 MS. McNAMARA: Ms. Rodriguez.

4 MS. RODRIGUEZ: Yes.

5 MS. McNAMARA: Mr. Blee.

6 MR. BLEE: Yes.

7 MS. McNAMARA: Mr. Light.

8 MR. LIGHT: Yes.

9 CHAIRMAN CUNNINGHAM: Camden County
10 Improvement Authority. Kindly introduce yourself
11 and those that aren't counsel be sworn in.

12 MS. EDWARDS: Sure. Jennifer Edwards of
13 Acacia Financial Group.

14 MR. BLAND: Jim Bland, director of the
15 Improvement Authority.

16 MS. STIEFEL: Jeanne Stiefel, Parker
17 McCay, bond counsel to Camden County.

18 MR. McPEAK: Dave McPeak, Chief
19 Financial Officer for Camden County.

20

21 J E N N I F E R E D W A R D S , after having
22 been duly sworn, did testify as follows:

23

24 J I M B L A N D , after having been duly sworn,
25 did testify as follows:

1

2 D A V E M c P E A K , after having been duly
3 sworn, did testify as follows:

4

5 CHAIRMAN CUNNINGHAM: Good morning.
6 Please?

7 MS. STIEFEL: Thank you. The
8 application before the board this morning is
9 seeking approval pursuant to N.J.S.A. 40A:5A-6
10 for project financing for the Camden County
11 Improvement Authority to issue -- not to exceed
12 65.5 hundred million of county guaranteed loan
13 revenue bonds in two series. The first series is
14 a not to exceed 45,500,000 county guaranteed loan
15 revenue bonds, series A, of 2015, to fund the cost
16 of the County of Camden's annual capital and
17 equipment improvement program. The second series
18 is a not to exceed 19 million of county guaranteed
19 loan revenue refunding bonds, series B, of 2015,
20 to currently refund approximately 18,305,000 of
21 outstanding county guaranteed lease revenue
22 refunding bonds.

23 The application is also seeking approval
24 pursuant to 40:37A-80 for a county guarantee to
25 secure payment, principal and interest, on both

1 series of the bonds.

2 We're here and happy to answer any
3 questions that may pertain to either the county's
4 capital program or the refunding project.

5 CHAIRMAN CUNNINGHAM: I think it would
6 be helpful to hear from either the Improvement
7 Authority or the county in terms of some of the
8 types of projects that would be contemplated by
9 the financing. Gentleman?

10 MR. McPEAK: Sure. These are annual
11 projects, they include road projects, purchase of
12 property for relocation of -- potential relocation
13 of our Board of Social Services operations at some
14 point. Includes funding for dredging of Cooper
15 River, parts of various parks improvements,
16 building renovations, things like that. Those are
17 the types of projects.

18 CHAIRMAN CUNNINGHAM: And these are in
19 addition to the municipal utilities authority
20 PILOT, which the division has already --

21 MR. McPEAK: That is correct, yes.

22 CHAIRMAN CUNNINGHAM: Okay. So the deal
23 is structured to generate level annual debt
24 service and I believe on the series B bonds,
25 there's significant -- I think almost a million

1 dollars in present value savings that's
2 contemplated?

3 MS. STIEFEL: Clearly well in excess of
4 currently the three percent minimum.

5 MS. EDWARDS: Approximately 5.5 percent.

6 CHAIRMAN CUNNINGHAM: Thank you. And
7 you would do the bonds as negotiated sale?

8 MS. EDWARDS: Yes. As a negotiated
9 sale. And we did get the responses back from the
10 underwriter and they were below what was estimated
11 in the application.

12 CHAIRMAN CUNNINGHAM: Great. Now, I
13 know there was -- there had been an issue that I
14 talked with the Executive Director about regarding
15 the fee. And I believe that you've sent over a
16 revised cost of issuance. I don't know that I
17 have it in front of me, I know it had come in.

18 MR. BLAND: For the record, we did amend
19 our fee to the director of the agency and the new
20 law passed, I guess it was in August, to equate
21 to .125 percent for the financing fee. So I think
22 you have those numbers, if you don't, we could
23 send them over to you.

24 CHAIRMAN CUNNINGHAM: I think we have
25 them, Jim. They just didn't make their way to my

1 desk in the time I got in and out.

2 MR. LIGHT: You don't want to look at
3 them, trust me.

4 MR. AVERY: Mr. Chairman, it's less than
5 \$966,000, cost of issuance? Am I looking at the
6 right report?

7 CHAIRMAN CUNNINGHAM: 756 total.

8 MR. McPEAK: That's in the application.

9 MR. BLAND: The total cost of issuance
10 has been amended to a little over \$756,000.

11 CHAIRMAN CUNNINGHAM: I can tell there's
12 confusion, maybe you want to walk the board
13 through the cost of issuance so we have it for the
14 record, clearly.

15 MR. BLAND: Sure. If you have the
16 schedule in front of you, part 2, I guess, the
17 proposed issuance costs. Financial advisor --
18 each line you want me to walk through?

19 CHAIRMAN CUNNINGHAM: Well, start with
20 the totals for the two series. And then we can --

21 MR. BLAND: The total for the new money
22 bonds, money bond 2015 is \$529,604. For the
23 refunding bonds \$227,348 for a total of \$756,952,
24 which is compared to the original application we
25 have in front of you, a little over 966,000.

1 CHAIRMAN CUNNINGHAM: And the issue had
2 been under the clean up bill that the legislature
3 passed and signed into the law by the governor, it
4 does talk about a -- I don't want to call it a cap
5 on fees, because the board could, upon a
6 two-thirds vote allow an excess. But the number
7 was .125 percent. We spoke to the Improvement
8 Authority yesterday. And the Improvement
9 Authority, as is in front of you, amended their
10 financing fee to comport with that amount.

11 And that's now why we have a revised
12 schedule of issuance cost in front of us.

13 MS. STIEFEL: Just for the record, I
14 would just like to point out that the aggregate
15 cost also includes the aggregate underwriters'
16 discount, that's the whole financing and --

17 MS. EDWARDS: And to that note, what was
18 assumed in the application was \$6 a bond, which I
19 believe is now about \$3 a bond. So the
20 underwriters' discount will be cut significantly
21 as well, based on the final par amount.

22 CHAIRMAN CUNNINGHAM: So if we look at
23 the underwriter line item of that schedule, you
24 can see of the 756, you're talking 361,000, so
25 that is a lion's share of the amount.

1 MS. EDWARDS: That is correct.

2 MS. STIEFEL: At \$6 a bond.

3 MR. AVERY: Could be a new record.

4 CHAIRMAN CUNNINGHAM: What are your
5 thoughts, Alan?

6 MR. AVERY: I assume the staff has
7 looked at this?

8 CHAIRMAN CUNNINGHAM: That is correct.

9 MR. AVERY: Go by their recommendation.

10 CHAIRMAN CUNNINGHAM: So a couple other
11 things I wanted to address. And, Jim, if you
12 don't mind, I'm going to address them to you. I
13 think the audit for the Improvement Authority was
14 a couple months late, but that's since been
15 received.

16 MR. BLAND: Yes.

17 CHAIRMAN CUNNINGHAM: We talked
18 yesterday, included in the staff report was a line
19 item for catering expenses. And that was a
20 concern to me, but maybe you want to explain that,
21 so there's no confusion?

22 MR. BLAND: Sure. It was listed in
23 the -- as far as catering expense line item with a
24 question. But I think we needed additional
25 clarity, which we didn't provide, which is that we

1 hold an annual summit, the Tri-County Summit,
2 Burlington County, Camden County and Gloucester
3 County. We do it each year and these were the
4 costs that our sponsorships fund. So although we
5 had in our line item, to be clear we should have
6 put a note to say this wasn't dollars we funded
7 out of our budget, it's more of a pass through
8 through the authority for this regional summit
9 that does very well each year. It brings
10 businesses together and promotes business in south
11 Jersey.

12 CHAIRMAN CUNNINGHAM: When staff
13 originally saw that, we were under the
14 misimpression that it was actually authority funds
15 being used for, you know, lavish purposes. And
16 the sponsors are covering those costs. It's not
17 actually improvement authority money being used.

18 MR. BLAND: That's correct.

19 CHAIRMAN CUNNINGHAM: Jim, the only
20 other question I had, which I didn't ask you
21 yesterday was the staff report also notes there's
22 six vehicles, are they take home vehicles?

23 MR. BLAND: No, no. The vehicles stay
24 at the office. And these are primarily -- we
25 absorb these vehicles through the county running

1 the community development block program for the
2 all the towns. We handle all the funding for 37,
3 not all 37 municipalities, some are entitlements,
4 but we handle that and we do the inspections and
5 run the program. So primarily five I think of the
6 seven vehicles are for that program.

7 CHAIRMAN CUNNINGHAM: And I'm sure
8 you've received the improvement authority fee
9 questionnaire that the division has sent out.
10 I've referred to that numerous times from the
11 dais. But I'm not sure the board is aware that we
12 did send that out. And we will be using that, as
13 I said in the past, to take a look at improvement
14 authority fees and identify those outliers that
15 are on the high side. The spread sheet that
16 improvement authority are being asked to complete
17 is relatively detailed. We understand that not
18 all transactions are the same, whether it's a
19 conduit financing, whether it's construction
20 management project, something like that. But we
21 will get that back in short order and we're going
22 to be using that as a tool that the staff will
23 brief out to the board on and utilize that going
24 forward.

25 Any other questions from the board

1 members? So hearing none, I know there is a
2 concern about the fees, but you know my staff has
3 looked at it. And I think we do have a path
4 forward for both understanding what -- we do
5 understand this application and the path forward,
6 how we're going to look at improvement authority
7 applications going forward. So I'm going to make
8 a motion to approve the application as submitted
9 with the revised financing fees submitted by the
10 authority. I would ask for a second?

11 MR. BLEE: Second.

12 CHAIRMAN CUNNINGHAM: Second, Mr. Blee,
13 I heard, thank you. And, Pat, I would ask for
14 roll call.

15 MS. McNAMARA: Mr. Cunningham.

16 CHAIRMAN CUNNINGHAM: Yes.

17 MS. McNAMARA: Mr. Avery.

18 MR. AVERY: Yes.

19 MS. McNAMARA: Ms. Rodriguez.

20 MS. RODRIGUEZ: Yes.

21 MS. McNAMARA: Mr. Blee.

22 MR. BLEE: Yes.

23 MS. McNAMARA: Mr. Light.

24 MR. LIGHT: Yes.

25 MR. BLAND: Thank you.

1 MR. McPEAK: Thank you very much.

2 CHAIRMAN CUNNINGHAM: Jen, you're
3 appearing on behalf of Burlington County Bridge
4 Commission?

5 MS. EDWARDS: Yes. The CFO is running
6 late. I don't know if you want to defer, maybe
7 push it to the end or Tom and I can probably
8 answer most of it. It's up to you how you want to
9 handle.

10 CHAIRMAN CUNNINGHAM: You know, we have
11 a couple things that are coming up on the agenda
12 that could potentially require a lot of the
13 discussion of the board. So I think it would be
14 better just to have you and Tom address it.

15 MS. EDWARDS: Okay.

16 JENNIFER EDWARDS, previously sworn.

17 MR. HASTIE: Tom Hastie, counsel.

18 CHAIRMAN CUNNINGHAM: So, Jen, I know
19 you've been sworn in from your prior appearance.
20 Mr. Hastie is counsel, he doesn't need to be sworn
21 in. So, Jen, do you or Tom want to --

22 MR. HASTIE: Mr. Chairman, the
23 application before you is from the Burlington
24 County Bridge Commission for N.J.S.A. 40A:5A-6.
25 The proposed project is project notes issued by

1 the commission and the county guarantee to secure
2 it. The commission is actually looking to finance
3 projects for its own portfolio. They own two
4 bridges -- they actually own four bridges, but two
5 bridges are toll bridges. The Tacony-Palmyra
6 Bridge and the Burlington-Bristol Bridge. They
7 have -- they're older bridges. One was put into
8 service in 1929, the other one in 1931. The
9 commission is quite proud of its record of
10 maintaining it, keeping both of them functional.
11 They're both steel bridges that span the Delaware
12 River and they're mechanical, because the Delaware
13 at the places where the bridges are is navigable,
14 so they have to be able to open and close to allow
15 for traffic.

16 The projects that are to be funded in
17 the next ten or five year capital program, five to
18 seven to ten, is about \$110 million. The lion's
19 share of it are two projects. One are painting
20 both bridges and it has a significant cost to it
21 because they have to take all -- they have to
22 removal all the existing paint down to the metal,
23 repair the metal because the bridges are so old,
24 they have to be contained because there's
25 expectation that there's still at some point

1 lead-based paint. So you have to essentially wrap
2 the entire bridge in a bubble wrap. So that
3 painting of both spans is expected to cost about
4 \$45 million.

5 The other significant project, also
6 around \$45 million is replacing the road deck, the
7 things the cars actually travel over on the
8 Burlington-Bristol bridge. And the existing road
9 deck is between 25 to 50 years old. And about
10 five years ago, they did a significant repaving of
11 the entire span. And it's just breaking down
12 because the road bed itself is -- you know, needs
13 to be replaced, kind of from the bottom up, rather
14 than from the top down.

15 The other projects are smaller,
16 thankfully, in nature, they include mechanical
17 upgrades to the Tacony-Palmyra, the
18 Burlington-Bristol, and the Riverside Delanco
19 Bridge. Mechanical means the parts of the bridge
20 that allow the bridges to move up and down,
21 function. Warning gates for the Tacony-Palmyra
22 and the Burlington-Bristol, which will close and
23 completely stop traffic in place when there are
24 bridge openings. Electrical infrastructure on the
25 Tacony-Palmyra. Right now, I found amazing,

1 there's about six and a half miles of conduit for
2 that bridge, dating back sometimes 40, 50, 60
3 years. And the engineers are recommending that
4 everything be kind of removed and replaced and
5 rewired. And then finally something called a
6 traveler system, which is below the span, metal
7 attachments that go along the bridges. It allows
8 for a gondola, similar to what you see on window
9 washing crews, be attached there, travels along
10 the bridge, makes, inspections, maintenance, and
11 repairs easier.

12 And you don't have to -- currently,
13 right now, a lot of times what they'll do is shut
14 down a lane of traffic and put a boom truck out
15 there and swing the boom arm around and under,
16 which is, A, expensive because you have to rent
17 it; B, and not great for the customers because
18 you're now reducing traffic. So a couple years
19 ago, they put one in on the Burlington-Bristol
20 bridge, it's worked very well. They want to put
21 one on the Tacony-Palmyra.

22 CHAIRMAN CUNNINGHAM: So the proposal
23 right now is the notes that would be subordinate
24 to the existing bonds?

25 MR. HASTIE: Yes. The bridge commission

1 right now has a general bond resolution that has
2 one series of bonds outstanding. Because the
3 desire of the commission for, kind of debt
4 management purposes, is to stay in notes to kind
5 of get all the projects undergoing and paid for,
6 get a permanent price, because you know when
7 you're dealing with old bridges and engineering
8 estimates, sometimes these are everyone's most
9 educated best guesses on what prices are, but
10 history will suggest that something will be wrong.
11 So once the prices are done and locked in, get a
12 permanent financing. So to do that, because the
13 general bond resolution does not allow for notes,
14 you could have done a one year bond, but you then
15 would have to essentially borrow twice as much to
16 put in debt service reserve. It does allow for
17 subordinated notes and that's what we're trying to
18 do here.

19 CHAIRMAN CUNNINGHAM: So they would be
20 tax exempt revenues?

21 MR. HASTIE: Yes.

22 CHAIRMAN CUNNINGHAM: And the revenues
23 are the tolls of the bridges?

24 MR. HASTIE: Correct.

25 CHAIRMAN CUNNINGHAM: The staff report

1 indicates that tolls have been raised or are going
2 to be raised?

3 MR. HASTIE: They were raised in August,
4 became effective in September. It's about \$12
5 million a year projected revenue increase. As the
6 CFO would say if she was here, it's \$120 million
7 over 10 years to do \$110 million worth of
8 projects. So some of it will be done with the
9 note issue because of the size of the two
10 projects. Some of it will be done pay as you go.
11 The commission has a history of doing pay as you
12 go capital and maintenance. Anywhere from 8 to 12
13 million dollars a year. The revenue model
14 anticipates them continuing to put that type of,
15 you know, annual contribution in. So it's not
16 just borrowing money, it's borrowing money to kind
17 of -- seed money. And then continuing to roll out
18 the project as revenues permit.

19 CHAIRMAN CUNNINGHAM: And the only other
20 thing that, I'm sure you said already, but I think
21 it's significant that this would be county
22 guaranteed --

23 MR. HASTIE: Yes. The county guarantee
24 ordinance has been introduced, I believe staff has
25 a copy. And it's scheduled for final adoption

1 tonight.

2 CHAIRMAN CUNNINGHAM: Any questions from
3 the board? Then I would seek a motion and a
4 second.

5 MR. BLEE: Motion.

6 CHAIRMAN CUNNINGHAM: Motion, Mr. Blee.

7 MR. LIGHT: Second.

8 CHAIRMAN CUNNINGHAM: Second, Mr. Light.

9 Roll call, please, Pat.

10 MS. McNAMARA: Mr. Cunningham.

11 CHAIRMAN CUNNINGHAM: Yes.

12 MS. McNAMARA: Mr. Avery.

13 MR. AVERY: Yes.

14 MS. McNAMARA: Ms. Rodriguez.

15 MS. RODRIGUEZ: Yes.

16 MS. McNAMARA: Mr. Blee.

17 MR. BLEE: Yes.

18 MS. McNAMARA: Mr. Light.

19 MR. LIGHT: Yes.

20 CHAIRMAN CUNNINGHAM: Thank you. Morris

21 County Improvement Authority.

22 MS. EDWARDS: Staying again.

23 CHAIRMAN CUNNINGHAM: So --

24 MS. EDWARDS: I'll talk.

25 CHAIRMAN CUNNINGHAM: Jen's been sworn.

1 Mr. McManimon does not need to be sworn, so, Jen,
2 please start.

3 MS. EDWARDS: The Morris County
4 Improvement Authority is seeking approval for a
5 current refunding of its outstanding lease revenue
6 bonds series 2004 that was originally issued for
7 the Morris County Educational Services Commission.
8 It is a current refunding in excess of 3 percent
9 present value savings. The County did introduce a
10 county guarantee ordinance, similar to as it did
11 in 2004 to secure the original bonds.

12 And we're just looking forward to moving
13 forward with the transaction and saving the
14 district or the commission some additional
15 savings.

16 CHAIRMAN CUNNINGHAM: Did you want to
17 talk about the fee adjustment similar to --

18 MS. EDWARDS: Sure. Similar to Camden,
19 the Authority sent in a revised cost issuance
20 schedule yesterday which reduced the financing fee
21 to the .125.

22 CHAIRMAN CUNNINGHAM: Contemplated --

23 MS. EDWARDS: Contemplated in the new
24 bill, yes.

25 CHAIRMAN CUNNINGHAM: Again, you know, I

1 know the client's not here, but on behalf -- I
2 would ask you as the professionals, the
3 improvement authority questionnaire is out there.
4 We are going to be taking a look at the fees
5 charged. So I do appreciate the revision in this
6 particular field. Any questions from the board
7 members on this transaction? I mean I think
8 they're refunding. The savings are there, it's a
9 prudent transaction. So I would ask for a motion
10 and a second?

11 MR. LIGHT: I'll make a motion.

12 MS. RODRIGUEZ: Second.

13 CHAIRMAN CUNNINGHAM: Motion, Mr. Light.
14 Second, Ms. Rodriguez. Roll call, please.

15 MS. McNAMARA: Mr. Cunningham.

16 CHAIRMAN CUNNINGHAM: Yes.

17 MS. McNAMARA: Mr. Avery.

18 MR. AVERY: Yes.

19 MS. McNAMARA: Ms. Rodriguez.

20 MS. RODRIGUEZ: Yes.

21 MS. McNAMARA: Mr. Blee.

22 MR. BLEE: Yes.

23 MS. McNAMARA: Mr. Light.

24 MR. LIGHT: Yes.

25 MS. EDWARDS: Thank you.

1 CHAIRMAN CUNNINGHAM: The board is next
2 going to hear Mercer County, appeal of a
3 director's decision. Mr. Sypek, I know you're
4 appearing on behalf of the county, but I am going
5 to ask my colleague Mr. Light to assume the
6 chairmanship of the board, as you're appealing a
7 decision that I had made. I do just want to note,
8 before I stand down, that it's my understanding
9 that you're likely to ask the board for -- if you
10 had potentially made a change to the ordinance,
11 whether that would be palatable. So I would ask
12 Mr. Light to lead that discussion and then --

13 MR. LIGHT: I might get lost if I go
14 there.

15 (Whereupon Chairman Cunningham leaves
16 the dais.)

17 MR. SYPEK: Thank you. Mr. Chair, for
18 the record, my name is Arthur Sypek. I'm the
19 counsel for the County of Mercer. I'm here
20 representing county executive, Brian M. Hughes,
21 and the Mercer County Board of Chosen Freeholders.
22 With me?

23 MR. SCALERA: My name is Ciro Scalera,
24 I'm director of government relations, for the
25 laborers employers cooperation in education trust,

1 the laborers union, if you will.

2 MR. SYPEK: Thank you.

3

4 C I R O S C A L E R A , after having been duly
5 sworn, did testify as follows:

6

7 MR. SYPEK: Mr. Chair, the board, I
8 think, has previously received a letter memorandum
9 from Raymond Heineman, which I have copies of,
10 which I would request be marked as an exhibit and
11 part of the record for this appeal today.

12 Mr. Chair and members of the board, the
13 county executive and the board certainly
14 appreciate the board's time here today hearing
15 this appeal. This ordinance was produced after
16 many, many months of deliberation and work. I
17 note, and I believe it's maybe in the director's
18 letter, we're the only government entity in the
19 State of New Jersey who properly followed the
20 statute in trying to have this properly approved
21 by the Department of Community Affairs. We played
22 by the rules, we played by the book, and we
23 certainly believe that the ordinance as crafted
24 does comport with the law.

25 I note -- I know my time is limited, but

1 I note that the letter from the director dated
2 September 1, 2015, basically outlines on pages 2
3 and 3, three areas that -- he calls them three
4 specific areas of concern, which we've reviewed.
5 And I appreciate his concern and certainly the
6 department's concern over these items. And what I
7 would like to address -- I think the ordinance
8 speaks for itself, the letter from Mr. Heinemann's
9 office is very well crafted and the analysis, I
10 would submit is right on point.

11 But in terms of the areas of concern, if
12 I may, I'm not going to take them in the exact
13 order. The second on the bottom of page 2,
14 there's a concern the division needs a working
15 definition of craft employee, which is not
16 provided in the ordinance. Well, we don't
17 necessarily disagree with that. And we would be
18 amenable to revising the ordinance and/or amending
19 the ordinance to provide that necessary
20 definition.

21 On the top of page 3, there is also an
22 area of concern dealing with why our ordinance
23 exceeds all other state statutory requirements
24 with regard to specifically the applicable bid
25 limit. I think that takes us to the crux of the

1 area of concern, which was first item on the top
2 of page 2. We used a value number of \$36,000 for
3 the state that this ordinance would kick in. I
4 think there's a concern that that may have a
5 certain chilling effect on some smaller
6 businesses, smaller contractors, and we're aware
7 of that. And I want to preface the rest of my
8 statement on that by saying that, as I stated
9 earlier, the Board of Freeholders and the County
10 Executive did not just willy-nilly at one of our
11 meetings say, let's pass this ordinance. It took
12 about four months to craft this.

13 The County Executive and I spoke at
14 length and I think there's a concern in Mercer
15 County and it's a concern in all 21 counties that
16 our infrastructure is becoming more and more in
17 need of repair. Certainly, our buildings are
18 becoming more and more in need of repair.
19 Fortunately, we were able to build, you can almost
20 see it from here, the new criminal courthouse,
21 which was built, I will tell you on time and under
22 budget. And that required a lot of skilled
23 craftspeople. If you were to take a walk into our
24 criminal courthouse, it's incredible. The
25 technology that's in there, the amount of work

1 that went into that in terms of not just bricks
2 and mortar and nails and wood, the technology
3 aspects of it. We have visitors from literally
4 many states looking at it because it turned out so
5 well.

6 We're finding that skilled training in
7 Mercer County and we have vocational schools -- we
8 have two vocational schools. We may have to close
9 one because the skilled training aspect of it, the
10 attendance is way down. It's unfortunate. So
11 it's in continuous decline, I believe in our
12 submittals we have references to that. If
13 anything, we need to expand the industry
14 apprenticeship, we feel that that would help not
15 only the economy, but certainly help with our
16 ability to have -- we want to build buildings and
17 improve infrastructure not just for 10 years or 20
18 years, but for a generation. And that takes time,
19 that takes money, but it takes skill to do that.

20 And through this ordinance, we really
21 believed that we would be able to have that type
22 of skilled craftsmanship in the county with these
23 apprenticeship programs. There's evidence in the
24 submittals that with the apprenticeship programs,
25 not just in New Jersey, all over the country, that

1 there's a lesser percentage of voluntary turn
2 over, absenteeism, you get better work ethic, you
3 get better worked product.

4 Now, with regard to the dollar amount,
5 we realize that that may be a difficult number
6 that may appear to impede certain smaller
7 contractors from being able to bid. And certainly
8 we do not wish to have that situation. We look
9 for direction, we look for certainly a discussion,
10 today or whenever, as to a higher dollar amount.
11 I would indicate that we would certainly entertain
12 something well above that number, probably
13 somewhere between 250,000 and above, that may make
14 this a much more palpable ordinance. And we think
15 that that would then not have an undue hardship on
16 the small businesses and small contractors. You
17 know, that dollar amount certainly would be an
18 amount that would generate more activity with the
19 much larger firms that can accomplish the
20 requirements under the ordinance.

21 So the county government is certainly
22 aware of the concerns, we appreciate the concerns,
23 we appreciate the checks and balances. And this
24 is really a balancing of the interest type
25 ordinance, that we look at that. We think

1 overall, for the taxpayers of Mercer County who
2 work hard for their money and want to see a
3 project that will last, want to see a courthouse
4 that will be here maybe a hundred years from now.
5 We think that the implementation of such an
6 ordinance will enable us to have a better quality
7 product in the areas of whatever infrastructure
8 that may have to be rehabbed or rebuilt in the
9 future. That's basically it in a very brief
10 nutshell, Mr. Chairman.

11 MR. LIGHT: Let me make sure I
12 understand, there were three sections, I guess,
13 that were areas of concern. Two of the three,
14 you're willing to accept and change?

15 MR. SYPEK: If I may --

16 MR. LIGHT: So the only one had to do
17 then with the pre-qualification of the amount of
18 level at which --

19 MR. SYPEK: And we're willing to adjust
20 that, we're willing to see what a reasonable
21 figure would be. There's no ordinance -- there's
22 no legally approved ordinance in effect, that I'm
23 aware of, in the State of New Jersey. There are
24 ordinances that have been passed and resolutions,
25 without DCA approval -- I'm not going there, I'm

1 simply indicating there's really no guideline that
2 I could say well, X county or Y municipality has
3 200 or 300, whatever the number may be.

4 MR. LIGHT: Do other counties have such
5 a stipulation in their bidding process.

6 MR. SYPEK: None that have been
7 approved.

8 MR. LIGHT: This is the first one?

9 MR. SYPEK: This is the first one I'm
10 aware of.

11 MR. LIGHT: You're leading the charge.

12 MR. SYPEK: I guess that's the way to
13 put it.

14 MR. LIGHT: And we're standing here with
15 the charge coming at us.

16 MR. SYPEK: So, yes.

17 MR. LIGHT: What is your proposal that
18 you're asking us, outside of just saying you want
19 us to over turn the director's decision, which is
20 a difficult thing for us to do.

21 MR. SYPEK: I understand that.

22 MR. LIGHT: What are you suggesting that
23 we might do to satisfy the situation? Short of
24 just saying we don't agree with you.

25 MR. SYPEK: I understand that and I

1 appreciate that. And, you remember, as county
2 counsel, I always argue the government's position,
3 so we're -- the government's always right.

4 MR. LIGHT: Let's not get into that.

5 MR. SYPEK: But we're looking really for
6 direction. If the board were to feel that a
7 higher dollar amount may be more palpable, that
8 would enable the smaller contractors, smaller
9 businesses to participate and not be penalized by
10 these programs, whatever, that is what we're
11 talking about. In terms of an exact dollar
12 amount, we look for direction. If 250,000 is
13 reasonable, if 300,000 is reasonable, you know,
14 that's something we would certainly -- and
15 whatever, you know, I don't necessarily have the
16 authority to say we're going to do X or Y, this
17 would have go back to the Board of Freeholders and
18 be approved by them and then would have to be
19 signed by the County Executive. And that process
20 would take months. But we're looking --

21 MR. LIGHT: Well, there's two changes
22 that are imminent anyway. So you would have to go
23 through the process, if you're going to agree to
24 the two sections --

25 MR. SYPEK: I understand that. I'm just

1 saying that this process would have to -- we'd
2 have to go back and amend and do that. We
3 understand that. But we're looking to be, you
4 know, a partner. We're trying to help, we think,
5 what is an industry that needs this apprenticeship
6 program. We see when we have our major projects
7 and we don't have that many anymore, the only
8 major -- really major one lately has been the
9 criminal courthouse, which I say came in under
10 budget and on time.

11 MR. CUNNINGHAM (from the audience): Mr.
12 Light, speaking as the director of the division,
13 not as the chairperson, if you wanted to take
14 Counselor Sypek's suggestion that maybe an
15 amendment to a different dollar amount, if you
16 want to refer that back to staff, we would gladly
17 accept that suggestion and work with the Attorney
18 General's office to look to see whether that
19 changes the legal analysis. And we would bring it
20 back to the board, or through Mr. Chairman, back
21 to the --

22 MR. LIGHT: I appreciate that because I
23 don't think that, personally, just one member of
24 the board, I don't think I'm in a position where
25 I'd be ready to make a decision.

1 MR. SYPEK: I understand that.

2 MR. LIGHT: I think -- did you want to
3 say something to the board members?

4 MR. SCALERA: Yes, I did. It was our
5 union that retained the firm Kroll Heineman and
6 that the letter was written was at our request.
7 And I think the suggestion -- I would have
8 suggested that perhaps it be tabled for now, that
9 there be further discussion with the director, the
10 county. We're very happy to be able to support
11 Mercer County, they are trying to do the right
12 thing here. They're trying to put in place good
13 procedures. And I understand they're breaking a
14 little ground, perhaps, in terms of the board.
15 But we think it's an important issue. And we
16 commend them for what they've done. And,
17 obviously, if there's some further amendments, we
18 have no problem, personally, our union. I can't
19 speak for all the building trades, with a higher
20 threshold. So I think taking some additional time
21 trying to work this out with the county would be
22 very important.

23 MR. LIGHT: Okay. Appreciate that.

24 MR. AVERY: Understanding that in your
25 representation that there might be other public

1 bodies that have a similar ordinance, but have not
2 completely followed all of the rules, do you have
3 a feeling for what some of the other dollar
4 amounts would be in those incomplete ordinances?

5 MR. SYPEK: Off the top of my head, I
6 think they're all in six figures. We really did
7 not --

8 MR. AVERY: Didn't do any research.

9 MR. SYPEK: We did some research. And I
10 think they go anywhere -- I think the highest I
11 saw was half a million, some were a little below
12 that. I mean I think 250 to 500 was a range. I'm
13 not --

14 MR. AVERY: I understand that you're
15 trying to recall off the top of your head, but I
16 think the director's suggestion is a good one.

17 MR. SYPEK: We agree with that. We're
18 here to try to work this out. And if this can be
19 tabled or whatever procedurally you need to do, we
20 certainly would agree to that and work towards a
21 resolution. These other two items, we can
22 certainly address, but the dollar amount I think
23 is the most critical one and one that we would try
24 to work with the director and the division with.

25 MR. LIGHT: Okay. Did you have

1 something?

2 MS. RODRIGUEZ: No, I was going to echo
3 what --

4 MR. LIGHT: All right. Are you finished
5 then?

6 MR. SYPEK: I am. If I may, Mr. Chair,
7 this affects many, many people in the county. And
8 if I may, if the board were to allow, with us
9 today is a representative of the county,
10 Assemblyman Wayne DeAngelo. I would appreciate it
11 if the board would afford him a very brief amount
12 of time to address this issue.

13 MR. LIGHT: Who is that?

14 MR. SYPEK: Assemblyman Wayne DeAngelo.

15 MR. LIGHT: Assembly people are usually
16 brief, aren't they?

17

18 W A Y N E D E A N G E L O , after having been
19 duly sworn, did testify as follows:

20

21 ASSEMBLYMAN DeANGELO: Assemblyman Wayne
22 DeAngelo, District 14, for the record. Thank you
23 very much for a couple brief minutes. You heard
24 testimony on both sides and the length of time and
25 duration that was put into this, a lot of other

1 public entities out there wanted a mechanism
2 outside of the project labor agreements that was
3 approved by law back in 2003 to do construction
4 work, but it's kind of same parameters.
5 Throughout the course of the past decade,
6 municipalities, school boards, county governments,
7 have passed a responsible contracting resolution,
8 but not all in the same text, not all in the same
9 language.

10 Most recently, a couple years ago, Judge
11 Feinberg here in Mercer County saw the one that
12 was a resolution, not an ordinance, and an
13 executive order by the County Executive here in
14 Mercer County. And as she was deciphering it
15 because it was being challenged as legal, she
16 noted -- not a written decision, but she noted
17 that she had concerns mainly with mandating a
18 health plan, mandating a pension requirement. But
19 she was amenable to the apprenticeship training
20 programs. She understands the importance of
21 having registered apprenticeship training programs
22 in the construction industry. And this is
23 something that we have talked about legislatively
24 in New Jersey, you know, where you need a license
25 to cut hair, but you don't need a license to do,

1 you know, be the individual to put in electrical
2 systems.

3 So we thought a mechanism of -- with
4 this responsible contracting language, to allow
5 those entities that thought it was important to
6 have these apprenticeship training programs as
7 part of their process to go along with being a
8 safe work site as strong parameters. As we're
9 continuing to go, we discussed, listen, what's the
10 dollar figure that's acceptable. We said, you
11 know, when you put jobs out to public bid for
12 construction, I believe the number's around
13 \$36,000, that should be the trigger mark as to
14 being acceptable. A majority of the registered
15 contractors that are in apprenticeship training
16 programs are not unionized individuals, they're
17 anywhere from one and two construction workers,
18 working for the entity, up to hundreds, two
19 hundreds, you know, and larger.

20 So it's not really something that would
21 exclude small business, minority businesses from
22 participating. So that's why we thought the
23 \$36,000 number was a strong number to come into
24 compliance, to partner up with, you know, the
25 project labor agreements in the State of New

1 Jersey. You know, being a representative with the
2 building trades, we like to see, you know, the
3 investment into education in our -- whether it's
4 higher education in colleges or expanding, you
5 know, our vocational programs.

6 So hopefully the board is amenable to
7 some sort of parameters there, you know, that
8 would benefit everybody dealing with higher
9 education and we're including vocational as higher
10 education. Thank you for your time.

11 MR. LIGHT: Thank you. It sounds to me
12 then, unless somebody else has something to offer,
13 we all seem to be on board that we need to go back
14 and discuss this, table it for at least this
15 point, and to see if we can come to a resolution,
16 both the director's talking that way and so are
17 you --

18 MR. SYPEK: We're amenable.

19 MR. LIGHT: I don't think we need a
20 motion to that extent.

21 MS. STERN: I think a motion is --

22 MR. LIGHT: You would be more
23 comfortable with a motion.

24 MR. BLEE: Motion to table.

25 MS. RODRIGUEZ: Second.

1 MR. LIGHT: Is there any comments,
2 questions from the board member? Please call the
3 roll.

4 MS. McNAMARA: Mr. Avery.

5 MR. AVERY: Yes.

6 MS. McNAMARA: Ms. Rodriguez.

7 MS. RODRIGUEZ: Yes.

8 MS. McNAMARA: Mr. Blee.

9 MR. BLEE: Yes.

10 MS. McNAMARA: Mr. Light.

11 MR. LIGHT: Yes.

12 MR. SYPEK: Thank you very much.

13 MR. LIGHT: See you again then.

14 (Chairman Cunningham returns to the
15 dais.)

16 CHAIRMAN CUNNINGHAM: The board is going
17 to take a five minutes recess, it's 12:10, we'll
18 reconvene at 12:15.

19

20 (Whereupon a short recess was taken.)

21

22 CHAIRMAN CUNNINGHAM: We're going to
23 reconvene. The next matter in front of the board
24 as listed on the agenda is the proposed
25 dissolution of the Bridgeton Municipality Port

1 Authority. And I'll give the parties an
2 opportunity to speak, but I first wanted to put my
3 reaction as a director and on behalf of the board
4 on the record.

5 So this matter, the discussion of the
6 municipality port authority, has been brought
7 before the board numerous times. And at the last
8 meeting, I asked for submissions from both the
9 authority represented by Mr. McManimon and Ren
10 River Development represented by Mr. Bonchi and I
11 did get significant and compelling submissions
12 from both of them. And I do thank you for that,
13 it certainly helps my and the board's
14 understanding. The one thing that was clear from
15 the submissions is that the Bridgeton Municipality
16 Port Authority is facing financial difficulty, the
17 assets as listed were less than the -- the
18 liabilities were more than the assets. I think
19 it's also notable that right now the Bridgeton
20 Municipal Port Authority is not in a productive
21 phase. It's not really undertaking redevelopment
22 and let alone there's not a port in Bridgeton.

23 But I think that we've heard plenty of
24 testimony on the matter. I do want to acknowledge
25 that there is significant pending litigation

1 between the parties. And I personally think and
2 my official position would be that the Bridgeton
3 Municipal Port Authority should be dissolved. I'm
4 not necessarily taking a position on all of the
5 facets of the litigation that are between the
6 parties. But I do think it's incumbent and I
7 would recommend to my colleagues on the board that
8 we move the Bridgeton Municipal Port Authority to
9 dissolution under Section 21, which is the forced
10 provision of the local authorities control law,
11 fiscal authorities law.

12 In a moment, I'll make a motion to that
13 end. And the only thing I want to say is that I
14 will circulate a courtesy copy of a Local Finance
15 Board resolution that memorializes the action the
16 board takes today. That's a courtesy copy, not
17 necessarily an invitation to significantly mark
18 the document up, but if the parties do feel
19 there's something glaringly absent from the
20 resolution, I would obviously entertain that.

21 So I would assume that Mr. McManimon or
22 you and Mr. Marmerro, appearing on behalf of the
23 authority would just like to go on record. I'll
24 allow to you do that, then I'll give Mr. Bonchi
25 and his clients the same opportunity.

1 MR. MARMERRO: Al Marmerro, counsel for
2 Bridgeton Municipal Port Authority.

3 MR. SURRENCY: Jack Surrency, Bridgeton
4 City Counsel.

5 MR. GOODREAU: Dale Goodreau, business
6 administrator, City of Bridgeton.

7 MR. E. McMANIMON: Mr. Ed McManimon,
8 McManimon, Scotland and Baumann, the bond counsel
9 to the City of Bridgeton.

10 CHAIRMAN CUNNINGHAM: Ed, before you go,
11 those that aren't counsel should be sworn if
12 they're going to present testimony.

13

14 J A C K S U R R E N C Y , after having been duly
15 sworn, did testify as follows:

16

17 D A L E G O O D R E A U , after having been duly
18 sworn, did testify as follows:

19

20 MR. McMANIMON: I'll violate my personal
21 constitution and try to be brief.

22 CHAIRMAN CUNNINGHAM: The ire in both
23 you and me.

24 MR. McMANIMON: There's been much
25 submitted. I don't know whether the board members

1 had a chance to review all of it. We've been here
2 many times. I think that the issues are pretty
3 clear, whether they're clear in terms of
4 resolution, I don't know because I don't have the
5 benefit of the draft resolution that you propose.

6 Under Section 21 of the local
7 Authorities Fiscal Control, under which you
8 propose to act, it does provide that order must
9 determine whether adequate provision has been made
10 for the payment of the obligations. That is the
11 obvious dispute that exists between the Martins
12 and the Port Authority and the City because there
13 is a significant effort being undertaken to take
14 this debt of the Port Authority and have it
15 imposed on the City, either because the view of
16 the statute requires that or because the view is
17 that municipalities that create authorities, it's
18 not to pay the debt the authority. Of course,
19 that's not the case throughout New Jersey.

20 So I don't know whether the plan, I
21 think you are proposing that the City, along with
22 the Port, submit a plan in terms of how that will
23 ultimately result in the final dissolution because
24 I don't know if the action you take today is to
25 dissolve the authority or subject to a

1 determination about --

2 CHAIRMAN CUNNINGHAM: So let me -- and
3 again I'll just answer that point because I'm sure
4 when Mr. Bonchi speaks, he's going to, you know,
5 have some of the same questions. So just letting
6 me be more clear, what I would -- the motion that
7 I likely will introduce today and ask for my
8 colleagues on the board support with, is that the
9 City of Bridgeton, the Port Authority, either
10 separately, combined, I don't really care, submit
11 a plan, assuming the board forces dissolution
12 under 21, for what the dissolution would look
13 like. And then we will, at a future meeting, have
14 to determine whether or not adequate provision has
15 been made in accordance with Section 21 of the
16 statute. I would envision that that report should
17 come sometime, like, say in the next 30 days or
18 so, maybe setting a deadline of the next Local
19 Finance Board meeting, although I'm not sure it
20 has to be that date. And then I would endeavor to
21 try to ultimately have the matter wrapped up in
22 some way, shape, or form by the end of the year.
23 So that was the timing I was looking for, that
24 would be the report that I would be looking for
25 from your client.

1 MR. McMANIMON: So the actual action
2 that you would take today is to initiate the
3 dissolution, not necessarily to approve it, until
4 there's a determination made consistent with the
5 statute --

6 CHAIRMAN CUNNINGHAM: I don't think we
7 would be able to go further.

8 MR. McMANIMON: That's what I was trying
9 to find out. I just think it's important because
10 obviously this record winds up in court or not,
11 that as I stated there's both legal and factual
12 matters. And the legal ones are basically this
13 authority is a separate entity from the city, like
14 all the authorities that are formed, the statutes
15 make that very clear. The port authority statute
16 does not permit the port to provide that the debt
17 it incurs becomes part of the city. It's stated
18 in two different places that that's the case.

19 The city did not involve itself in this
20 debt, they didn't guarantee the debt. And when it
21 was incurred, there was no action taken by the
22 city in connection with that, the port didn't
23 present it that way. The obligation that was
24 acquired that's at dispute here, was bought at a
25 deep discount. And whether that matters in the

1 context of legality, it does matter in the sense
2 of equities, in the sense that this was not the
3 original lender, who lost the money because it
4 wasn't able to be paid back. It was an investment
5 that was purchased for \$250,000. And there's an
6 effort being made here, notwithstanding the
7 likelihood of a substantial return on that
8 investment regardless, to try to have that paid by
9 the city.

10 So we will abide by whatever your
11 resolution says. I believe that the submission
12 that we made, which was comprehensive and an
13 effort to comply with what you asked for, is the
14 plan. The only thing that is not in the documents
15 we submitted is an ordinance, a bond ordinance, to
16 acquire the warehouse property, which is intended
17 to be sold to the redeveloper. But his financing
18 has been problematic. And as I pointed out in
19 this submission if that isn't able to be closed by
20 the time you seek to have this dissolution become
21 effective, the City will, by adoption of a bond
22 ordinance, be prepared to buy that property from
23 the port and hold it with their own risk and have
24 it go to the developer or some other developer
25 it's an important project for the city to have

1 that area redeveloped pursuant to redevelopment
2 plan.

3 So we will have that ordinance adopted
4 before you call us again. But I believe that the
5 statute's pretty straightforward, I think the
6 facts are pretty clear. I don't want to say
7 clearly anything because we wouldn't be in dispute
8 if everything was clear. I was told a long time
9 ago, never use the word clearly in court because
10 you wouldn't be there. But nevertheless, it's our
11 view, as we stated in here, that the plan we would
12 submit, if it's something more than this or this
13 again with that ordinance, will not involve
14 assuming the obligation on the part of the city
15 for the debt that's involved.

16 We believe that the referenced adequate
17 provision for the payment under Section 21 does
18 not require that. And it doesn't make sense
19 legally or responsibilities of the city to do
20 that. So I don't need to add more because I think
21 I'd be repeating what's in here. And if you're
22 going to be back, hopefully the people who will be
23 making the decision have a chance to read this
24 thoroughly.

25 We will submit the additional ordinance.

1 I think that's the only additional part of this
2 plan that would be involved, but I'll make it
3 subject to the resolution that we see here. Thank
4 you.

5 CHAIRMAN CUNNINGHAM: Thank you very
6 much.

7 MR. McMANIMON: Thank you.

8 MR. BONCHI: Keith Bonchi.

9 CHAIRMAN CUNNINGHAM: Would you have
10 your clients introduce themselves and then be
11 sworn.

12 MR. W. MARTIN: Will Martin.

13 MR. T. MARTIN: Thomas Martin.

14

15 W I L L M A R T I N , after having been duly
16 sworn, did testify as follows:

17

18 T H O M A S M A R T I N , after having been
19 duly sworn, did testify as follows:

20

21 MR. BONCHI: Thank you. As you all know
22 me by now, my name is Keith Bonchi and probably
23 know me better than you want, on numerous times.
24 Obviously, we're happy to see the initiation, but
25 as a judge has said, the devil's always in the

1 details. We have a significant difference of
2 opinion. My client wants actually the City of
3 Bridgeton to follow the law. There's a statute
4 that my adversary has forgotten to cite to you
5 that I've cited to the submission and to Miss
6 Walters when I -- and that's obviously N.J.S.A.
7 40:68A-38, which is dissolution of a municipal
8 port authority.

9 And when we talk about statutes being
10 clear, it says, you know, the governing body when
11 it dissolves it, if such authority has any debts
12 other than the bonds outstanding, the municipality
13 shall appropriate the monies required to enable
14 all such debts to be discharged in full. I don't
15 think there's any mystery to what the legislature
16 intended here. The law's clearly been passed, the
17 law's clearly effected. And you cannot effectuate
18 a dissolution without applying the very statute
19 that applies to port authorities that makes it
20 clear that all public debt should be paid.

21 Here, I'm sure the city doesn't want to
22 pay the debt. But as a matter of equity, the city
23 appoints everyone on the port authority. The city
24 has members on the port authority. The mayor is
25 ex officio. It's not that the port authority went

1 out and did something that the city didn't know
2 about. They argue equitable -- no, it's actually
3 one in the same, they always have been one in the
4 same. It's not my clients' fault that they didn't
5 submit budgets to you.

6 And, again, we're the ones who pointed
7 out to you that this non-functioning debt-ridden
8 port authority was not complying with the law.
9 All we're asking here is that the law says very
10 clearly the legislature never contemplated that a
11 public entity would not pay their debts. And they
12 said if this entity did not have money, the city
13 has to pay it.

14 I don't think there's any room for any
15 discretion here. All we're saying is the statute
16 is very clear in its face. You're forcing the
17 issue because they'll never do it. They never
18 addressed the issue, they never acted financially
19 responsible when it comes to this entity. Here,
20 we're not getting a debate, they're going to come
21 with a plan to say we're limited to the assets of
22 the port authority, and therefore -- they've
23 invented, now they say they want to pay their
24 counsel, Mr. McManimon, Miss Bertram, who are
25 representing the city. There's no resolution of

1 appointing her for the port authority. But I
2 don't want to fight over what's left over because
3 that's not what the statute says. The statute
4 clearly indicates, I just read it to you, in full,
5 other than the bonds.

6 We're not -- it's not a situation and I
7 believe even the other statutes that apply say the
8 same thing. The legislature never envisioned a
9 situation where a public entity within New Jersey
10 would not be paying its debts. And I've come here
11 and I have to say I was never to the Local Finance
12 Board before this first application. I watch you
13 every meeting trying to make sure everyone pays
14 their debts. I watch you at every meeting going
15 one by one, do you have the money, trying to make
16 them act fiscally responsible. And I'd be stunned
17 to see -- there's no precedent in New Jersey where
18 a public entity doesn't have to pay their debt.

19 Now, this authority, as you indicated,
20 has never functioned. It was failed from day one.
21 We have a judgment, the judgment doesn't say --
22 and this judgment came back from an appellate
23 division remand, saying that the mortgage on the
24 property wasn't valid. But they said go file an
25 action in lieu of prerogative writ to get a

1 mandamus to compel payment, which we've done.

2 It's just that the way the case has come down, the
3 judge doesn't have the authority -- this body has
4 the authority to compel the payment.

5 So to me any -- obviously the devil's in
6 the details and the wording. But when we come
7 back, whether it be this month or next month,
8 whatever you determine, short time frame we're
9 very happy with that, to get this done, for you
10 not to decide the issue of whether we get paid or
11 not, it's your responsibility. You don't have a
12 choice because you've got to approve the ordinance
13 by the city, so the city has to come back with a
14 proposed ordinance to you.

15 It's my opinion you have to approve the
16 ordinances as to whether it's within the law,
17 which I assume you go to your Attorney General's
18 office to decide whether that complies or not.
19 And that becomes whether -- the issue here. And
20 it's not a matter, I'm sure the citizens of
21 Bridgeton, but it's not like they didn't get the
22 money, they got the money here. They're argument
23 is with those people and the way they spent it.
24 And ironically, I'm not putting blame on this
25 board, but the original mortgage was actually

1 approved years ago by the Local Finance Board, the
2 one the court said was invalid.

3 So it's not a situation where, you know,
4 we're coming in, asking for anything that's not
5 contemplated by the law, but we're asking that
6 you've got to set forth the next hearing what the
7 details are because one party is going to within,
8 one party is going to lose. And if there's an
9 appeal, it has to be clear on the record what the
10 decision was and why. I believe when you look at
11 the statute I gave you and other ones, you have to
12 come in with the proposed resolution and they have
13 to come in with their submission, what their
14 resolution dissolving the port authority is going
15 to look like, and how they're going to
16 contemplate. Then you have to determine whether
17 to approve it or not because again it goes back to
18 your approval. Your statute says you got to
19 approve that. So ultimately you are in charge of
20 the fiscal integrity and financial responsibility
21 of the City of Bridgeton and the local
22 authorities.

23 For all those reasons, my colleague is a
24 very good lawyer, you see him up here all the
25 time. But I don't think there's much mystery, if

1 you read the statute, that it's talked about
2 again, N.J.S.A. 40:68A-38 in conjunction with the
3 other one, there's no room for argument here. All
4 the debts have to be paid in full. And that's
5 what has to be done. Thank you.

6 CHAIRMAN CUNNINGHAM: Okay. Thanks very
7 much.

8 MR. BONCHI: Yep.

9 CHAIRMAN CUNNINGHAM: So did you want --

10 MR. McMANIMON: I would like to just add
11 one brief thing. I think when you decide what
12 you're going to do here, I think it's pretty clear
13 only because I've been here many times, that the
14 dissolution of an authority is controlled not by
15 individual statutes anymore, it's controlled by
16 the Local Authorities Fiscal Control Law.
17 Secondly, your Section 21 refers to a resolution,
18 it doesn't refer to the city adopting anything
19 relative to the dissolution. It as you imposing
20 the dissolution -- you meaning the board -- on the
21 entity. There's no ordinance and the section that
22 Mr. Bonchi cites in the port authority statute
23 assumes an application by the city to dissolve the
24 authority, which is not being done here.

25 So I don't see an ordinance, I don't see

1 that section applying.

2 CHAIRMAN CUNNINGHAM: I understand and I
3 read both submissions. I understand the dispute
4 amongst the parties. We have one party that says
5 Section 21 controls, not an obligation of the
6 parent entity, the city, in this case. We have
7 another party that says there's a different
8 statute that should apply, it's clear on its face,
9 no room for error. Clearly -- I'll use that word,
10 because I think in this case it's very clear that
11 there's a difference in interpretation.

12 We, as a board, are working that through
13 with the guidance of the Attorney General's
14 office. What I do want though is to provide a
15 courtesy copy of the resolution to the board. The
16 only thing that I'm processing in my head as I'm
17 speaking is I have to think about the time frame
18 here because I need to have enough time to go
19 through the Attorney General's office, so I don't
20 want to promise that I'll have a resolution to you
21 within 24 hours because, you know, we need enough
22 time to review and discuss with counsel.

23 I think there needs to be some action by
24 the board today, but, Patty, am I hearing --

25 So I think there has to be some action

1 by the board today. And I think that action is
2 I'll introduce and my colleagues on the board can
3 second, if they choose or not, but I think the
4 motion is to begin the process of dissolution of
5 the Bridgeton Municipal Port Authority under
6 45A-18, actually under 45A-21, forced dissolution,
7 we don't have a voluntary dissolution in front of
8 us.

9 I will give the applicant the option to
10 submit a plan, in addition to what's in that, if
11 you are comfortable that your prior submission
12 should stand as that document and the only thing
13 you would do is augment with an ordinance and
14 don't see a need to fully submit another document.
15 Mr. Bonchi, I don't think we need anything further
16 from you or your client. I think we have
17 everything that we need.

18 I would suspect that we will draft a
19 resolution, submit it to the parties as a
20 courtesy. I would endeavor to get to you in a
21 period of two weeks or so. And then we can have
22 some conversations, ex parte, as we deal with
23 issues as to that. And I would imagine the board
24 would take additional action at either the
25 November or December meeting, memorializing the

1 action that's -- and a draft resolution.

2 MR. McMANIMON: Before you make that
3 motion, I don't think we're an applicant here.

4 CHAIRMAN CUNNINGHAM: That's true.

5 MR. McMANIMON: It may matter -- we're
6 not an applicant to this process, which I think
7 matters under both the statute, according to Mr.
8 Bonchi and under Section 20, which is not
9 applicable. We are being --

10 CHAIRMAN CUNNINGHAM: That's a fair
11 distinction.

12 MR. McMANIMON: Thank you, I'll leave it
13 at that.

14 CHAIRMAN CUNNINGHAM: You got it. So
15 again realizing the limitations on that motion
16 today, given, you know, what we have in front of
17 the us and where we're looking to go, I think
18 that's the prudent next step. And I would ask for
19 a second from the board.

20 MS. RODRIGUEZ: Second.

21 CHAIRMAN CUNNINGHAM: Second, Ms.
22 Rodriguez. We'll take a roll call on that.

23 MS. McNAMARA: Mr. Cunningham.

24 CHAIRMAN CUNNINGHAM: Yes.

25 MS. McNAMARA: Mr. Avery.

1 MR. AVERY: Yes.

2 MS. McNAMARA: Ms. Rodriguez.

3 MS. RODRIGUEZ: Yes.

4 MS. McNAMARA: Mr. Blee.

5 MR. BLEE: Yes.

6 MS. McNAMARA: Mr. Light.

7 MR. LIGHT: Yes.

8 MR. McMANIMON: Thank you.

9 MR. BONCHI: Thank you.

10 CHAIRMAN CUNNINGHAM: Thank you,
11 gentlemen.

12 The next matter before the board is the
13 petition for rule making that was sent, it's
14 included in your impacts. And it deals with
15 potential amendments to the Local Government
16 Ethics Law. This was submitted by a citizen. And
17 the recommendation on this would be that it be
18 referred to division staff, who could look into it
19 and come back to the board with the recommendation
20 of whether these changes should be made or not.
21 And, again, that would have to be done in
22 compliance with the time frame associated with the
23 rule making calendar. So I think my
24 recommendation, unless the board has a different
25 opinion, would be to refer this to division staff

1 and ask them for analysis and the appropriate
2 timing to deal with it as prudent. So if that's
3 okay with you, I'll make a motion to that end.

4 MR. AVERY: Second.

5 CHAIRMAN CUNNINGHAM: Second, Mr. Avery.
6 Roll call, please, Pat.

7 MS. McNAMARA: Mr. Cunningham.

8 CHAIRMAN CUNNINGHAM: Yes.

9 MS. McNAMARA: Mr. Avery.

10 MR. AVERY: Yes.

11 MS. McNAMARA: Ms. Rodriguez.

12 MS. RODRIGUEZ: Yes.

13 MS. McNAMARA: Mr. Blee.

14 MR. BLEE: Yes.

15 MS. McNAMARA: Mr. Light.

16 MR. LIGHT: Yes.

17 CHAIRMAN CUNNINGHAM: Okay. Last matter
18 before the board today is something entitled a
19 motion for reconsideration. So at a previous
20 meeting, Mr. Feld, I don't think there's a need to
21 speak. At a previous meeting, I actually recused
22 myself as chairman. The board heard an appeal of
23 a director's decision, did not acquiesce with the
24 petitioner, they agreed with the director.

25 We have in front of us a motion for

1 reconsideration. And I also note that this motion
2 asked that I, in my capacity as chairman, continue
3 to -- or not recuse myself and actually
4 participate in conversations. I took the
5 deliberate step of not participating, both upon
6 advice of counsel and my own personal judgment,
7 that I thought my participation would impact or
8 could impact this decision.

9 But I do believe that the board has
10 heard this. I don't know that a motion asking us
11 to change our mind is something that's going to be
12 considered at this time. But I want to defer to
13 Mr. Light, in fact, you served as chairman over
14 this matter. I'll ask you do we want to have a
15 conversation? I will not participate, is there a
16 need to have a further dialogue about it?

17 MR. LIGHT: As far as I can see, I don't
18 see anything new that could be provided to us, any
19 information that would change the situation,
20 particularly if it's a motion to reconsider an
21 action we've already taken. So I would make a
22 motion that we deny the request for
23 reconsideration.

24 CHAIRMAN CUNNINGHAM: So we have that
25 motion on the table.

1 MR. BLEE: Second.

2 CHAIRMAN CUNNINGHAM: I can't vote on
3 it. So I would ask Pat to take the roll call.

4 MS. McNAMARA: Mr. Avery.

5 MR. AVERY: Yes.

6 MS. McNAMARA: Ms. Rodriguez.

7 MS. RODRIGUEZ: Yes.

8 MS. McNAMARA: Mr. Blee.

9 MR. BLEE: Yes.

10 MS. McNAMARA: Mr. Light.

11 MR. LIGHT: Yes.

12 MR. FELD: Can I just, as soon as
13 possible, have a formal document because I need to
14 have appeal --

15 CHAIRMAN CUNNINGHAM: I understand you
16 have to take.

17 MR. FELD: Because there's things that
18 happened. I think I need to put something on the
19 record here, as to due process. There are things
20 that are said in the resolution that you adopted
21 that you considered materials -- because you're
22 now sitting in a quasi-judicial position --
23 materials that you considered were not presented
24 to me. So we'll have an issue with the appellate
25 division whether my rights under the due process

1 clause of the United States Constitution and the
2 State Constitution were violated. You got memos
3 from staff that were not shared with me. I just
4 want to make sure that everyone understands we're
5 going up. And I would, as soon as possible --

6 CHAIRMAN CUNNINGHAM: We will get that
7 to you and allow you to use that build your
8 record.

9 MR. FELD: I just want to make sure that
10 the record is clear that I was really not provided
11 an opportunity to tell you, but these are the
12 issues I need to get brought because materials
13 were provided to me through OPRA, probably an OPRA
14 complaint was filed, that documents are given to
15 you, in a quasi-judicial, why are they put in
16 under legislative-administrative exemptions.
17 That's going to be issues that we're going to be
18 getting, we should be working together rather than
19 fighting each other.

20 CHAIRMAN CUNNINGHAM: Thank you.

21 MR. FELD: Thank you. Have a good
22 afternoon.

23 CHAIRMAN CUNNINGHAM: Seeing no further
24 business in front of the board, I'll make a motion
25 to adjourn.

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MS. RODRIGUEZ: Second.
MS. McNAMARA: All in favor?

(Whereupon the matter was concluded.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing is a true and accurate transcript of the testimony and proceedings as taken stenographically by me at the time, place, and on the date hereinbefore set forth.

C:\TINYTRAN\Susan Bischoff.bmp

SUSAN BISCHOFF, CCR, RPR
LICENSE NO. 30XI00233700

Dated: October 28, 2015

