

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS

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LOCAL FINANCE BOARD

TRANSCRIPT OF PROCEEDINGS, taken by and before
STEFANIE TOWNS, a Notary Public, Certified Court
Reporter of the State of New Jersey, taken at the
offices of DEPARTMENT OF COMMUNITY AFFAIRS, 101 South
Broad Street, Trenton, New Jersey, on Wednesday,
February 10th, 2016, commencing at 10:50 a.m.

1 A P P E A R A N C E S

2

3 ALAN AVERY

4 FRANCIS BLEE

5 EMMA SABY, Deputy Executive Secretary

6 PATRICIA PARKIN MCNAMARA, Executive Secretary

7 TIMOTHY CUNNINGHAM, Chairman

8 DEPUTY ATTORNEY GENERAL

9 IDIDA RODRIGUEZ

10 TED LIGHT

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1 CHAIRMAN CUNNINGHAM: Good morning.
2 We're going to start the finance portion of the
3 agenda today. I think that I really blew my record
4 for starting these meetings on time or close to on
5 time, so I do apologize to those who have come a
6 distance. We just had a longer ethics agenda
7 upstairs than we anticipated so we'll try to get into
8 -- into the meeting and dispatch of some matters
9 quickly, and I know we have some more complicated
10 matters before us. So we're going to just postpone
11 the discussion of Weehawken Township and we'll do
12 that a little bit later in the agenda. So that would
13 mean that the first matter listed on the agenda is
14 the City of Egg Harbor City. And the City of Egg
15 Harbor City, because it was a USDA financing and in
16 no way controversial and a good program for the City,
17 we've actually waived that appearance today. The
18 only thing that they would request from the board is
19 a nonconforming maturity schedule to adhere to USDA
20 program parameters. So we will with the support of
21 my colleagues, we would vote on that one as I've said
22 we waived the appearance. So the City of Egg Harbor,
23 I'll make a motion to approve the non proposed non
24 conforming maturity schedule and I would ask for a
25 second.

1 MS. Rodriguez: Second.

2 MR. CUNNINGHAM: Thank you very much,
3 Ms. Rodriguez and, Pat, roll call, please.

4 MS. MCNAMARA: Mr. Cunningham?

5 MR. CUNNINGHAM: Yes.

6 MS. MCNAMARA: Mr. Avery?

7 MR. AVERY: Yes.

8 MS. MCNAMARA: Ms. Rodriguez?

9 MS. RODRIGUEZ: Yes.

10 MS. MCNAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS. MCNAMARA: Mr. Light?

13 MR. LIGHT: Yes.

14 CHAIRMAN CUNNINGHAM: Okay, thank you.

15 So the first appearance required today would be the
16 City of Camden. Good morning, Glynn.

17 MR. JONES: Good morning.

18 CHAIRMAN CUNNINGHAM: Would you kindly
19 introduce yourself to the reporter and those that
20 aren't counsel will be sworn in.

21 MR. JONES: Yes, I'm Glynn Jones,
22 g-l-y-n-n. I'm director of financing for the City of
23 Camden.

24 MR. CORN: I'm Jared Corn from Bowman &
25 Company, auditor to the City of Camden.

1 (Whereupon the Witnesses are Sworn in.)

2 CHAIRMAN CUNNINGHAM: Okay. Good
3 morning.

4 MR. JONES: Good morning.

5 CHAIRMAN CUNNINGHAM: Glynn, I know
6 you're here for a cat waiver, and I would ask would
7 you mind just kind of introducing your application to
8 the Board --

9 MR. JONES: Yes.

10 CHAIRMAN CUNNINGHAM: -- Explaining the
11 -- a reason behind it.

12 MR. JONES: Yes, sir, thank you. Good
13 morning Board. As you know we have a lot of
14 development down in the City of Camden and that
15 causes us to incur a lot more expenses that we
16 thought we would be ready for. We've got some new
17 lighting that we have to pay for, streetlighting in
18 the development areas. There's some -- what we have,
19 the tax map. We're upgrading the tax map so the City
20 is properly surveyed for the city development. So we
21 had some upfront expenses that we didn't anticipate.

22 CHAIRMAN CUNNINGHAM: Okay. So I just
23 wanted to -- I guess maybe read into the record and
24 just advise my colleagues on the Board that this
25 application was reviewed by Tina Zapicchi, who is the

1 assistant division director and the expert on budget
2 related matters. So the proposed CAP waiver being
3 asked for is \$5,045,171 and as you said, you know,
4 it's for increased utility cost and some -- some tax
5 upgrades. And I just also wanted to mention that the
6 city's levy's increased to 2.9% which is consistent
7 with the mere statute under which the city is under
8 that local supervision. I guess, Glynn, the only
9 thing I wanted to discuss or kind of make sure we
10 address is going forward a COLA ordinance making sure
11 we kind of get that done to prevent like CAP waivers
12 in the future.

13 MR. JONES: Yes, sir.

14 CHAIRMAN CUNNINGHAM: And I just want
15 to make sure that's acknowledged.

16 MR. JONES: That is understood.

17 CHAIRMAN CUNNINGHAM: Okay.

18 MR. JONES: Yes, sir.

19 CHAIRMAN CUNNINGHAM: Thank you very
20 much. Do any of the board members have questions for
21 the City or the City's auditor? Okay, so hearing
22 none and knowing that staff has thoroughly reviewed
23 this application, I would make a motion to approve
24 the City of Camden's CAP waiver in the amount of
25 \$5,045,171.

1 MR. BLEE: Second.

2 CHAIRMAN CUNNINGHAM: Second Mr. Blee.

3 Roll call please.

4 MS. MCNAMARA: Mr. Cunningham?

5 MR. CUNNINGHAM: Yes.

6 MS. MCNAMARA: Mr. Avery?

7 MR. AVERY: Yes.

8 MS. MCNAMARA: Ms. Rodriguez?

9 MS. RODRIGUEZ: Yes.

10 MS. MCNAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS. MCNAMARA: Mr. Light?

13 MR. LIGHT: Yes.

14 CHAIRMAN CUNNINGHAM: Thank you very

15 much.

16 MR. JONES: Thank you.

17 CHAIRMAN CUNNINGHAM: Board will now
18 hear City of Bayonne. Good morning gentlemen. Would
19 you please introduce yourself and those that aren't
20 counsel, be sworn in.

21 MR. CANTALUPO: Okay. John Cantalupo,
22 c-a-n-t-a-l-u-p-o, bond attorney to the City.

23 MR. MALLOY: Terrence Malloy, CFO for
24 City of Bayonne.

25 MR. HANLEY: Mike Hanley, NW Financial

1 Group.

2 (Whereupon the Witnesses are sworn in)

3 CHAIRMAN CUNNINGHAM: So gentlemen,
4 you're here for a refunding for savings today?

5 MR. CANTALUPO: Yes, sir.

6 CHAIRMAN CUNNINGHAM: And I was hoping
7 that one of you could introduce the application on
8 behalf of your client.

9 MR. CANTALUPO: Sure, absolutely.
10 Thank you. John Cantalupo from Archer & Greiner,
11 bond counsel for the City of Bayonne. Today we're
12 here to issue \$80,000,000 in qualified general
13 improvement and school bonds not to exceed amount
14 being issued to advance or funds 64,000,000 of 2009
15 qualified bonds and 3.6 million school bonds from
16 2004. The savings structure is currently -- present
17 value savings of \$3,239,000 or 4.77% on a present
18 value basis. The bonds will not be issued beyond the
19 original maturity of the bonds. The savings are
20 relatively level except for 2033. And the reason why
21 we had to make an adjustment for 2033 is that there
22 was not enough qualified revenues in that year to
23 cover the debt service, so we fixed that plan -- that
24 problem for the City in 2033 and put a little more
25 savings in there. The bonds will be issued on a

1 negotiated basis. We are asking you to approve the
2 issuance of the bonds and endorse your consent upon
3 the -- from the bond ordinance and improve the
4 general improvement which on the bonds issued as
5 qualified bonds under the municipal qualified bond
6 back.

7 CHAIRMAN CUNNINGHAM: Thank you
8 counselor. So listen, it's -- I think my initial
9 reaction to the application was, because it's a
10 relatively big money operation the savings are
11 significant and certainly it's in the City's best
12 interest to proceed. The only thing that was a
13 little confusing was the maturity schedule. It
14 seemed to be kind of set up in an odd way maybe at
15 the beginning and now the refunding kind of follows
16 that a little bit. Mike, maybe you can just help me
17 understand a little bit.

18 MR. HANLEY: Yeah, it's a -- one of the
19 deals being refunding was set up to wrap around debt
20 service, and as you know we do cash accounting so
21 when it switched from a calendar year -- from a
22 fiscal year to a calendar year it created a spike in
23 that year rather than wrapping around. So, you know,
24 the credit agency is required coverage for the
25 qualified bond revenues and it made that one year a

1 problem. So by adjusting the debt service in that
2 year, it fixes that wrap around problem that was
3 caused by changing the way the town's fiscal year was
4 calculated.

5 CHAIRMAN CUNNINGHAM: Yeah. 2014 and
6 2015 audits?

7 MR. HANLEY: 2014 audit is literally
8 being printed and sent out today.

9 CHAIRMAN CUNNINGHAM: Okay. And '15?

10 MR. HANLEY: 2015 audit has been work
11 has been awarded contractually and we are expecting
12 that to begin very shortly.

13 CHAIRMAN CUNNINGHAM: Any questions
14 from the Board? As I said, you know, it's a
15 relatively big money application. Savings are
16 significant. And 4.77%, the aggregate, you know, I
17 think we support the application. I would ask for a
18 motion or second from --

19 MS. RODRIGUEZ: Make a motion.

20 MR. BLEE: Second.

21 CHAIRMAN CUNNINGHAM: Ms. Rodriguez
22 makes the motion and Mr. Blee Seconds. I hear.
23 Thank you. Roll call please.

24 MS. MCNAMARA: Mr. Cunningham?

25 MR. CUNNINGHAM: Yes.

1 MS. MCNAMARA: Mr. Avery?

2 MR. AVERY: Yes.

3 MS. MCNAMARA: Ms. Rodriguez?

4 MS. RODRIGUEZ: Yes.

5 MS. MCNAMARA: Mr. Blee?

6 MR. BLEE: Yes.

7 MS. MCNAMARA: Mr. Light?

8 MR. LIGHT: Yes.

9 CHAIRMAN CUNNINGHAM: Thank you very
10 much. John, you're staying up for Asbury Park?

11 MR. CANTALUPO: Asbury Park, yes.

12 CHAIRMAN CUNNINGHAM: You're by
13 yourself?

14 MR. CANTALUPO: By myself. Rick is
15 getting surgery.

16 CHAIRMAN CUNNINGHAM: Okay. So, again,
17 already being introduced to the reporter. I guess we
18 can dive right into the application. So, John, do
19 you want to introduce the City of Asbury Park's
20 application to the board?

21 MR. CANTALUPO: Yes, sir, thank you.
22 John Cantalupo, from Archer & Greiner bond counsel
23 for the City of Asbury Park. This project has to do
24 with a foot bridge over Sunset Lake in -- in Asbury
25 Park that was damaged during Hurricane Sandy, Super

1 Storm Sandy. The surge came over and -- and damaged
2 the bridge. Initially 2012 they passed emergency
3 appropriations to -- to fund the bridge. When -- and
4 they subsequently adopted a bond ordinance that
5 pursuant to local finance notice 2012, 29 they were
6 permitted to have a down payment waiver on that bond
7 ordinance. Once they did the further work and took
8 the engineering work into the construction of what
9 needed to be done, they discovered that the bulk head
10 and the substructure of the bridge needed to be
11 repaired further, that they didn't realize when they
12 were just dealing with the storm in 2012 and '13. So
13 that caused an increase in the cost of the repair
14 of the foot bridge. FEMA is going to reimburse this
15 project for somewhere between 75 and 90%. Pretty
16 much all the paperwork is in. The only paperwork
17 that I believe that is not in is once this bond
18 ordinance passes, they can put in additional
19 paperwork for the new appropriation, which would be
20 made by this bond ordinance, but everything else is
21 on board and FEMA is on board with the project and
22 the size and the scope of it, from what Ricky has
23 told me. The tax impact for this bond issuance would
24 be \$8.96 on the average tax bill of \$5002.

25 CHAIRMAN CUNNINGHAM: And the

1 requesting of waiver of down payment because the
2 project is ultimately will be reimbursed through --

3 MR. CANTALUPO: Yes, through FEMA.

4 CHAIRMAN CUNNINGHAM: FEMA of 75 to
5 90%.

6 MR. CANTALUPO: Yes. We're thinking 90
7 but to be conservative I guess the minimum they would
8 get would be 75.

9 CHAIRMAN CUNNINGHAM: It should be 90
10 if it's --

11 MR. CANTALUPO: Yes, it is Hurricane
12 Sandy. But Ricky keeps saying to me, you know, he's
13 saying it to me, that it's going to be 90% but, you
14 know, they said that the minimal --

15 CHAIRMAN CUNNINGHAM: Principal of
16 conservatism.

17 MR. CANTALUPO: Exactly. Yes.

18 CHAIRMAN CUNNINGHAM: And just for the
19 Board's benefit, for those that don't remember the
20 existing application, you know, the bond ordinance
21 was original \$450,000 and it jumped by 550 so it was
22 a significant -- I guess additional scope of work --

23 MR. CANTALUPO: Yes.

24 CHAIRMAN CUNNINGHAM: -- for this foot
25 bridge. And, John, the other thing that I note in

1 the application is that, and maybe you said this, if
2 you did, I apologize, but the City is expecting to do
3 this competitive sale but you are still potentially
4 thinking about going through the --

5 MR. CANTALUPO: Monmouth Improvement
6 Authority, Yeah. Absolutely. That's where they
7 usually go when they do their thing. If not, it
8 would be just normal competitive sale. Most Monmouth
9 towns go through the improvement authority, they have
10 a AAA rating and the convenience of it.

11 CHAIRMAN CUNNINGHAM: Did we ever get
12 the supplemental questionnaire on this? I guess we
13 got the supplemental questionnaire but apparently I
14 didn't read it. Hopefully, it did come in late, in
15 my defense. I didn't have time to read and schooled
16 about. But I also just want the record to reflect
17 that the City of Asbury Park is a transitional town
18 so therefore it's under the terms of memorandum of
19 understanding oversight by the division and we did
20 ask the City's transitional aid monitor to review the
21 application and again, because this is basically a
22 FEMA project, there was no objections from the --
23 from the monitor. Any questions from the board
24 members? Then I would ask for a motion and a second.

25 MR. BLEE: I will.

1 MR. LIGHT: Second.

2 CHAIRMAN CUNNINGHAM: We'll say I think
3 I hear Mr. Blee motion and Mr. light second. How is
4 that? And I guess, Pat, let's do a roll call then.

5 MS. MCNAMARA: Mr. Cunningham?

6 MR. CUNNINGHAM: Yes.

7 MS. MCNAMARA: Mr. Avery?

8 MR. AVERY: Yes.

9 MS. MCNAMARA: Ms. Rodriguez?

10 MS. RODRIGUEZ: Yes.

11 MS. MCNAMARA: Mr. Blee?

12 MR. BLEE: Yes.

13 MS. MCNAMARA: Mr. Light?

14 MR. LIGHT: Yes.

15 MR. CANTALUPO: Okay. Thank you all
16 very much.

17 CHAIRMAN CUNNINGHAM: Thanks, John.
18 City of Paterson. Good morning, Mr. Mayer. How are
19 you?

20 MR. MAYER: Good morning. Good. Thank
21 you.

22 CHAIRMAN CUNNINGHAM: Would you kindly
23 introduce yourself and be sworn in.

24 MR. MAYER: Good morning, Bill Mayer,
25 with DeCotis, Fitzpatrick & Cole. Mr. TenHoeve, Mr.

1 Tompkins, and Mr. Grossman need to be sworn in.

2 (Whereupon the Witnesses are sworn in)

3 CHAIRMAN CUNNINGHAM: So this is an
4 application to install a piece of stain glass work
5 honoring a former mayor of the City or did I read the
6 application wrong?

7 MR. MAYER: I don't think I wrote that.

8 CHAIRMAN CUNNINGHAM: Okay. I get so
9 many and I see so many things in the paper that
10 causes me to raise an eyebrow.

11 MS. RODRIGUEZ: Those are private
12 dollars.

13 CHAIRMAN CUNNINGHAM: Is it? Then
14 we'll move to this application. So, Bill, did you
15 want to introduce the application, please?

16 MR. MAYER: As we've sort of eluded to
17 Mr. TenHoeve is the director of finance, Mr. Tompkins
18 is the auditor, and Mr. Grossman is the financial
19 advisor for the City of Paterson. This is an
20 application for \$1,630,000 tax appeal refunding.
21 It's really refunding of a temporary emergency for
22 tax appeals. We're also asking that that \$1,630,000
23 refunding ordinance be qualified on the municipal
24 qualified bond back. And we're also asking that a
25 million one ordinance for armory restoration costs

1 after the fire be qualified on the municipal
2 qualified bond act. We have had some experiences
3 with the City where it's been helpful for us to have
4 the bond ordinances qualify and that's why we are
5 asking for this at this time.

6 CHAIRMAN CUNNINGHAM: All right. Thank
7 you. Taking them, I guess in reverse order, if you
8 could, so the tax appeal settlement one question that
9 we had on it is, I guess there was some question that
10 of the total that was being done, I understand
11 they're mostly the hospital pieces, but has the
12 governing body adopted all of the necessary appeal
13 authorizations?

14 MR. TENHOEVE: I believe so, yes.

15 CHAIRMAN CUNNINGHAM: Because there was
16 \$210,000 that we were unsure about.

17 MR. TENHOEVE: I believe they're on
18 last tonight's consent agenda.

19 CHAIRMAN CUNNINGHAM: Okay. And we
20 should just check but, you know, maybe if you have a
21 chance you can just shoot us an e-mail and let us
22 know.

23 MR. TENHOEVE: Sure.

24 CHAIRMAN CUNNINGHAM: Okay. So that
25 was the one question that we had from the tax appeal

1 settlements. So basically the City's asking to
2 refund the amount over three years and, Bill, you
3 might have said this, or maybe I kind of just --

4 MR. MAYER: No, I should have.

5 CHAIRMAN CUNNINGHAM: -- got there yet.
6 But it was three years and the impact on the average
7 assessed home is \$34.

8 MR. MAYER: That is correct. That is
9 the ask.

10 CHAIRMAN CUNNINGHAM: On behalf of, you
11 know, my other role as the director of the division,
12 we are very cognizant of the tax increases that the
13 City of Paterson residents and the City of Paterson
14 have faced, so, you know, on behalf of myself in that
15 roll and the transitional aid monitors assigned to
16 the City, I think it is wise to spread this out and
17 try to mitigate as much of the -- of the pain on the
18 taxpayers as possible, so, you know, I do think that
19 the three year \$34 is prudent. And then moving to
20 the -- to the armory, read those articles in the
21 paper and I understand it was a pretty significant
22 fire. I kind of lost track of what happened. I know
23 that we approved rewarding of an emergency demo
24 contract but I guess that contract didn't include the
25 debris removal is that generally what happened, Jim?

1 MR. TENHOEVE: Originally the contract
2 included just mowing the armory down, taking it away.
3 That would have included the boiler in the basement
4 which is asbestos problem. When that -- that
5 contract hit the newspaper, there was a pretty large
6 appeal to save the facade of the armory and use that
7 as part of the reconstruction. That changed that
8 contract to a selective demolition, a little more
9 expensive.

10 CHAIRMAN CUNNINGHAM: Do you know how
11 much more expensive?

12 MR. TENHOEVE: It was about a 165,000
13 more expensive but it did not take away the boiler.
14 The boiler was left so the -- there was an add back
15 of about 180,000 for the boiler removal. In that
16 also is some architectural expenses to see how
17 something can be built into that facade. The facade
18 had to be supported and protected the whole time that
19 this planning was going on, and then there's
20 permitting, and disposal, and things like that. That
21 all total up to the million one.

22 CHAIRMAN CUNNINGHAM: And then I guess
23 my concern is that the City spent a considerable --
24 considerably more money, you know, than the six
25 figures, not just tearing down and removing and can

1 you just help me understand what the impetus of that
2 was.

3 MR. TENHOEVE: It was the historical
4 significance of the facade of the armory. There was
5 an outcry to save it and reconstruct with that facade
6 standing and build around that facade.

7 CHAIRMAN CUNNINGHAM: And who would do
8 that reconstruction?

9 MR. TENHOEVE: It would be bid
10 eventually.

11 CHAIRMAN CUNNINGHAM: For what purpose?

12 MR. TENHOEVE: For offices,
13 predominantly. A portion of the building is not
14 being knocked down, which is already offices. It was
15 not affected that greatly by the fire so it's
16 savable. So it would be offices and the architect is
17 -- I don't know the plans for the rest but the
18 architect was hired to give some ideas for that. I
19 think, you know, the discussion was some type of a
20 community center, a recreation facility for that area
21 of the facility.

22 CHAIRMAN CUNNINGHAM: Noble goals but
23 the City's ratable base is plummeted and I know that
24 the budget situation, I know you're meeting with the
25 team on the budget today. I worry when significant

1 money is spent and I don't want to deprive the City
2 of architectural significant structures, but, you
3 know, the City just doesn't have enough money. And
4 the tax increases on the residents has been
5 extraordinary. And then now to be left with a facade
6 that somehow has to be financed and bid out for some
7 unspecified purpose, I do question somewhat that
8 decision making but I do also acknowledge that we,
9 like Asbury Park, have a transitional monitor on
10 staff, and it's not like we weren't consulted
11 somewhere along the way, so I don't want to plead
12 ignorance to that, but concerning to me. But at the
13 same time I think that the work was done. So maybe
14 to Neil or to Bill, what are the thoughts, and I know
15 I heard what you said about doing a request for the
16 note, how comfortable are you that given the City's
17 recent experience in the markets and their declining
18 tax base, how comfortable are you that this deal can
19 ultimately get to the market? Or may not get to the
20 market but actually find a buyer.

21 MR. GROSSMAN: There are two avenues
22 that we're likely to pursue for this. One is a
23 private sale, which the City did last June to other
24 municipal purchases, given the size, this is the size
25 of the work for one or more such buyers. The other

1 alternative, which we had previously discussed with
2 the County and had a very successful bond issue
3 through the county, would be if we can't get a
4 municipal buyer, a good rate would be to work with
5 the county again to get the notes placed.

6 CHAIRMAN CUNNINGHAM: Have you started
7 any of those conversation with the -- about the
8 willingness to kind of go that route again?

9 MR. GROSSMAN: We had conversations
10 with them late last year in conjunction with the bond
11 issue where we discussed there are future notes
12 dealing with -- that may be involved as well and they
13 were, very amenable.

14 MR. TENHOEVE: We discussed this
15 yesterday about this specific --

16 CHAIRMAN CUNNINGHAM: Okay. Good.
17 Glad to hear that. Thank you. Any questions from
18 the board?

19 MR. LIGHT: No.

20 CHAIRMAN CUNNINGHAM: No? You know,
21 sometimes decisions get made and you know, may not
22 have been the decisions I would have supported but,
23 you know, we all do our best and we work
24 collaborative with the City and we do have a good
25 relationship with the City, so at any rate, you know,

1 division is involved in the day-to-day administration
2 of the City, so I will -- I will just leave my
3 comments at that. Little disappointed in the cost of
4 the armory demolition but that won't stop me for
5 asking for a motion and a second from colleagues,
6 from two of my colleagues. Anybody want to make the
7 motion?

8 MR. AVERY: I'll move it, Mr. Chairman.

9 MR. BLEE: Second.

10 CHAIRMAN CUNNINGHAM: Let's TAKE roll
11 call.

12 MS. MCNAMARA: Mr. Cunningham?

13 MR. CUNNINGHAM: Yes.

14 MS. MCNAMARA: Mr. Avery?

15 MR. AVERY: Yes.

16 MS. MCNAMARA: Ms. Rodriguez?

17 MS. RODRIGUEZ: I'm going to abstain
18 from this one.

19 MS. MCNAMARA: Mr. Blee?

20 MR. BLEE: Yes.

21 MS. MCNAMARA: Mr. Light?

22 MR. LIGHT: Yes.

23 CHAIRMAN CUNNINGHAM: Thank you,
24 gentlemen. Staying in Passaic County, we will move
25 to the Improvement Authority. Good morning, would

1 you kindly introduce or re-introduce, Mike, in your
2 case, and those that aren't counsel be sworn.

3 MR. JOHNSON: Sure. Good morning. My
4 name is Everett Johnson shareholder with Wilentz,
5 Goldman & Spitzer. I have with me today, to my
6 right, Nicole Fox, Executive Director of the Passaic
7 County Improvement Authority and to her right Michael
8 Hanley, financial advisor, from NW Financial Group.

9 (Whereupon the Witnesses are Sworn)

10 MR. JOHNSON: This morning --

11 CHAIRMAN CUNNINGHAM: Go ahead, please.

12 MR. JOHNSON: This morning the PCI is
13 requesting the positive review and positive findings
14 of the Board regarding its proposed 15,000,000 county
15 guaranteed, Passaic Improvement Authority capital
16 lease equipment program. And also the full faith and
17 credit guarantee of the county related to payment of
18 lease purchase obligations under the program. For
19 background purposes, this program is a renewal of
20 existing program the PCI has -- had I guess for about
21 five or six years. The way it works is PCIA solicits
22 proposals from leasing companies. Once the leasing
23 company is selected, they enter into a mass lease
24 agreement, which kind of serves similar to a line of
25 credit where you have availability up to the amount

1 of the maximum lease agreement currently seeking to
2 be 15 million dollars where participants which
3 include school districts, municipalities, the county
4 itself, authorities can apply to the PCIA throughout
5 the year to lease equipment through the program. The
6 participants will have to include the application,
7 adopt a resolution. Those items are then sent to the
8 director along with the list of the items to be
9 leased for the director's approval. Once they are
10 approved the participants enter into a sublease
11 agreement with the PCIA and payments are made
12 directly to the leasing company. And those payments
13 are also guaranteed by the county so we are basically
14 seeking renewal of that program.

15 CHAIRMAN CUNNINGHAM: Would you --
16 first of all, I do appreciate you reaching out to
17 myself and staff to discuss the PCIA issue. I think
18 it's a significant topic to be discussed so I would
19 ask you just to kind of apprise the board on the fee
20 amount and the fee structure as we had kind of
21 discussed.

22 MR. JOHNSON: So we had a conversation
23 with the director, I guess a couple of weeks ago now,
24 where the PCIA historically charges a 1% fee
25 participants who are applying to the program. And

1 our discussion was related to the fact that most of
2 our loans are very, you know, small, 250,000 \$300,000
3 1000 and that 1%, you know, those fees are not
4 generating a lot of revenue to the PCIA but are
5 necessary for the PCIA to underwrite it's costs and
6 setting up the program, and running the program. And
7 I know that all issue that year by the Board with
8 regards to having approvals for fees that are above
9 .125% that in this instance the 1% fee is pretty
10 minimal in most cases with regards to most of our
11 leases. In any event, I spoke to deputy director
12 this morning about it. We had -- credit lease
13 program for ten million dollars.

14 MS. FOX: Right.

15 MR. JOHNSON: In that instance 1% fee
16 was negotiated down and minimal for doing that. But
17 for the most part we have 200,000 applications and
18 \$300,000 applications 1% is very minimal. .125 is
19 almost minuscule. And so that's why we were
20 proposing to maintain our 1% financing fee to all the
21 applicants.

22 CHAIRMAN CUNNINGHAM: Statutorily,
23 though we require 2/3 of the board.

24 MR. JOHNSON: We understand that.

25 CHAIRMAN CUNNINGHAM: I just want to

1 acknowledge both for the record and for my
2 colleagues. Division received the fee questionnaires
3 from the Improvement authorities and were continuing
4 to analyze them. And some of them were submitted in
5 better forms than others and we're asking for
6 additional information from some people and trying to
7 evaluate them because they're really much less
8 standard than we had thought. I am worried, though,
9 that the Passaic though has the highest fees on this
10 time of transaction, but what I don't want to do is
11 -- I do understand the point that counsels made that
12 some of these are relatively small finances, and
13 certain participants that, you know, want to use the
14 program to it's an advantage to them to use the
15 program, and it's still not much money for them to
16 use the program, so I know that, you know, you've
17 worked hard to kind of bring them into the financing
18 structure. So, again, you know, we're going to
19 continue to work on the fees and I know eventually
20 some of this stuff may evolve a little bit, but it's
21 not just the 1% it's also you assign a portion of the
22 professional costs to each of the applicants, Right?

23 MR. JOHNSON: Correct.

24 CHAIRMAN CUNNINGHAM: I'm correct
25 that's \$800, as I recall?

1 MR. JOHNSON: Correct.

2 CHAIRMAN CUNNINGHAM: Just give me one
3 second. The County guarantee ordinance, it wasn't
4 certified as introduced, is that making progress on
5 that?

6 MS. FOX: It's been introduced.

7 CHAIRMAN CUNNINGHAM: It has been
8 introduced?

9 MS. FOX: It was introduced January
10 26th on Tuesday.

11 CHAIRMAN CUNNINGHAM: Okay. So any
12 questions from the Board? I'll ask for a motion and
13 second.

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

15 MR. BLEE: Second.

16 CHAIRMAN CUNNINGHAM: Mr. Light moves
17 and Mr. Blee seconds. Roll call, please.

18 MS. MCNAMARA: Mr. Cunningham?

19 MR. CUNNINGHAM: Yes.

20 MS. MCNAMARA: Mr. Avery?

21 MR. AVERY: Yes.

22 MS. MCNAMARA: Ms. Rodriguez?

23 MS. RODRIGUEZ: Yes.

24 MS. MCNAMARA: Mr. Blee?

25 MR. BLEE: Yes.

1 MS. MCNAMARA: Mr. Light?

2 MR. LIGHT: Yes.

3 MR. JOHNSON: Thanks very much.

4 CHAIRMAN CUNNINGHAM: Participants,
5 thank you. Essex.

6 MS. EDWARDS: Essex. Good morning.
7 I'll introduce everyone. Jennifer Edwards, Acacia
8 Financial Group, financial advisor to the Essex
9 County Improvement Authority. We have Mark Acker,
10 treasurer of the County of Essex; John Stolly, bond
11 counsel to the ECIA, Steve Roth our executive
12 director of the ECIA.

13 CHAIRMAN CUNNINGHAM: Thank you. Those
14 that are not counsel would you kindly be sworn.

15 (Whereupon the Witnesses are sworn)

16 MS. EDWARDS: Good morning. We're here
17 to get approval of not to exceed \$8,250,000 in
18 project consolidation revenue refunding bonds. The
19 refunding will refinance all or a portion of the
20 outstanding 2005 project consolidation bonds. The
21 estimated savings is in excess of 10% present value.
22 We're refunding the maturities that are all or a
23 portion of the maturities that mature in 2016 through
24 2027 and the savings will be structured as
25 approximately level over the life of the issue.

1 CHAIRMAN CUNNINGHAM: So we're looking
2 at some fairly significant -- actually double digit
3 savings in the aggregate, right?

4 MS. EDWARDS: Yes. In it's in excess
5 of \$70,000 a year in the refunding, budgetary
6 savings. The leases are paid directly by the county
7 and then the further guaranteed by the county.

8 CHAIRMAN CUNNINGHAM: So the
9 application is really straightforward. The only area
10 where it got a little complicated for us, and we
11 should talk a little bit about, is with respect to
12 the improvement part of the financing fee. And it's
13 listed in the application I guess at 9,325, but we
14 have a finance fee that is kind of gone on a per bond
15 basis but there's also underwriter's discount in
16 there as well, right? And, Jen, I don't know that
17 that was listed in the cost of issuance?

18 MS. EDWARDS: The cost of issuance do
19 not have underwriter listed because the Authority
20 plans on doing a competitive sale for the refunding.
21 And the financing fee was at the minimum cited in the
22 statute.

23 CHAIRMAN CUNNINGHAM: The statute,
24 right. So we didn't have the same issue.

25 MS. EDWARDS: Right.

1 CHAIRMAN CUNNINGHAM: Okay. And the
2 county guarantee was already --

3 MS. EDWARDS: Yes, everything was
4 introduced and submitted.

5 CHAIRMAN CUNNINGHAM: Any questions
6 from the Board?

7 MR. LIGHT: I move the application
8 being approved.

9 MS. RODRIGUEZ: Second.

10 CHAIRMAN CUNNINGHAM: Okay, Mr. Light
11 moves and Ms. Rodriguez seconds. Roll call, please.

12 MS. MCNAMARA: Mr. Cunningham?

13 MR. CUNNINGHAM: Yes.

14 MS. MCNAMARA: Mr. Avery?

15 MR. AVERY: Yes.

16 MS. MCNAMARA: Ms. Rodriguez?

17 MS. RODRIGUEZ: Yes.

18 MS. MCNAMARA: Mr. Blee?

19 MR. BLEE: Yes.

20 MS. MCNAMARA: Mr. Light?

21 MR. LIGHT: Yes.

22 CHAIRMAN CUNNINGHAM: Thanks very much.

23 MS. EDWARDS: Thank you.

24 CHAIRMAN CUNNINGHAM: Good seeing you.

25 MS. EDWARDS: Good seeing you.

1 CHAIRMAN CUNNINGHAM: Two Rivers Water
2 Reclamation Authority.

3 MR. LANGHART: Christopher Langhart.

4 CHAIRMAN CUNNINGHAM: Good morning
5 gentlemen.

6 MR. LANGHART: Good morning.

7 CHAIRMAN CUNNINGHAM: Would you just
8 introduce yourself and those that aren't counsel be
9 sworn.

10 MR. LANGHART: Yes. Chris Langhart
11 McManimon, Scotland, Baumann. To my left I have Jay
12 Darby, financial advisor and to my right, Mike
13 Gianforte, the executive director.

14 (Whereupon the Witnesses are sworn)

15 MR. LANGHART: We're here today for a
16 pretty straightforward financing. We're asking for
17 positive findings under local authority fiscal
18 control law for an amount not to exceed four and a
19 half million dollars to perform various upgrades to
20 the sewerage treatment plant. Relates to capital
21 improvements and relates to some of the equipment
22 used in the solids processing treatment. I'll be
23 happy to answer any questions you might have about
24 the application.

25 CHAIRMAN CUNNINGHAM: So I agree that

1 it's a straightforward financing there's really only
2 one question that we toy with the idea of maybe
3 moving this to consent and waiving the appearance,
4 but there's one thing that we want to ask and we
5 wanted to kind of do it in full membership of the
6 board. And just a question is, why this deal
7 wouldn't be going through the environmental
8 infrastructure trust, and if you can just explain
9 that to us.

10 MR. LANGHART: Yeah. The answer to
11 that question and I was actually going to give you a
12 call, Mr. Chairman, to just to let you know this
13 project was going to be paid for originally out of
14 cash on hand that the Authority had, but the
15 Authority had been involved in some litigation and
16 part of that settlement, that cash that was going to
17 be used to do this project, had to be diverted, and
18 we already kind of started the process with the
19 bidding, so we need to do the equipment. We need to
20 do the upgrades to the plant. We called the trust to
21 see if we could get into the project, but because
22 we're further along in the process than normal, we
23 couldn't qualify for their time line and their review
24 and such so there's some back and forth and
25 ultimately they told us we couldn't qualify for the

1 financing. So the timing is such that we -- we need
2 to get the money now and do the upgrades and that's
3 why we're going out to market.

4 CHAIRMAN CUNNINGHAM: Any questions?

5 MR. LIGHT: Where is this Two Rivers
6 plant?

7 MR. GIANFORTE: It's in Monmouth Beach.
8 We serve 12 towns in the area between the two rivers
9 of the Navesink and the Shrewsbury.

10 MR. LIGHT: Thank you.

11 CHAIRMAN CUNNINGHAM: Any other
12 questions?

13 MR. LIGHT: Move the application.

14 CHAIRMAN CUNNINGHAM: Mr. Light moves
15 the application.

16 MR. BLEE: Second.

17 CHAIRMAN CUNNINGHAM: Mr. Blee seconds.
18 Take roll call please.

19 MS. MCNAMARA: Mr. Cunningham?

20 MR. CUNNINGHAM: Yes.

21 MS. MCNAMARA: Mr. Avery?

22 MR. AVERY: Yes.

23 MS. MCNAMARA: Ms. Rodriguez?

24 MS. RODRIGUEZ: Yes.

25 MS. MCNAMARA: Mr. Blee?

1 MR. BLEE: Yes.

2 MS. MCNAMARA: Mr. Light?

3 MR. LIGHT: Yes.

4 CHAIRMAN CUNNINGHAM: So we're going
5 to, as I said, we're going to adjust the agenda
6 slightly and we'll hear from Weehawkin. So I would
7 ask that, you know, Mayor, you and your colleagues be
8 introduced and those that aren't counsel, be sworn
9 in.

10 MR. TURNER: I'm Richard Turner, Mayor
11 of Weehawkin.

12 MR. BARSA: Richard Barsa, finance
13 director.

14 MS. TOSCANO: Lisa Toscano, CFO.

15 MR. HANLEY: Mike Hanley, NW Financial.

16 (Whereupon the Witnesses are sworn)

17 CHAIRMAN CUNNINGHAM: Okay, Mr. Mayor,
18 do you want to start?

19 MR. TURNER: Thanks, Mr. Chairman. We
20 are here today seeking the Board's approval of a
21 refunding bond ordinance to repay taxpayer's appeals
22 in the amount not exceeding \$1,822,500 and we're
23 requesting a nine year maturity schedule to repay
24 that.

25 CHAIRMAN CUNNINGHAM: All right. So

1 just to be a little more specific, the nine year
2 maturity schedule would put the impact on the average
3 assessed home at \$54.59?

4 MR. TURNER: Yes.

5 CHAIRMAN CUNNINGHAM: And anything less
6 than that, I know that we've had runs of one, five
7 and seven years and would certainly be greater, and
8 with respect to the 54.59 the Board is -- typically
9 has been our practice, seeks to have the average
10 impact at \$50, give or take, so the 54.59 would fall
11 into that general policy. So at the time of the sale
12 you'll discuss whether you're going to be competitive
13 or negotiated, Mike?

14 MR. TURNER: Yeah.

15 CHAIRMAN CUNNINGHAM: You haven't
16 figured out what you're going to do?

17 MR. HANLEY: No, we'll probably be,
18 depending on the timing, try to match up with the VCA
19 program.

20 CHAIRMAN CUNNINGHAM: Okay. Thank you.

21 MR. TURNER: Again, this all goes away
22 in a short period of time because we have a major
23 building boom going on. This is as a result of the
24 recession. You know, and everything stopped for a
25 few years and now we have five or six buildings that

1 are going to be completed within the next two or
2 three years.

3 CHAIRMAN CUNNINGHAM: So, Mayor, don't
4 know whether Jason said it or not, but the number of
5 appeals here is six, right? So these are large
6 commercial appeals and these were stragglers that
7 were not discussed last time in front of --

8 MR. TURNER: Yeah, what happened is we
9 have multi-developers and some developers represent
10 other developers and their appeals got lost in the
11 process. Both from the developer's side and
12 unfortunately a lot of us started with the deceased
13 tax collector and --

14 CHAIRMAN CUNNINGHAM: So when you say
15 the issue goes away, this issue or you're generally
16 seeing kind of a -- the tax appeals in general in the
17 municipality, they're waning or not.

18 MR. BARSAS: I think -- I think this
19 basically cleans all up. A few minor ones, very few
20 appeals in the old families in the upland area. It's
21 mostly the water fund stuff, it was on a roll in '9
22 and '10 and then the recession hit and then they
23 stopped and then they appealed.

24 CHAIRMAN CUNNINGHAM: So maybe I made a
25 wrong assumption, are these residential or are they

1 commercial?

2 MR. TURNER: Residential. It's about
3 half apartments and half for sale. And the for sale
4 we don't do a pileage of tax abatements on the sale.
5 So when -- when the economy hit, boom, everybody
6 filed an appeal. We just since -- we just added
7 64,000,000 on ratables on this year alone. So the
8 building are back on line, the developments underway,
9 we have several buildings, like I said, we'll have
10 five buildings come on in line next two, two and a
11 half years.

12 CHAIRMAN CUNNINGHAM: Are they
13 residential as well?

14 MR. TURNER: Residential and two
15 hotels.

16 CHAIRMAN CUNNINGHAM: Oh, okay. No
17 kidding.

18 MR. TURNER: Very expensive. Look at
19 New Jersey.com and you'll see how the average
20 property tax in Weehawkin has gone -- is one of the
21 highest in the state because of the waterfront
22 development, which is -- which is finally -- the
23 building boom is astronomical. I think in 2014 we
24 were the second highest building permits in the
25 State. Jersey City being the first.

1 CHAIRMAN CUNNINGHAM: Actually
2 surprised me because I actually thought some of the
3 Sandy towns would have been higher just because of
4 the amount of work that was being done to rebuild.
5 But I think you guys have such density up there that.

6 MR. TURNER: Well, we have the overflow
7 from Manhattan. You know, if something like
8 \$2,000,000 in Weehawken it's 5, 6, 7,000,000 in
9 Manhattan. So and with the ferry system, path, and
10 the light rail and everything it's easy to commute
11 over there. Especially with the hotels. The hotels
12 are great. The hotels bring very little expenses and
13 bring in a lot of revenue.

14 CHAIRMAN CUNNINGHAM: And don't send
15 any kids to schools?

16 MS. RODRIGUEZ: Good trade.

17 CHAIRMAN CUNNINGHAM: All right.

18 MR. LIGHT: Move the application.

19 CHAIRMAN CUNNINGHAM: Mr. Light moves
20 the application.

21 MS. RODRIGUEZ: Seconds.

22 CHAIRMAN CUNNINGHAM: Ms. Rodriguez
23 seconds. Roll call, please.

24 MS. MCNAMARA: Mr. Cunningham?

25 MR. CUNNINGHAM: Yes.

1 MS. MCNAMARA: Mr. Avery?

2 MR. AVERY: Yes.

3 MS. MCNAMARA: Ms. Rodriguez?

4 MS. RODRIGUEZ: Yes. And I want to
5 make a comment. I'm really happy to see all this
6 happening.

7 MR. TURNER: It's been a long time
8 coming. We just finished our third recession.

9 MS. RODRIGUEZ: Yeah.

10 MS. MCNAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS. MCNAMARA: Mr. Light?

13 MR. LIGHT: Yes.

14 MR. TURNER: Thank you all. I
15 appreciate it.

16 CHAIRMAN CUNNINGHAM: Okay. Thank you.
17 Listed on the agenda were two appeals of the
18 directors decisions, both relating to the Cherry Hill
19 Township Fire District 13 and their counsel was not
20 available for today's meeting so they are being
21 deferred until the March agenda when I shall recuse
22 myself from the dais and Mr. Light shall hear that
23 and lead the board in that. Which then brings us to
24 the Bridgeton Municipal Port Authority. I know
25 there's a number of people in the gallery here for

1 this matter today and these people have actually been
2 here. I don't think there -- you know, I don't think
3 there's a need for appearances by your Mr. Bertram.
4 I think that we've had numerous conversations and we
5 certainly have heard from parties and reviewed the
6 documents. I have said to people that in my year in
7 this -- in this job, I have found this matter to be
8 the most vexing topic that I've dealt with. We deal
9 with some -- some major issues and we have some
10 city's that are in an incredible levels of distress
11 but kind of intellectual and statutory analysis
12 standpoint, this issue has just been tremendously
13 difficult to deal with, and we have invested a
14 tremendous amount of staff time, and we've relied
15 very, very heavily on our deputy attorney generals,
16 and have sought their legal advice. So I'm going to
17 read a statement into the record just recapping some
18 of the facts that were put in front of the Board.
19 And then I will make a recommendation on what I think
20 the appropriate course of action is. There was no
21 ideal situation here. This is not a particularly
22 enjoyable matter but -- and then I would ask for the
23 concurrence of my colleagues and the Board will take
24 a vote. So just getting started here, just talking
25 about the local finance Board's basis for involvement

1 and I'm just going to memorialize what is set forth
2 in the statute. I just want this to be in the
3 record. I know that the parties clearly know about
4 this. But in 1993 the Legislature enacted the local
5 Authority's Fiscal Control Law codified it 40A:5A-1
6 and extended the state control of all types of local
7 authorities by empowering this board to oversee the
8 creation, operation, and dissolution of local
9 authorities established by municipalities or
10 counties. And the thought was that the reasoning was
11 because authorities were often in a position of
12 raising spending vast sums on large public works
13 projects, and that may not certainly be the case
14 here, the Bridgeton Municipal Authority never really
15 operated in a way that, you know, maybe was intended
16 some time ago, which also adds to the complexity and
17 difficulty of the situation. So local finance
18 boards, as you know, oversight and the ability to
19 initiate dissolutions of authorities under certain
20 circumstances, you know, that certainly is true. And
21 both gentlemen have cited in their various documents,
22 both counsels have cited 40a 5A 21 which is the
23 forced dissolution as opposed to section 20 of the
24 involuntarily dissolution. So as far as kind of a,
25 again, just, you know, reading some of the facts into

1 the record, just talking about some of the history
2 behind this matter, we largely rely on the
3 information supplied by, you know, by the parties
4 that have testified in front of the board on numerous
5 occasions. So the City of Bridgeton created a Port
6 Authority in 1983. It was an attempt to create a
7 revenue source through the Cohansey River. To
8 advance this goal the Authority bought properties
9 along the river. After several unsuccessful
10 development attempts, attempts to create a port
11 facility were abandoned. However, the Port Authority
12 was re-envisioned as riverside redevelopment entity.
13 In 1988 there was a mortgage on the properties
14 secured by a note. Mortgage on the property and a
15 first lien by some FFE and still quite unsure how
16 some of that all came to be, but at the time there
17 was no pledge of revenue or guarantee nor was there
18 any other credit enhancement provided by the City.
19 The appellate division later after a foreclosure
20 attempt by the bank who held the mortgage, deemed the
21 mortgage was not a valid deed on the property, and
22 therefore, the property wasn't subject to foreclosure
23 levy but the court held that the debt could still be
24 collected through other means. As has been
25 represented to the Board in 2006 the Port Authority

1 and the lender entered into a consent order
2 stipulating the outstanding balance in the mortgage
3 of 365,000 and some change and with an accrued
4 interest total outstanding balance was 394,000 plus.
5 Consent order also established the 10% post judgment
6 interest rate until monetary judgment was paid. As
7 it was explained to this Board, this was the parties
8 anticipated I think relatively quick sale of the
9 property so it was presumed that the interest was not
10 accrue for very long. Little did everyone know. So
11 the City and Port Authority have represented to the
12 Board that they've been searching for redevelopment
13 entities to purchase the property since then. And
14 2011 an agreement was entered into with an entity
15 known as Renewable Jersey to redevelop the Port
16 Authority's property. It's my understanding that the
17 redevelopment agreement wasn't particularly well
18 written. In fact, it wasn't strong in that it wasn't
19 necessarily, you know, adequate time frames or, you
20 know, when I say that, I mean dead lines or ability
21 to terminate the agreement and that process still
22 lumbers on. Which brings us to the Martins who have
23 appeared in front of this Board several times. And
24 through their limited liability company Henry.Grove
25 Investment, they purchased the note and mortgage and

1 filed an assignment of the note, and have since been
2 pursuing payment thereunder. Bridgeton Port
3 Authority has not had members, and has not been
4 productive for the better part of two decades, and
5 various audits and budgets have been late or not
6 done. So the Board accordingly determined that the a
7 hearing to the Port Authority status was appropriate
8 under statute. Which brings to us the finding of
9 financial difficulty. Under the local authority's
10 fiscal control law, the Board has submitted or
11 requested numerous written submissions from the Port
12 Authority, the City, and the creditors. The Board's
13 inquired of all relevant issues, reviewed case law,
14 asked for values of assets and liabilities, and
15 certainly heard numerous testimony. And as I said
16 before, we've engaged in numerous meetings,
17 conference calls, discussions with the attorneys and
18 really a lot of staff time. And it certainly, you
19 know, based on the information provided, appropriate
20 to say that the Port Authority is indeed in financial
21 distress. Port Authority is not efficiently
22 improved, established, or developed properties within
23 the Port district. It's not done so in accordance
24 with the legislative directive except for the
25 municipal Port Authority Law. But most importantly,

1 and this is key to where my recommendations to my
2 colleagues on the Board will ultimately come in, the
3 assets of the Port Authority are simply insufficient
4 to cover its liabilities. The Port Authority's
5 assets by our reading of the materials provided to
6 us, total approximately 720,000 720,492 and the
7 liabilities exceed one million dollars. 1,196,000
8 and some odd change. From the City's perspective
9 without a formal commitment that would work to
10 liquidate Authority properties as part of dissolution
11 give the proceeds to the Martins, the City also
12 indicated that it would waive its claims of monies
13 owed to it, however, the City in every conversation
14 and as communicated to the division on numerous
15 occasions by their counsel, it has said that it's not
16 willing to assume the debt as a general obligation.
17 The creditors, the Martins in this case, some of the
18 creditors, certainly not the only creditors, are
19 pursuing full value of the note that was purchased,
20 which is now in an amount approximately \$800,000 and
21 we have heard nothing different that, you know,
22 there's any other numbers that play. As I said
23 before, because the Board is largely -- not largely
24 because the Board is not functioning it leaves very
25 little options to interject new revenues or save

1 money. There's no fees to be raised. There's no
2 staff to be cut. So once again the kind of
3 flexibility in terms of arriving at a solution are
4 really not plentiful. And I also said before the
5 open ended redeveloper agreement creates a problem
6 because it prevents use of the property and just
7 can't be ultimately disposed of at this time. So the
8 Board has explored the possibilities, contemplated
9 the implementation of Subsection 19 financial plan,
10 but I want to be really clear about this, there's no
11 financial plan that this Board could order that could
12 resolve the financial difficulties facing this non
13 functioning Port Authority. The Port Authority is in
14 financial difficulty and should be, but perhaps
15 unable to be dissolved. We do not believe that the
16 legislature could have ever intended that this Board
17 would play a quasi judicial roll as a bankruptcy
18 judge or a trustee would, portioning insufficient
19 assets. Saying to some parties they're going to get
20 X on their claims and other parties are going to get
21 Y. Under 40A:5A-21 the Board is precluded from
22 ordering dissolution without assuring adequate
23 provisions for all creditors and obligees of the
24 Authority. The note holder demands full satisfaction
25 of a debt that exceeds the Authority and ability to

1 pay. The City will not voluntarily assume the debt
2 as a general obligation as part of the financial plan
3 of the dissolution. Therefore, adequate provision
4 has not been made nor can it be under circumstances
5 such as these in which the Authority's liabilities
6 exceeds its assets and no way to increase the assets
7 or revenues of the Authority. Therefore, the Board
8 is simply unable to dissolve the Bridgeton Municipal
9 Port Authority. We will continue to acquire
10 Statutory audits and budgets. We understand that's
11 an ongoing cost it only makes the situation worse but
12 we do not feel empowered to take any other action.
13 Either the redevelopment action will walk away and
14 maybe things will change or some other court that is
15 better equipped to deal with the situation will
16 intervene. So the unsatisfactory but the legal
17 option in front of us at this time is to not dissolve
18 the Bridgeton Municipal Port Authority for the reason
19 I set forth. I will, therefore, make a motion that
20 the facts that I read into the record and the
21 recommendation of the division in conjunction with
22 advice of counsel, be accepted by this Board and I
23 would ask for a second and roll call.

24 MR. BLEE: Second.

25 CHAIRMAN CUNNINGHAM: Second Mr. Blee.

1 And roll call please, Pat.

2 MS. MCNAMARA: Mr. Cunningham?

3 MR. CUNNINGHAM: Yes.

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. BERTRAM: Thank you. On behalf of
13 the City I appreciate the consideration. We have to
14 figure out what all this means. But we appreciate
15 the attention and the consideration.

16 CHAIRMAN CUNNINGHAM: Well, the one
17 thing that it doesn't mean is that the parties
18 certainly if there is some other financial plan that
19 could be presented to this Board that would allow us
20 to develop a financial plan that didn't require us to
21 apportion insufficient assets, we would certainly be,
22 you know, willing to have that conversation.

23 MR. MCMANIMON: Can I just get a copy
24 of the resolution e-mailed to me when it's enacted?

25 CHAIRMAN CUNNINGHAM: Certainly.

1 MR. MCMANIMON: Thank you.

2 CHAIRMAN CUNNINGHAM: And I assume at
3 one point you may want to the transcript as well, and
4 if you want that, you will have to just request that.

5 MR. BERTRAM: Thank you.

6 CHAIRMAN CUNNINGHAM: So we have two
7 remaining matters on the agenda that hopefully can be
8 dispatched of quickly -- so the last two matters both
9 deal -- both deal with rules, administrative code
10 rules. First is -- deals with the electronic
11 disbursement control for payroll purposes. Proposed
12 amendments are based on recommendations by DLGS
13 staff, Mr. Anthony Cancro, the business administrator
14 for the Township of Plainsboro brought this up and
15 published it. It was published in the August edition
16 of the New Jersey Register, the Board referred the
17 matter to staff, and the referral was then published
18 in September. After deliberation process the Board
19 resolved to grant petition and initiate rule making.
20 The Board's notice of action was published in the
21 January 16 Register. The text of those rules are
22 included in your packages and I would ask for your
23 support in that regard, and ask for a vote on this.
24 I'll make a motion. It was my staff that did it.
25 And I would ask for a second.

1 MS. RODRIGUEZ: Second.

2 CHAIRMAN CUNNINGHAM: Second, Ms.

3 Rodriguez. Thank you. Roll call, please, Pat.

4 MS. MCNAMARA: Mr. Cunningham?

5 MR. CUNNINGHAM: Yes.

6 MS. MCNAMARA: Mr. Avery?

7 MR. AVERY: Yes.

8 MS. MCNAMARA: Ms. Rodriguez?

9 MS. RODRIGUEZ: Yes.

10 MS. MCNAMARA: Mr. Blee?

11 MR. BLEE: Yes.

12 MS. MCNAMARA: Mr. Light?

13 MR. LIGHT: Yes.

14 CHAIRMAN CUNNINGHAM: The last matter
15 similar regard was a matter where the Board was
16 petitioned by the New Jersey Foundation for Open
17 Government and Mr. John Path in particular, and they
18 had several -- and he and I don't know the
19 organization, had several proposed changes to the
20 local government ethics law, the rules that the Board
21 uses to administer its powers under that law. The
22 three things that were requested were to place time
23 constraints upon the investigation of complaints,
24 make the existence of records publicly available
25 earlier in the process, and restrict the local

1 finance board's ability to reject local government
2 ethic law complaints when matters are pending before
3 a court or administrative agency. The staff has
4 reviewed this and does not support the proposal
5 brought forth by the petitioners. So, Pat, the
6 action requested by the Board then would be to reject
7 or to -- all right, so we would reject and then this
8 text would appear in the register. So I would ask
9 for a motion and second in that regard.

10 MS. RODRIGUEZ: So moved.

11 MR. BLEE: Second.

12 CHAIRMAN CUNNINGHAM: Okay. Ms.

13 Rodriguez moved and Mr. Blee seconded. Roll call,
14 please.

15 MS. MCNAMARA: Mr. Cunningham?

16 MR. 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. LIGHT: Motion to adjourn.

1 MR. BLEE: I'll second that.

2 CHAIRMAN CUNNINGHAM: All in Favor.

3 (Whereupon all the parties agreed to
4 adjourn the meeting)

5 (Whereupon the Meeting was adjourned at
6 12:00 p.m.)

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

2

3 I, STEFANIE TOWNS, a Certified Court
4 Reporter and Notary Public of the State Of New
5 Jersey, do hereby certify the forgoing to be a true
6 and accurate transcription of my stenographic notes
7 as taken on the aforementioned date and time.

8

9 I FURTHER CERTIFY that the witness was duly
10 sworn according to law prior to testifying.

11

12 I FURTHER CERTIFY that I am neither an
13 attorney for nor counsel to any of the parties; that
14 I am not related or employed by any of the parties or
15 any of the attorneys in this action; and that I am
16 not financially interested in this action.

17

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19 C:\TINYTRAN\Stefanie Towns.bmp

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23 STEFANIE TOWNS, C.C.R.

24 LICENSE NO. XI02103

25 DATED: February 19, 2016

STATE SHORTHAND REPORTING SERVICE, INC.

