

ESSEX COUNTY
IMPROVEMENT AUTHORITY
ESSEX COUNTY, NEW JERSEY

REGULAR BOARD MEETING: : TRANSCRIPT OF RECORDED
: : PROCEEDINGS
: :

27 Wright Way
Fairfield, New Jersey

Tuesday, May 24, 2016
Commencing at 5:00 p.m.

M E M B E R S P R E S E N T:

COMMISSIONER MARK S. DUNEC
COMMISSIONER GERARD M. SPIESBACH
COMMISSIONER CARLA A. STANZIALE
COMMISSIONER JACQUELINE YUSTEIN
COMMISSIONER RONALD J. BROWN, Vice Chairman
COMMISSIONER STEVEN H. KLINGHOFFER, Chairman

M E M B E R S A B S E N T:

COMMISSIONER CLIFFORD ROSS

A L S O P R E S E N T:

STEVEN C. ROTHER, Executive Director
NIA H. GILL, ESQ., General Counsel
LUCY SAPINSKI, Director of Operations
THOMAS GOMEZ, Airport Manager
BETSY WILLIAMSON, Administrative Assistant
JOSEPH CALI, Senior Project Manager/
Accounts Receivables
GERARD STANKIEWICZ, Samuel Klein & Company
(Left at 5:29 p.m.)
JOSEPH J. FACCONI, Samuel Klein & Company
(Left at 5:29 p.m.)

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1 CHAIRMAN KLINGHOFFER: Notice was duly
2 given by regular mail and facsimile to the Essex
3 County Executive, the Essex County Clerk, the
4 Clerk of the Board of Chosen Freeholders,
5 Freeholder President Timberlake, the News Editor
6 of The Herald News, the News Editor of The Star-
7 Ledger, and notice was posted on the bulletin
8 board in the Office of the Essex County
9 Improvement Authority, stating the time, date,
10 and location of this Regular Board Meeting.

11 MS. SAPINSKI: Commissioner Brown?

12 VICE CHAIRMAN BROWN: Present.

13 MS. SAPINSKI: Commissioner Dunec?

14 COMMISSIONER DUNEC: Here.

15 MS. SAPINSKI: Commissioner Spiesbach?

16 COMMISSIONER SPIESBACH: Here.

17 MS. SAPINSKI: Commissioner Stanziale?

18 COMMISSIONER STANZIALE: Here.

19 MS. SAPINSKI: Chairman Klinghoffer?

20 CHAIRMAN KLINGHOFFER: Here.

21 MR. ROTHER: Okay.

22 CHAIRMAN KLINGHOFFER: Do swearing in now?

23 MR. ROTHER: Yes. And our -- our counsel
24 is going to do the honors.

25 CHAIRMAN KLINGHOFFER: Very nice.

1 (Whereupon, there was a pause in the
2 proceedings.)

3 MS. GILL: Put your right hand on the bible

4 --

5 MS. YUSTEIN: Whatever.

6 MS. GILL: -- and read here. Do whatever.

7

8 (Whereupon, Jacqueline Yustein was sworn in
9 as Commissioner of the Essex County Improvement
10 Authority.)

11

12 COMMISSIONER SPIESBACH: Congratulations.

13 (Applause.)

14 COMMISSIONER SPIESBACH: Welcome.

15 COMMISSIONER YUSTEIN: Thank you.

16 VICE CHAIRMAN BROWN: Sounds like a
17 marriage.

18 CHAIRMAN KLINGHOFFER: Gerry, how many
19 times has this been?

20 MR. ROTHER: This is old hat. My God.

21 COMMISSIONER SPIESBACH: Actually, it's
22 only three.

23 COMMISSIONER STANZIALE: Oh, boy.

24 COMMISSIONER SPIESBACH: Yeah. This is
25 only the third time.

1 (Whereupon, there was a pause in the
2 proceedings.)

3

4 (Whereupon, Gerard M. Spiesbach was re-
5 appointed and sworn in as Commissioner of the
6 Essex County Improvement Authority.)

7

8 (Applause.)

9 CHAIRMAN KLINGHOFFER: I think we need
10 another roll call now that --

11 MS. SAPINSKI: Yes.

12 CHAIRMAN KLINGHOFFER: -- Jackie --
13 Commissioner Yustein --

14 MS. SAPINSKI: Yes.

15 CHAIRMAN KLINGHOFFER: -- is -- yes.

16 MS. SAPINSKI: Commissioner Brown?

17 VICE CHAIRMAN BROWN: Here.

18 MS. SAPINSKI: Commissioner Dunec?

19 COMMISSIONER DUNEC: Here.

20 MS. SAPINSKI: Commissioner Spiesbach?

21 COMMISSIONER SPIESBACH: Here.

22 MS. SAPINSKI: Commissioner Stanziale?

23 COMMISSIONER STANZIALE: Here.

24 MS. SAPINSKI: Commissioner Yustein?

25 COMMISSIONER YUSTEIN: Here.

1 MS. SAPINSKI: Chairman Klinghoffer?

2 CHAIRMAN KLINGHOFFER: Here.

3 Do we have -- do we have any public comment
4 -- comments?

5 No?

6 If not we're going to do the public --
7 we're going to do the audit report --

8 MR. ROTHER: Yup.

9 CHAIRMAN KLINGHOFFER: -- next.

10

11 (Whereupon, the Board discussed and took
12 action on the following item:

13 **ACCEPTANCE OF MINUTES**

14 RESOLUTION NO. 16-17 - Regular Board
15 Meeting 4-26-16 and Executive Session.)

16

17 CHAIRMAN KLINGHOFFER: You know what? Can
18 we just accept the minutes? It will just take a
19 moment.

20 MR. ROTHER: Okay. Sure.

21 CHAIRMAN KLINGHOFFER: Is there a motion to
22 accept the minutes of the Regular Board Meeting
23 of April 26 and the Executive Session?

24 COMMISSIONER DUNEC: I'll move it.

25 COMMISSIONER STANZIALE: Second.

1 MS. SAPINSKI: Commissioner Brown?

2 VICE CHAIRMAN BROWN: Here.

3 Yes. Yes.

4 MS. SAPINSKI: Commissioner Dunec?

5 COMMISSIONER DUNEC: Yes.

6 MS. SAPINSKI: Commissioner Spiesbach?

7 COMMISSIONER SPIESBACH: Yes.

8 MS. SAPINSKI: Commissioner Stanziale?

9 COMMISSIONER STANZIALE: Yes.

10 MS. SAPINSKI: Commissioner Yustein?

11 COMMISSIONER YUSTEIN: Abstain.

12 MS. SAPINSKI: Chairman Klinghoffer?

13 CHAIRMAN KLINGHOFFER: Yes.

14

15 (Whereupon, the Board discussed the
16 following item:

17 **ADMINISTRATIVE**

18 1. RESOLUTION NO. 16-126 - RESOLUTION
19 AUTHORIZING ACCEPTANCE OF THE AUTHORITY'S REPORT
20 OF AUDIT FOR THE YEAR ENDED DECEMBER 31, 2015.)

21

22 MR. ROTHER: Okay. Gentlemen, I think
23 we're going to make room for them at the table --

24 CHAIRMAN KLINGHOFFER: Yes.

25 MR. ROTHER: -- here.

1 CHAIRMAN KLINGHOFFER: And --

2 MR. ROTHER: We'll pull some chairs up
3 there.

4 (Whereupon, there was a pause in the
5 proceedings.)

6 CHAIRMAN KLINGHOFFER: Okay.

7 MR. STANKIEWICZ: Yes.

8 MR. ROTHER: Are we set?

9 CHAIRMAN KLINGHOFFER: Seems like you were
10 just here.

11 MR. ROTHER: He was. Time flies.

12 MR. STANKIEWICZ: When you get older, like

13 --

14 CHAIRMAN KLINGHOFFER: Yeah.

15 MR. STANKIEWICZ: -- like myself, too, you
16 know.

17 CHAIRMAN KLINGHOFFER: Speak for yourself,
18 please.

19 MR. STANKIEWICZ: Yeah.

20 MR. ROTHER: Every year is a shorter --

21 MR. STANKIEWICZ: Yes, it is. Yes.

22 MR. ROTHER: -- percentage --

23 MR. STANKIEWICZ: Yup.

24 MR. ROTHER: -- a smaller percentage of the
25 total time you've been around, and that's why it

1 goes so much quicker. For a one year old,
2 another every year.

3 MR. STANKIEWICZ: Yup.

4 MR. ROTHER: Is a hundred percent of the
5 time.

6 MR. STANKIEWICZ: A good friend of mine
7 just became a senator. Pat Diegnan.

8 MS. GILL: He sits next to me on the floor.

9 MR. STANKIEWICZ: Oh. Okay.

10 MS. GILL: I got to tell him Thursday.

11 MR. STANKIEWICZ: Okay. Okay.

12 My name is Gerry Stankiewicz. I'm here with
13 Joe Faccone. We're from Samuel Klein and
14 Company.

15 We're here to -- to present the audit for
16 the fiscal year ended December 31st, 2015.

17 Admittedly, the audit was issued beyond the
18 statutory deadline, which was April 30th.

19 Authority audits are due four months after the --
20 after the year end.

21 This year, there was a blanket extension
22 granted to all December 31st authorities, and fire
23 districts, and any other agencies that -- because
24 we were waiting the release of the PERS
25 information relative to this concept that

1 developed about five years ago, which was that --
2 it's called GASB 68, accounting for pensions.

3 It -- basically, what it is, is -- is this;
4 probably somewhere, ten, 15 years ago, people
5 were sitting around and talking about, well, in
6 government entities, what are we on the hook for,
7 for our employees beyond their retirement date?

8 Okay. Now, we know they're going to
9 collect a pension, but they never measured the
10 dollar impact.

11 So, this has been going on for a year now,
12 by the way. It started a year ago, with the June
13 30th of '15 school district year ends. And it
14 extended into the municipalities, authorities,
15 and fire districts, which have any other year
16 end, other than June 30th.

17 The problem this year, and the problem with
18 the whole concept was, there was numbers released
19 for June 30th --

20 I'll backtrack.

21 There was numbers released as of June 30th,
22 '13 and '14. Okay? For whatever reason, they're
23 a year behind.

24 They had to catch up because GASB 68 says,
25 you can't use information that's over 365 days

1 old. So, the State authorized KPMG, who is the
2 auditor for the particular fund, to advance their
3 calculation and get them issued, sooner than
4 later, so that we can use, in effect, a
5 measurement date of June 30th of '15, to plant
6 those numbers into your 12/31/15 financial
7 report.

8 At the same time, we had to simultaneously
9 restate your '14 -- 12/31/14 financials. That
10 information was not released until November 13th,
11 or thereabouts, of '15.

12 So, we had to go back and restate. The
13 accounting standards allow us to restate numbers
14 that weren't available at the time of issuance of
15 the report.

16 Now, what it is, is the pension disclosure
17 -- it's added about five or six pages of
18 disclosure to -- to the notes, and it talks about
19 how they measured the number, which relates to
20 mortality rates, interest rates, discount rates,
21 interest rate sensitivities, all kinds of -- of,
22 let's say, actuarial based, maybe more along the
23 lines of actuarial financial based information.

24 Now, we're not required to book it in our
25 internal records, but we do have to book it as a

1 -- what we call a report entry.

2 Okay. So, that was what had held up the
3 issuance of the audit. We would have been here
4 on April 26, or thereabouts, like we normally
5 are, except this information was not released.

6 So, as a result, we are now in compliance.
7 In fact, we actually were able to issue the
8 report a few days after that date. And the
9 extension was only good for authorities and fire
10 districts. Every other entity has to issue the
11 report on time.

12 Basically, what we did was between about
13 February 15th and the middle of March, we had
14 people here working and doing auditing of
15 transactions, and auditing of receipts, auditing
16 of disbursements, auditing payroll, auditing
17 expenditures.

18 We found that everything was in compliance.
19 That the procedures are operating properly. We
20 looked at parking stubs. We looked at fuel
21 records. We looked at purchases of fuel. We did
22 an audit of payroll.

23 Those are your primary expenditures that we
24 audit.

25 We also looked at your restricted funds,

1 | which -- you know, are the various conduit
2 | financings that we do.

3 | And really, we just made sure the bank
4 | accounts lined up properly and that the money
5 | that was owed to us, that we pay right back out,
6 | came in and went out properly.

7 | So, we basically ended up with a set of
8 | records that was presented to us by your outside
9 | consultant, Galleros and Koh, is I believe the
10 | name of the firm is. I know her as Nora.

11 | So, they -- they have a group of people
12 | that -- that present us with -- with trial
13 | balances. General ledgers that are in balance,
14 | that are in agreement with your bank recs.

15 | And that actually, as simple as it is, it's
16 | -- it's most important that your bank
17 | reconciliations are in agreement with your
18 | general ledgers. And that -- that's important.

19 | After that, all the other financial
20 | information that we were given, we had really no
21 | auditing adjusting journal entries that were a
22 | result of, like, a test where we, like, found,
23 | hey, this is an error. We didn't really have
24 | that. Okay?

25 | So, as a result of that, we -- we got good

1 records. We got good results from our tests.

2 And I think what you need to know, it's
3 important to know for a Commissioner would be
4 that, A, all your disbursements were properly
5 documented; B, you're in compliance with the
6 Local Public Contracts Law; C, the -- the bills
7 were cut off properly with respect to the year
8 end.

9 There are bills paid in January and
10 February and March that relate to December 31st
11 and prior. They're cut off properly.

12 And -- and the fourth thing that I -- I've
13 added recently is that the account -- the --
14 there's proper account coding on your
15 disbursement. So, if something is charged to
16 gasoline, or to electric, it's -- it's not
17 telephone or cable or something else that's
18 charged.

19 So, we have good results from our audit
20 test. And as a result, we have what's known as
21 an unmodified opinion.

22 In the old days, it used to be called a
23 clean opinion, or an unqualified opinion. Now,
24 the lords of the profession make us call -- it's
25 unmodified. And it's not modified because we had

1 no exceptions to what's called generally accepted
2 accounting principles.

3 We were able to introduce into the
4 statements the pension information. And it took
5 quite a long time for actually everybody in the
6 whole industry in New Jersey and nationwide to
7 figure out every --

8 All the PERS's throughout the country, they
9 were releasing these nice looking reports. Okay.
10 But it took everyone awhile to figure out exactly
11 what to do with everything.

12 So, and just for the record, your -- your
13 pension liability, long range, and assuming
14 everyone that works here right now were to work
15 through retirement, your number is \$2.7 million.
16 Okay.

17 Now that would be due over, let's say, the
18 next 30 years. Okay.

19 There's been nothing discussed about having
20 anybody be in a position to, let's say, maybe
21 make advance payments against that. Most places
22 can't afford to. Okay. So, I don't think --
23 although, they -- for all we know, they could
24 even offer it, and if they did, we'd have to
25 evaluate that for everybody.

1 CHAIRMAN KLINGHOFFER: What percentage of
2 that is funded?

3 MR. STANKIEWICZ: Oh, really none of it.

4 MR. FACCONA: I was going to say none of
5 it.

6 MR. STANKIEWICZ: None of it. That's why
7 we're booking it as an obli -- if it were funded
8 -- if it were funded, our money would be on
9 deposit at the PERS, and we wouldn't have that
10 obligation. So --

11 MR. ROTHER: This is the unfunded.

12 MR. STANKIEWICZ: Yeah.

13 CHAIRMAN KLINGHOFFER: Oh, it's the
14 unfunded. I thought you said the total liability
15 was \$2.7 million.

16 MR. STANKIEWICZ: Our total liability --

17 CHAIRMAN KLINGHOFFER: Is --

18 MR. STANKIEWICZ: Our total unfunded
19 liability --

20 CHAIRMAN KLINGHOFFER: Ahh.

21 MR. STANKIEWICZ: -- is 2.7 million.

22 CHAIRMAN KLINGHOFFER: And the total -- and
23 the total liability is?

24 MR. STANKIEWICZ: Well, our liability is
25 2.7 million.

1 The total liability, like statewide?
2 Nationwide?

3 CHAIRMAN KLINGHOFFER: No, no, no. Okay.

4 There's an unfunded liability and a -- and
5 a total liability. For the Improvement
6 Authority, do we have a number for a total
7 liability?

8 MR. STANKIEWICZ: Yeah. It's 2.7.

9 COMMISSIONER DUNEC: Which is total
10 unfunded.

11 MR. FACCONO: Totally --

12 CHAIRMAN KLINGHOFFER: Totally unfunded.

13 MR. FACCONO: Right.

14 MR. STANKIEWICZ: Totally unfunded.

15 CHAIRMAN KLINGHOFFER: So, there's nothing
16 that's funded for our regular.

17 MR. FACCONO: Right. Right.

18 MR. STANKIEWICZ: What is funded is our
19 annual allotment that we pay, to keep things
20 afloat. But they're -- this is a -- again, one
21 thing -- this is a theoretical number. And it's
22 based on an interest rate of, I think, 5.39
23 percent. There's also, in the report --

24 MR. ROTHER: Assumption. Interest --

25 MR. STANKIEWICZ: Yeah.

1 MR. ROTHER: -- earned.

2 MR. STANKIEWICZ: There's a whole lot of
3 assumptions here.

4 MR. ROTHER: -- assumption.

5 MR. STANKIEWICZ: There's mortalities,
6 there's interest rates.

7 CHAIRMAN KLINGHOFFER: I understand.

8 MR. STANKIEWICZ: If it moves -- and by the
9 way, they're getting 5.39 percent.

10 MR. ROTHER: Yeah, yeah.

11 MR. STANKIEWICZ: I'd like to get that
12 myself.

13 COMMISSIONER YUSTEIN: I think of where --

14 MR. STANKIEWICZ: Okay. So, which means --

15 COMMISSIONER YUSTEIN: -- where are they
16 getting that?

17 MR. STANKIEWICZ: Which means the number is
18 really high --

19 MR. ROTHER: Means it's a lot more.

20 MS. DILLON: Excuse me?

21 MR. STANKIEWICZ: Okay?

22 MS. DILLON: Excuse me?

23 Please, one at a time.

24 CHAIRMAN KLINGHOFFER: Okay.

25 MR. STANKIEWICZ: So, basically -- you

1 know, those -- those are in -- by the way, those
2 are in the front section of the report.

3 CHAIRMAN KLINGHOFFER: Um hum.

4 MR. STANKIEWICZ: And to be -- be honest
5 with you, it's for financial reporting only, when
6 someone were to evaluate the entity here.

7 Our real numbers are actually -- and it's
8 hard to -- the real numbers are on Schedule 1,
9 which breaks it out by funding.

10 VICE CHAIRMAN BROWN: What page is that?

11 MR. STANKIEWICZ: That would be page 65.

12 That's the balance sheet. Those numbers do
13 not include the unfunded pension liability.

14 Those are our internal records. Believe
15 me, our obligation, compared to our -- the size
16 of the entity here, isn't so bad, if you -- if
17 you look at some of the other places --

18 MR. ROTHER: Yeah. No. This -- this
19 Authority is in considerably better --

20 MR. STANKIEWICZ: You know what's really
21 weird? I have another entity that has -- that is
22 a relatively young entity, but if there's 54
23 people that work there, like 40 of them are over
24 45 years old. Their obligation is unbelievable.
25 And they're, like -- the Commissioners there are

1 | looking and say, well, why is our number so high?
2 | Well, most of your people are -- are over -- got
3 | over 20 years in the pension system. You're --
4 | you're going to get hit real hard.

5 | So, basically, yeah. This -- this is our
6 | balance sheet. These numbers are -- are really
7 | what we audit off of.

8 | And like I said, everything was in
9 | agreement to the internal records.

10 | But for the record, too, as well, every
11 | person that we were in contact with here was most
12 | cooperative, in terms of -- okay, we're going to
13 | start looking at your stuff now, and everyone was
14 | very cooperative, out -- out in the parking deck,
15 | out in the airport, and here in your office.

16 | So, we didn't really have any problems
17 | there. So --

18 | CHAIRMAN KLINGHOFFER: To what extent did
19 | you conduct confirmations?

20 | MR. STANKIEWICZ: Written confirmations?

21 | CHAIRMAN KLINGHOFFER: Yes.

22 | MR. STANKIEWICZ: There really is no need
23 | to have any written confirmations.

24 | CHAIRMAN KLINGHOFFER: No -- no -- so, you
25 | don't do any receivables, you don't do any

1 payables?

2 MR. STANKIEWICZ: No. We -- we don't have
3 really extensive receivables.

4 And how we audit receivables, quite
5 frankly, the easiest way to audit a receivable is
6 to trace the subsequent receipt.

7 So, rather than -- so, a lot of places
8 don't send confirmations anymore. It's really
9 not necessary here.

10 You don't have, like that -- those big of a
11 receivable, and like I said --

12 CHAIRMAN KLINGHOFFER: No bank
13 confirmations anymore?

14 MR. STANKIEWICZ: We -- we don't send bank
15 confirmations anymore. The banks don't like
16 them. They're a pain in the neck to trace, and
17 we probably have -- God, we could probably have
18 300 bank accounts here.

19 So, when you add up all the trust funds --
20 each trust fund may have five bank accounts. You
21 know, different reserves that are required under
22 the bond resolution.

23 But no, we use right off of the actual,
24 original bank statement. Okay?

25 CHAIRMAN KLINGHOFFER: So, notice is

1 required by generally accepted accounting prin --

2 MR. STANKIEWICZ: No.

3 CHAIRMAN KLINGHOFFER: Okay.

4 MR. STANKIEWICZ: The only thing that's
5 actually required, believe it or not, in an audit
6 is to -- in a commercial entity, the only thing
7 required is to observe inventory. That's not
8 required in -- in a gap (phonetic) audit. Okay?

9 COMMISSIONER DUNEC: Is there a thought of
10 reserving some funds in the future for this
11 liability?

12 CHAIRMAN KLINGHOFFER: Talking about the
13 pension.

14 MR. STANKIEWICZ: I don't think there's
15 anything that says you can't. Okay?

16 COMMISSIONER DUNEC: The only --

17 MR. STANKIEWICZ: But --

18 COMMISSIONER DUNEC: -- reason I'm asking
19 is because we almost have a million dollars, at
20 year end.

21 MR. STANKIEWICZ: Right. Actually, you're
22 -- you're working off of --

23 COMMISSIONER DUNEC: Page 11.

24 MR. STANKIEWICZ: Right. The page -- the
25 better place to be is page 65. That -- page 11

1 is your management discussion and analysis, and
2 now those numbers there include an adjustment for
3 the unfunded pension obligation.

4 If you turn to page 65, that's the assets.
5 The next page is your liabilities.

6 Truthfully speaking, your -- your fund
7 balance, your unrestricted funds in your
8 development fund is 8.8 million. And that is
9 after, actually, making an rather aggressive
10 accrual for the remediation situation. Okay?

11 So you can, I think, probably start
12 reserving money. But I don't -- you would be
13 probably very aggressive in -- in doing that, in
14 all honesty. And --

15 MR. FACCONI: Set a precedent.

16 MR. STANKIEWICZ: You'd set a precedent.

17 MR. ROTHER: Yeah.

18 MR. STANKIEWICZ: And it's not a bad thing.

19 And by the way, it's not a bad thing.

20 I have another authority, we -- we could
21 pay the bill tomorrow. Okay? That -- but they
22 don't want to. Okay? They're -- if -- if an
23 option is out there to do that, that's great.
24 But who it benefits is Commissioners ten, 15
25 years from now, if you start prepaying.

1 I don't know if they're going to start that
2 yet thought. I don't want to say.

3 MR. FACCONO: So far it hasn't.

4 MR. STANKIEWICZ: I -- I -- it wouldn't
5 hurt some people if they were to give you 30 year
6 phase-in, and then -- but it -- but it only
7 benefits people 30 years from now.

8 So, it -- it's an option. We could
9 actually put money aside if -- if we wanted to.
10 I don't think --

11 MR. FACCONO: Sort of like --

12 MR. STANKIEWICZ: -- it's a problem.

13 MR. FACCONO: Sort of like in
14 municipalities, years ago, you couldn't put money
15 aside for like compensated absences or balancing.
16 Now, the State allows you to do that. By -- by
17 authorization of the governing body, you could
18 set up a trust fund and you can start putting
19 money away for the -- you know, accumulated
20 vacation, sick and so forth.

21 CHAIRMAN KLINGHOFFER: Yes.

22 MR. FACCONO: So, eventually -- you know,
23 the State might come out with regulations saying
24 that we should do it, and this is the procedure
25 you should follow.

1 But -- but right now, there's none.

2 CHAIRMAN KLINGHOFFER: One other question.

3 Do we have a management letter this year?

4 MR. STANKIEWICZ: You have management -- we
5 call that the general -- in our industry, it's
6 called management -- or the comments and
7 recommendations. We have that.

8 CHAIRMAN KLINGHOFFER: Okay.

9 MR. STANKIEWICZ: What -- what -- we'll get
10 to that, if you'd like.

11 CHAIRMAN KLINGHOFFER: Please. When you
12 get there.

13 MR. STANKIEWICZ: Right. So, we're
14 actually -- we're on page 66. Just to review the
15 fund balances.

16 I want to make sure there's no
17 misunderstanding too.

18 In the airport, you have a \$23 million net
19 position, fund balance, but it's not \$23 million
20 in cash; 18.4 million is actually fixed assets.
21 Okay? They're -- they're not cash. So, we're
22 not sitting on an enormous amount of cash here.
23 We're basically sitting on \$4 million in your
24 airport, which -- you know, based on the
25 operation size --

1 MR. ROTHER: That's not bad at all.

2 MR. STANKIEWICZ: It's not -- it's not
3 unreasonable knowing the kind of operation you
4 have, because it is -- you know, you always have
5 to maintain the airport. And you always have a
6 few bucks in reserve. That's not a bad thing.

7 The other funding you have money in --

8 CHAIRMAN KLINGHOFFER: You got to do
9 restricted funds, though.

10 Right?

11 MR. STANKIEWICZ: No. Those aren't
12 restricted. Those are unrestricted.

13 MR. ROTHER: Well, it is restricted to the
14 extent that it has --

15 MR. STANKIEWICZ: Oh.

16 MR. ROTHER: -- to be used for aviation
17 purposes.

18 MR. FACCONO: Right.

19 MR. STANKIEWICZ: That's correct. Yes.
20 Yes.

21 MR. ROTHER: It can't be used for non-
22 aviation.

23 MR. STANKIEWICZ: Yes.

24 MR. FACCONO: Restricted but yet --

25 MR. STANKIEWICZ: In effect -- in effect,

1 | it is restricted.

2 | MR. FACCONA: It's restricted --

3 | MR. STANKIEWICZ: In financial reporting,
4 | it's unrestricted, but in real world, it's --
5 | it's restricted.

6 | MR. ROTHER: Yeah.

7 | MR. STANKIEWICZ: Your -- your free fund
8 | balance -- actually, its net position is in your
9 | development assistance fund, that's -- that's
10 | unrestricted. That's 8.8 million. That's after
11 | making an accrual for the remediation --

12 | CHAIRMAN KLINGHOFFER: Remediation.

13 | MR. STANKIEWICZ: -- situation. But only,
14 | I think, for preliminary, legal and -- and
15 | engineering. There's not --

16 | MR. ROTHER: Yeah.

17 | MR. STANKIEWICZ: That's really it.

18 | MR. ROTHER: Not for real payment for --
19 | for -- for damages --

20 | MR. STANKIEWICZ: For construction.

21 | MR. ROTHER: -- yeah, environmental --

22 | MR. STANKIEWICZ: Or damages. Right.

23 | MR. ROTHER: -- damages, et cetera.

24 | CHAIRMAN KLINGHOFFER: What -- what was the
25 | -- what was the accrual that was made?

1 MR. STANKIEWICZ: It's up to \$2 million.

2 We -- we had an analysis. I don't

3 remember, Lucy, what we did --

4 MR. ROTHER: Yeah.

5 MR. STANKIEWICZ: -- with it, but that --

6 we restore that every year.

7 Upon doing the audit, we would double check
8 with the Commissioner, the Chairman, or -- I'm
9 sorry -- the Director. You want to move the
10 accrual up and just keep it -- keep it well
11 padded. You know?

12 MR. ROTHER: Yeah. And -- and given where
13 we are with O'Toole's firm, I think -- I -- I
14 think that's a reasonable -- that's a very
15 reasonable number, actually.

16 MR. STANKIEWICZ: And we also have the --
17 the parking fund has no net position because it
18 -- really, its profits are split between ECIA's
19 development assistance fund, and the County of
20 Essex.

21 So, we're not -- we don't have and have not
22 developed any equity in the parking fund, based
23 -- based on the -- the bond resolutions and the
24 related formulas of the service contract.

25 There's no ability to generate fund balance

1 | there, net assets --

2 | MR. ROTHER: And --

3 | MR. STANKIEWICZ: -- or net position.

4 | MR. ROTHER: Yeah. And by the way, that --
5 | and that's something we're going to be discussing
6 | in Executive Session in a bit.

7 | All of those agreements are going to be
8 | recast very, very shortly. I don't know if
9 | you've -- you looked at all 11 of those
10 | agreements, because they're -- they're mind
11 | boggling. We're going --

12 | MR. STANKIEWICZ: Oh.

13 | MR. ROTHER: -- to be doing an amended and
14 | restated, so we have a single document here
15 | shortly.

16 | MR. STANKIEWICZ: Yeah. There's -- it is.
17 | No, no, no. Because I --

18 | MR. ROTHER: It's mind -- it's mind
19 | blowing.

20 | MR. STANKIEWICZ: I prepared the -- the
21 | parking obligation worksheet, and it's -- it's
22 | very hard to follow.

23 | MR. ROTHER: Yeah. It is. It is. And
24 | particularly since -- since that's also blended
25 | in with all the bond refundings.

1 MR. STANKIEWICZ: Yeah. The bond --

2 MR. ROTHER: The bond refundings.

3 MR. STANKIEWICZ: Yup.

4 MR. ROTHER: It will really confuse you
5 very quickly.

6 MR. STANKIEWICZ: So, basically, this
7 balance sheet we're looking at here, at page 65,
8 those are your real numbers.

9 The ones up front are your theoretical
10 numbers that include the accrual for the unfunded
11 pension liability.

12 Also in the report, there's notes to
13 financial statement, which just indicates the
14 various accounting requirements that you have to
15 follow.

16 It has all -- the schedule of your long
17 term debt, the payouts that go and accompany it
18 down the road, and through -- through completion
19 of all the deals.

20 But like I said, there's significant
21 pension disclosure in here. And it -- I don't
22 know if it's great reading or not, but you know,
23 like I said, the accrual we have here is based on
24 a 5.39 interest rate, which like I said, I'd like
25 to find myself.

1 But there's also in here, if it moves one
2 percent either way, it shows the numbers. It's
3 the market sensitivity. We have to disclose
4 that.

5 The balance sheets and income statements,
6 revenue and expense statements for all the
7 conduit findings are -- are in here as well.

8 And again, that's very cash intensive. We
9 tied all that information in to the related bank
10 statements, the original documents that are on
11 file.

12 Commissioner, you mentioned a management
13 letter.

14 We don't -- we don't call those management
15 letters in -- in government. They're known as
16 comments and recommendations or general comments
17 and recommendations.

18 And to be honest with you, we really didn't
19 have any findings that needed to be brought to
20 the level, --

21 CHAIRMAN KLINGHOFFER: That's great.

22 MR. STANKIEWICZ: -- or that require -- and
23 this has been a result of several years --

24 MR. ROTHER: Yes.

25 MR. STANKIEWICZ: -- and Lucy -- of hard

1 work of trying to get everything cleaned up and
2 straightened out, and moving in the direction
3 where we could be sitting here and saying, look,
4 we have an unmodified opinion, as well as no
5 comments and recommendations.

6 MR. ROTHER: I think the Commissioners
7 should know that -- you know, Lucy's really the
8 driving force behind our -- our great record
9 keeping here.

10 MR. FACCONI: Absolutely.

11 MR. ROTHER: We -- we owe --

12 MR. STANKIEWICZ: Yup.

13 MR. ROTHER: -- her a lot in that regard.

14 MR. STANKIEWICZ: We have a comment that
15 did not result in a -- in a recommendation.

16 And that is, we have some -- and we can't
17 really fix these yet, because I think of the
18 advice of the bond counsel and trustee. There
19 are some funds that -- that the bonds are paid
20 off, and all the money came in from the
21 participant, and we're sitting on some cash, not
22 a lot of cash, but there's cash sitting in those
23 accounts. And I believe they want to wait some
24 time before those accounts get closed.

25 And the reason I -- we point it out, is

1 | because they're inactive and to get them off the
2 | books. It's just one less thing you have to
3 | worry about, one less thing the accountants have
4 | to worry about, as well as us.

5 | And so, we point that out to you.

6 | Then, there's another one item that has to
7 | do with a \$145,000.00 inter-fund advance from
8 | PGLP -- I'm sorry -- to PGLP, that has to be sort
9 | of addressed over the next nine years. And it
10 | ties into the PGL funds that were issued in 1986.

11 | The final payment is due in 2026. And that
12 | needs to be addressed.

13 | We had a lengthy discussion with the
14 | Director about how we recoup that money, that a
15 | plan of action needs to be --

16 | MR. ROTHER: Yeah.

17 | MR. STANKIEWICZ: -- developed on that.

18 | It's really crazy to say, we've got nine
19 | years to figure it out, but you have to start --

20 | MR. ROTHER: It's -- yeah. No, no. And --
21 | and it's a question of booking some fees in -- in
22 | that regard, as I understand it.

23 | MR. STANKIEWICZ: Correct.

24 | MR. ROTHER: Because otherwise, we're going
25 | to have a write-off and -- and something we want

1 to avoid, and it's something we're also going to
2 be discussing in the Executive Session, because I
3 have an approach how to -- how to deal with that.

4 MR. STANKIEWICZ: So, in the end, we have a
5 -- a modified opinion, and no comments, and/or
6 recommendations that would require a plan of
7 action.

8 And I think last year I was here, most of
9 you were here, I think, where we find that the
10 places that come up with a nice opinion is if you
11 -- if you let management be diligent in the day-
12 to-day operations, you -- you avoid problems.

13 And I just think that that's the best way
14 to approach how to stay out of trouble, and keep
15 the records nice and clean.

16 We want to thank Lucy for honcho-ing
17 (phonetic) a lot of information back and forth,
18 and to coin a phrase, cracking skulls, and making
19 sure everything was here on time.

20 So, yeah.

21 MR. FACCONI: And getting done on time.

22 MR. STANKIEWICZ: Yeah.

23 And like I said, we were actually done with
24 all the work, and we were just waiting on the
25 pension information.

1 And the sad part is, the pension
2 information affects big places and -- and little
3 -- I have a little, tiny fire district that I do,
4 and we had to go through the whole thing. And
5 their whole obligation is a hundred thousand
6 bucks. It's the same -- the same notes and
7 disclosures, and the same looks for everybody.
8 Like, do we really owe this? You know, so we
9 have to go through that whole scenario.

10 But I don't know, Joe, if you want to add
11 anything --

12 MR. FACCONO: No.

13 MR. STANKIEWICZ: -- or not.

14 MR. FACCONO: No.

15 I'd like thank, like you said, Lucy and the
16 staff.

17 MR. ROTHER: We thank you.

18 MR. FACCONO: Thank you.

19 MR. ROTHER: Thank you, again.

20 MR. STANKIEWICZ: You're welcome.

21 CHAIRMAN KLINGHOFFER: We don't need a
22 Resolution, do we? Do we have an affidavit that
23 everybody has to sign?

24 MS. SAPINSKI: We have an affidavit, and we
25 have a Resolution.

1 CHAIRMAN KLINGHOFFER: You have an
2 affidavit, you have to --

3 MR. FACCONO: Yeah. Yeah. Affidavit.

4 CHAIRMAN KLINGHOFFER: We do have a
5 Resolution? Okay.

6 MR. FACCONO: And there's no corrective
7 action plan necessary, because again, there is no
8 recommendations to follow up on. So we're good.

9 And you also have the same one last year?

10 MR. STANKIEWICZ: Yes, we did. We actually
11 had a federal -- FAA grants. And the sum total
12 of the grant expenditures was about \$754,000.00.
13 And the level of single audit was changed, lucky
14 us, to 750,000.

15 So, it added about a half a day's worth of
16 work, and about seven pages.

17 I -- I gauge an audit by the number of
18 pages.

19 MR. FACCONO: Right.

20 MR. STANKIEWICZ: It added seven pages to
21 the audit, so --

22 MR. FACCONO: What were you saying, --

23 MR. STANKIEWICZ: Yeah.

24 MR. FACCONO: -- if you look at last year's
25 audit, don't look at this year's audit, there's a

1 new section there --

2 MR. STANKIEWICZ: Right.

3 MR. FACCONA: -- for the single audit,
4 which wasn't there last year.

5 MR. STANKIEWICZ: Right. And basically,
6 our -- also, too, I think any GAO auditor could
7 in here, and Lucy can hand him the file, and
8 they'll be out of here in an hour. Okay?

9 I mean, everything is right in there.
10 Copies of everything, all the supporting
11 documentation that they would need.

12 CHAIRMAN KLINGHOFFER: Has the FAA ever
13 came -- come in to do an audit?

14 MS. SAPINSKI: Long time ago.

15 MR. STANKIEWICZ: The numbers aren't big.

16 In the overall scheme of the federal system
17 -- you know, they -- they accept a photocopy and
18 certifications. And maybe some guy does a drive-
19 by and sees, okay, you did it and they move on.

20 The numbers are actually, in the scheme of
21 the federal government, not big enough to warrant
22 it.

23 But that's, I think, because we had a good
24 thing going with them, and they -- they saw that
25 we had a nice track record and all the

1 | documentation was proper.

2 | But every now and then, you never know when
3 | -- when they start -- I mean, the federal
4 | government start looking for money, they might
5 | come in and bother us.

6 | But our -- all of our -- all of our stuff
7 | is -- is properly done in accordance with the
8 | federal guidelines. You know, there -- I think
9 | all the public hearings, all the bids, all the
10 | prevailing wage certifications.

11 | You know, separate bank statements;
12 | separate bank accounts. Everything is just
13 | totally clean.

14 | And -- and a lot of stuff, too, where they
15 | get annoyed is everything charged is on its own
16 | invoice. Where they get annoyed is when you
17 | start co-mingling it with other vendors, like
18 | maybe another contractor. The same contractor,
19 | but do another project.

20 | So, everything is -- is pretty clean here.

21 | MR. FACCONI: And one other thing, part of
22 | our -- part of your bond covenants is that you
23 | have to have arbitrage calculations. And I think
24 | we've prepared two or three this -- this past
25 | year, to -- to stay in compliance with the --

1 with the bond regs.

2 MR. ROTHER: Okay.

3 MR. STANKIEWICZ: Every fifth anniversary
4 of every bond issue needs a calculation.

5 MR. FACCONO: You don't have a choice.

6 MR. ROTHER: Of course, that -- that
7 relates to the interest earned on --

8 MR. STANKIEWICZ: Right. Yeah.

9 MR. ROTHER: -- on deposit. So --

10 MR. FACCONO: Fortunately --

11 CHAIRMAN KLINGHOFFER: Yeah.

12 MR. FACCONO: Both fortunately and
13 unfortunately --

14 MR. ROTHER: Yup. Yup.

15 MR. FACCONO: -- with the interest rates
16 what they are today --

17 MR. STANKIEWICZ: It's actually -- you know
18 what?

19 MR. FACCONO: -- it's really -- it's really
20 good.

21 MR. STANKIEWICZ: The interest rates are --
22 are ridiculous. So, if you have an arbitrage
23 problem, then --

24 MR. ROTHER: Yeah. We -- we found a unique
25 way to make an --

1 MR. STANKIEWICZ: You got to check that
2 investment.

3 MR. ROTHER: -- investment. That's --
4 that's --

5 MR. FACCONO: Yeah.

6 MR. ROTHER: -- what we did.

7 MR. FACCONO: That might be a lottery
8 ticket.

9 MR. ROTHER: Yeah. It's positive. It's
10 usually negative arbitrage so --

11 MR. FACCONO: Right.

12 MR. ROTHER: Okay.

13 MR. FACCONO: Okay. All right.

14 MR. ROTHER: All right.

15 Thank you.

16 MR. STANKIEWICZ: Thank you.

17 MR. ROTHER: Thank you very much.

18 CHAIRMAN KLINGHOFFER: Anybody else with a
19 question?

20 MR. STANKIEWICZ: Good luck, Commissioner.

21 MR. ROTHER: Yeah. Yeah.

22 MR. STANKIEWICZ: We're good?

23 MR. ROTHER: Thank you.

24

25 (Whereupon, Gerard Stankiewicz left the

1 meeting at 5:29 p.m.)

2

3 (Whereupon, Joseph J. Faccone left the
4 meeting at 5:29 p.m.)

5

6 (Whereupon, there was a pause in the
7 proceedings.)

8 CHAIRMAN KLINGHOFFER: You want to go into
9 Executive Session next?

10 MR. ROTHER: I -- I would like to do that.

11 CHAIRMAN KLINGHOFFER: Okay.

12 MR. ROTHER: And -- and the topics that
13 we're going to discuss in Executive Session are
14 personnel, litigation and contract negotiation.
15 The whole shooting match.

16 CHAIRMAN KLINGHOFFER: Okay.

17 Motion?

18 VICE CHAIRMAN BROWN: Move it.

19 CHAIRMAN KLINGHOFFER: Second?

20 MS. DILLON: I'm sorry. Who moved it?

21 MS. SAPINSKI: Commissioner Brown.

22 CHAIRMAN KLINGHOFFER: Is there a second?

23 COMMISSIONER STANZIALE: I'll second.

24 CHAIRMAN KLINGHOFFER: Okay.

25 Thank you.

1 MS. SAPINSKI: Commissioner Brown?

2 VICE CHAIRMAN BROWN: Yes.

3 MS. SAPINSKI: Commissioner Dunec?

4 COMMISSIONER DUNEC: Yes.

5 MS. SAPINSKI: Commissioner Spiesbach?

6 COMMISSIONER SPIESBACH: Yes.

7 MS. SAPINSKI: Commissioner Stanziale?

8 COMMISSIONER STANZIALE: Yes.

9 MS. SAPINSKI: Commissioner Yustein?

10 COMMISSIONER YUSTEIN: Yes.

11 MS. SAPINSKI: Chairman Klinghoffer?

12 CHAIRMAN KLINGHOFFER: Yes.

13 MS. DILLON: Just one moment while I go off
14 the record.

15

16 (Whereupon, the Board moved to Executive
17 Session at 5:30 p.m., Resolution No. 16-162.)

18

19 (Whereupon, the Board returned to Open
20 Session at 6:18 p.m., Resolution No. 16-18.)

21

22 MR. ROTHER: Well, if we can bring them in
23 again, we can -- we can have that same --

24 CHAIRMAN KLINGHOFFER: We're going back on
25 the record guys.

1 MR. ROTHER: -- we can have that
2 conversation with them again.

3 We'll --

4 COMMISSIONER SPIESBACH: Okay.

5 CHAIRMAN KLINGHOFFER: Okay. Take these in
6 order then?

7 MR. ROTHER: Yup.

8 CHAIRMAN KLINGHOFFER: Okay.

9

10 (Whereupon, the Board discussed and took
11 action on the following items:

12 **ADMINISTRATIVE**

13 1. RESOLUTION NO. 16-126 - RESOLUTION
14 AUTHORIZING ACCEPTANCE OF THE AUTHORITY'S REPORT
15 OF AUDIT FOR THE YEAR ENDED DECEMBER 31, 2015;
16 and

17 2. RESOLUTION NO. 16-127 - RESOLUTION
18 AUTHORIZING PAYMENT TO AUDIO-DIGITAL
19 TRANSCRIPTION SERVICES, LLC FOR TRANSCRIPTION OF
20 BOARD MEETING ON 4-26-16; and

21 3. RESOLUTION NO. 16-128 - RESOLUTION RATIFYING
22 PAYMENT OF RECURRING BILLS (BILL LIST); and

23 4. RESOLUTION NO. 16-129 - RESOLUTION CREATING
24 A REGULATION FOR THE QUALIFICATION OF BIDDERS TO
25 PERFORM PLUMBING REPAIRS AT THE AUTHORITY'S

1 PUBLIC FACILITIES PURSUANT TO N.J.S.A. 40A:11-25
2 ET SEQ.; and
3 5. RESOLUTION NO. 16-130 - RESOLUTION RATIFYING
4 THE APPOINTMENT OF CLYDE L. OTIS, III, ESQ., AS
5 THE AUTHORITY'S DIRECTOR OF DEVELOPMENT/ASSISTANT
6 GENERAL COUNSEL.)

7

8 CHAIRMAN KLINGHOFFER: Okay. Let's then do
9 Resolutions 1 through 5, Administrative regula --
10 Resolutions.

11 Somebody like to move them?

12 COMMISSIONER STANZIALE: I'll move it.

13 VICE CHAIRMAN BROWN: I'll second it.

14 MS. SAPINSKI: Commissioner Brown?

15 VICE CHAIRMAN BROWN: Yes.

16 MS. SAPINSKI: Commissioner Dunec?

17 COMMISSIONER DUNEC: Yes.

18 MS. SAPINSKI: Commissioner Spiesbach?

19 COMMISSIONER SPIESBACH: Yes.

20 MS. SAPINSKI: Commissioner Stanziale?

21 COMMISSIONER STANZIALE: Yes.

22 MS. SAPINSKI: Commissioner Yustein?

23 COMMISSIONER YUSTEIN: Yes.

24 MS. SAPINSKI: Chairman Klinghoffer?

25 CHAIRMAN KLINGHOFFER: Yes.

1
2 (Whereupon, the Board discussed and took
3 action on the following items:

4 **NEWARK RIVERFRONT PROJECT/LITIGATION**

5 6. RESOLUTION NO. 16-131 - RESOLUTION
6 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,184.10 TO
7 DeCOTIIS, FITZPATRICK & COLE, LLP FOR LEGAL
8 SERVICES RENDERED IN THE MONTH OF APRIL 2016.)

9
10 CHAIRMAN KLINGHOFFER: Number 6, on Newark
11 Riverfront -- Riverfront Project Litigation.

12 Motion?

13 VICE CHAIRMAN BROWN: You'll move it.

14 COMMISSIONER YUSTEIN: I'll move it.

15 VICE CHAIRMAN BROWN: And I'll second it.

16 MS. SAPINSKI: Commissioner Brown?

17 VICE CHAIRMAN BROWN: Yes.

18 MS. SAPINSKI: Commissioner Dunec?

19 COMMISSIONER DUNEC: Yes.

20 MS. SAPINSKI: Commissioner Spiesbach?

21 COMMISSIONER SPIESBACH: Yes.

22 MS. SAPINSKI: Commissioner Stanziale?

23 COMMISSIONER STANZIALE: Yes.

24 MS. SAPINSKI: Commissioner Yustein?

25 COMMISSIONER YUSTEIN: Yes.

1 MS. SAPINSKI: Chairman Klinghoffer?

2 CHAIRMAN KLINGHOFFER: Yes.

3

4 (Whereupon, the Board discussed and took
5 action on the following item:

6 **CEDAR GROVE PARK PROJECT**

7 7. RESOLUTION NO. 16-132 - RESOLUTION
8 AUTHORIZING A PAYMENT OF \$22,696.25 TO CME
9 ASSOCIATES FOR ENGINEERING SERVICES RENDERED IN
10 CONNECTION WITH THE COUNTY DEVELOPMENT OF A NEW
11 PARK THROUGH APRIL 2016.)

12

13 CHAIRMAN KLINGHOFFER: Number 7.

14 Cedar Grove Park Project.

15 VICE CHAIRMAN BROWN: Dunec? It's your
16 turn.

17 COMMISSIONER DUNEC: I move it.

18 I felt bad --

19 COMMISSIONER YUSTEIN: I'm second.

20 COMMISSIONER DUNEC: -- the second.

21 MS. DILLON: I'm sorry. Who second it?

22 COMMISSIONER YUSTEIN: I did.

23 MS. SAPINSKI: Commissioner Yustein.

24 MS. DILLON: Thank you.

25 MS. SAPINSKI: Commissioner Brown?

1 VICE CHAIRMAN BROWN: Yes.

2 MS. SAPINSKI: Commissioner Dunec?

3 Commissioner Dunec?

4 COMMISSIONER DUNEC: Yes.

5 MS. SAPINSKI: Commissioner Spiesbach?

6 COMMISSIONER SPIESBACH: Yes.

7 MS. SAPINSKI: Commissioner Stanziale?

8 COMMISSIONER STANZIALE: Yes.

9 MS. SAPINSKI: Commissioner Yustein?

10 COMMISSIONER YUSTEIN: Yes.

11 MS. SAPINSKI: Chairman Klinghoffer?

12 CHAIRMAN KLINGHOFFER: Yes.

13

14 (Whereupon, the Board discussed and took

15 action on the following items:

16 **CORRECTIONAL FACILITY/CELANESE LITIGATION**

17 ***ALL EXPENSES PAID FROM ECIA OPERATIONS ACCOUNT**

18 8. RESOLUTION NO. 16-133 - RESOLUTION

19 AUTHORIZING AMENDMENT #1 TO THE AGREEMENT WITH
20 BUCHANAN, INGERSOLL & ROONEY, PC IN THE AMOUNT OF
21 \$150,000.00 FOR LEGAL SERVICES; and

22 9. RESOLUTION NO. 16-134 - RESOLUTION

23 AUTHORIZING PAYMENT IN THE AMOUNT OF \$61,668.56
24 TO BUCHANAN, INGERSOLL & ROONEY, PC FOR LEGAL
25 SERVICES RENDERED IN THE MONTH OF APRIL, 2016;

1 and

2 **10.** RESOLUTION NO. 16-135 - RESOLUTION
3 RATIFYING PAYMENT IN THE AMOUNT OF \$10,822.36 TO
4 BUCHANAN, INGERSOLL & ROONEY, PC FOR SERVICES
5 RENDERED BY HYDROGEOLOGIC, INC.)

6

7 CHAIRMAN KLINGHOFFER: On 8 through 10, can
8 you -- it's probably in the material, which I did
9 not -- if I saw it, I don't recall it, where do
10 we stand year-to-date? And this is on -- this is
11 all payment. Just so we stay on -- everybody
12 knows where we're at.

13 MS. SAPINSKI: Yes.

14 CHAIRMAN KLINGHOFFER: Because it's a big
15 number.

16 MS. SAPINSKI: It is a big number.

17 MR. ROTHER: Yeah. Hope -- hopefully, now
18 that the State piece is settled, there'll be a
19 bit of a reduction, because he was spending a
20 fair amount of time -- you know, monkeying around
21 with that. So, with a little bit --

22 MS. SAPINSKI: The original --

23 MR. ROTHER: -- of luck, that will be
24 reduced a bit.

25 MS. SAPINSKI: The original contract was

1 200. Now we're adding 150, so it's 350. And
2 after this payment, we're going to have 128 left.
3 So, we're definitely going to be back for another
4 amendment. It's never going to last us until the
5 end.

6 CHAIRMAN KLINGHOFFER: It's not going to
7 last a year. No.

8 MS. SAPINSKI: No, no. Because it's only
9 April so --

10 CHAIRMAN KLINGHOFFER: Would somebody like
11 to move 8 through 10?

12 COMMISSIONER SPIESBACH: I'll move.

13 COMMISSIONER YUSTEIN: I'll second.

14 MS. SAPINSKI: Commissioner Brown?

15 VICE CHAIRMAN BROWN: Yes.

16 MS. SAPINSKI: Commissioner Dunec?

17 COMMISSIONER DUNEC: Yes.

18 MS. SAPINSKI: Commissioner Spiesbach?

19 COMMISSIONER SPIESBACH: Yes.

20 MS. SAPINSKI: Commissioner Stanziale?

21 COMMISSIONER STANZIALE: Yes.

22 MS. SAPINSKI: Commissioner Yustein?

23 COMMISSIONER YUSTEIN: Yes.

24 MS. SAPINSKI: Chairman Klinghoffer?

25 CHAIRMAN KLINGHOFFER: Yes.

1 MR. ROTHER: And one quick comment on -- on
2 O'Toole's bill.

3 They made a mistake, and -- and under --
4 under-billed us. Now --

5 MS. SAPINSKI: It's --

6 MR. ROTHER: He -- he made somewhat of an
7 overture to -- to Lucy to, if they could make it
8 up. And -- and Lucy passed it on -- passed it on
9 to me. And -- and I opted not to do it.

10 I -- I didn't raise it with him. I just --
11 not -- not having the conv --

12

13 (Whereupon, there was an interruption in
14 the recording.)

15

16 MS. DILLON: Okay.

17 MR. ROTHER: So, I -- I have not raised it
18 with him and I won't. And I'm -- I'm not going
19 to -- you know --

20 COMMISSIONER DUNEC: Why?

21 MR. ROTHER: Why? Hey, he's making a good
22 buck on -- on us. And at a much higher rate than
23 we typically pay local attorneys. They're not
24 hurting. They're not hurting.

25 COMMISSIONER DUNEC: The issue, to me, is

1 not about hurting or not. If he's due it, that's
2 what he's due.

3 MR. ROTHER: Yeah. Well, if he -- if he
4 really feels that he has been -- been --

5 VICE CHAIRMAN BROWN: Short --

6 MR. ROTHER: -- hurt, shortchanged here,
7 he'll -- he'll ask me.

8 COMMISSIONER DUNEC: But he did. Well, he
9 approached.

10 CHAIRMAN KLINGHOFFER: No. No.

11 MR. ROTHER: No, he didn't.

12 CHAIRMAN KLINGHOFFER: He didn't.

13 MR. ROTHER: He didn't.

14 COMMISSIONER DUNEC: He approached Lucy.

15 MR. ROTHER: Yeah.

16 CHAIRMAN KLINGHOFFER: That's not
17 approaching the Director.

18 MR. ROTHER: No. He's got to -- he's got
19 to ask -- he's got to ask me. He's got to ask
20 me. And I'll -- I'll deal with it when -- when
21 he --

22 CHAIRMAN KLINGHOFFER: That makes sense.

23 MR. ROTHER: I'm not about -- I'm not about
24 to volunteer to give the Authority's money away,
25 if -- if I can avoid it.

1 CHAIRMAN KLINGHOFFER: No. You've got a
2 fiduciary obligation not to volunteer the -- the
3 -- yup. I think that makes sense.

4 VICE CHAIRMAN BROWN: I can only think if
5 he thought he could get the money, he would have
6 asked when he -- and again, instead of going to
7 Lucy. He tried to slide in the back door and
8 make it -- make it seem it was a clerical
9 situation. So, two --

10 MS. SAPINSKI: They --

11 VICE CHAIRMAN BROWN: -- clerical persons
12 could deal with --

13 MS. SAPINSKI: They gave us double
14 discount.

15 VICE CHAIRMAN BROWN: Yeah.

16 MS. SAPINSKI: Because his rate was a
17 discount, and then they were giving additional 20
18 percent discount on top of that.

19 CHAIRMAN KLINGHOFFER: But as the Director
20 pointed out, we're paying this firm at much
21 higher --

22 MS. SAPINSKI: Yeah. We are.

23 MR. ROTHER: A humongous --

24 CHAIRMAN KLINGHOFFER: -- than anybody
25 else.

1 MR. ROTHER: It is -- it is a very, very
2 high rate, and if he discounted it a bit more --

3 VICE CHAIRMAN BROWN: If it's mine, I'm
4 going to ask the Director. So, if he asked, then
5 we deal with him.

6 CHAIRMAN KLINGHOFFER: That's a different
7 situation.

8 VICE CHAIRMAN BROWN: Right. But asking
9 Lucy for it, --

10 MS. SAPINSKI: I said that I will pass it
11 along and will let him know and that's what I --

12 MR. ROTHER: I just feel that if he --

13 MS. SAPINSKI: I passed it along and --

14 MR. ROTHER: If he really feels that he --
15 he's entitled, he would -- he would ask me, and
16 he hasn't done it, and I'm not going to go
17 volunteer it.

18 CHAIRMAN KLINGHOFFER: Did we vote on 8
19 through 10?

20 MS. SAPINSKI: We did.

21 CHAIRMAN KLINGHOFFER: Okay.

22 MS. SAPINSKI: Eight through 10, yes.

23

24 (Whereupon, the Board discussed and took
25 action on the following item:

1 ROLLER RINK AT BRANCH BROOK PARK PROJECT

2 11. RESOLUTION NO. 16-136 - RESOLUTION
3 ACCEPTING PROPOSALS FROM GC STEWART IN THE AMOUNT
4 OF \$7,480.00 FOR SURVEYING SERVICES OF THE
5 EXISTING BUILDING AND PARKING LOT.)

6

7 CHAIRMAN KLINGHOFFER: Okay.

8 So, the next one is 11, which is our new
9 project, the roller rink.

10 VICE CHAIRMAN BROWN: I'll move that.

11 COMMISSIONER STANZIALE: Second.

12 MS. SAPINSKI: Commissioner Brown?

13 VICE CHAIRMAN BROWN: Yes.

14 MS. SAPINSKI: Commissioner Dunec?

15 COMMISSIONER DUNEC: Yes.

16 MS. SAPINSKI: Commissioner Spiesbach?

17 COMMISSIONER SPIESBACH: Yes.

18 MS. SAPINSKI: Commissioner Stanziale?

19 COMMISSIONER STANZIALE: Yes.

20 MS. SAPINSKI: Commissioner Yustein?

21 COMMISSIONER YUSTEIN: Yes.

22 MS. SAPINSKI: Chairman Klinghoffer?

23 CHAIRMAN KLINGHOFFER: Yes.

24

25 (Whereupon, the Board discussed and took

1 action on the following items:

2 **NEWARK PROPERTY ACQUISITION PROJECT**

3 12. RESOLUTION NO. 16-137 - RESOLUTION
4 AUTHORIZING PAYMENT IN THE AMOUNT OF \$8,785.89 TO
5 CHIESA, SHAHINIAN & GIANTOMASI, PC FOR LEGAL
6 SERVICES RENDERED IN THE MONTH OF MARCH AND APRIL
7 2016; and

8 13. RESOLUTION NO. 16-138 - RESOLUTION
9 AUTHORIZING PAYMENT IN THE AMOUNT OF \$4,500.00
10 FOR SERVICES RENDERED BY APPRAISAL CONSULTANTS
11 (CORP.)

12

13 CHAIRMAN KLINGHOFFER: The Newark Property
14 Acquisition Project was supposed to be very short
15 term, but it's still kind of moving along slowly.

16 MR. ROTHER: Yeah. And it's -- it's mostly
17 now Newark -- Newark owned.

18 MS. SAPINSKI: Properties only.

19 MR. ROTHER: So --

20 MS. SAPINSKI: Thirteen of them.

21 MR. ROTHER: So --

22 MS. SAPINSKI: They closed on 13
23 properties.

24 MR. ROTHER: So --

25 CHAIRMAN KLINGHOFFER: So, we're buying

1 properties from the City of Newark?

2 MS. SAPINSKI: We -- we got them for
3 dollar, I think.

4 CHAIRMAN KLINGHOFFER: Okay.

5 Would someone like to move 12 and 13?

6 COMMISSIONER STANZIALE: I'll move it.

7 VICE CHAIRMAN BROWN: I'll second it.

8 MS. SAPINSKI: Commissioner Brown?

9 VICE CHAIRMAN BROWN: Yes.

10 MS. SAPINSKI: Commissioner Dunec?

11 COMMISSIONER DUNEC: Yes.

12 MS. SAPINSKI: Commissioner Spiesbach?

13 COMMISSIONER SPIESBACH: Yes.

14 MS. SAPINSKI: Commissioner Stanziale?

15 COMMISSIONER STANZIALE: Yes.

16 MS. SAPINSKI: Commissioner Yustein?

17 COMMISSIONER YUSTEIN: Yes.

18 MS. SAPINSKI: Chairman Klinghoffer?

19 CHAIRMAN KLINGHOFFER: Yes.

20

21 (Whereupon, the Board discussed and took

22 action on the following items:

23 **AIRPORT**

24 **14. RESOLUTION NO. 16-139 - RESOLUTION**

25 **AUTHORIZING A LEASE AGREEMENT WITH AIR BOUND**

1 AVIATION FOR HANGAR/BUILDING M; and

2 **15.** RESOLUTION NO. 16-140 - RESOLUTION
3 AUTHORIZING AN OPERATING AGREEMENT WITH AIR BOUND
4 AVIATION FOR FUEL SERVICES; and

5 **16.** RESOLUTION NO. 16-141 - RESOLUTION
6 AUTHORIZING AN AGREEMENT WITH ACCURATE
7 CONSTRUCTION, INC., IN THE AMOUNT OF \$393,000.00
8 FOR CONSTRUCTION OF PRE-FABRICATED, MODULAR
9 AIRPORT OPERATIONS BUILDING; and

10 **17.** RESOLUTION NO. 16-142 - RESOLUTION
11 ACCEPTING A PROPOSAL FROM RENDEZVIEW INC., IN THE
12 AMOUNT OF \$2,600.00 FOR DESIGNING AND MAINTAINING
13 AIRPORT WEBSITE TO BE MORE USER FRIENDLY AND
14 MOBILE DEVICE COMPATIBLE; and

15 **18.** RESOLUTION NO. 16-143 - RESOLUTION
16 AUTHORIZING PAYMENT TO C & S ENGINEERS, INC., IN
17 THE AMOUNT OF \$1,046.21 FOR ENGINEERING SERVICES
18 RENDERED IN CONNECTION WITH CHANGES TO THE
19 AIRPORT LAYOUT PLAN; and

20 **19.** RESOLUTION NO. 16-144 - RESOLUTION
21 RATIFYING PAYMENT IN THE AMOUNT OF \$350.00 TO
22 UNITED AUTOMATIC FIRE SPRINKLER INC. FOR
23 SPRINKLER RELOCATION AT HANGAR/BUILDING I; and

24 **20.** RESOLUTION NO. 16-145 - RESOLUTION
25 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,670.80 TO

1 WATER WORKS SUPPLY COMPANY INC. FOR PARTS TO
2 REPAIR FIRE HYDRANT INSIDE THE AIRPORT; and

3 **21.** RESOLUTION NO. 16-146 - RESOLUTION
4 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,595.88 TO
5 E&A SMALL ENGINE FOR INDUSTRIAL, ALL PURPOSE SAW;
6 and

7 **22.** RESOLUTION NO. 16-147 - RESOLUTION
8 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,134.09 TO
9 BLUE TARP FINANCIAL INC. (NORTHERN TOOL &
10 EQUIPMENT) FOR PLATE COMPACTOR MACHINE;
11 and

12 **OBSTRUCTION REMOVAL PROJECT-CONDEMNATION**

13 **PROJECT FUNDED:**

14 **ECIA/AIRPORT 100%**

15 **25.** RESOLUTION NO. 16-150 - RESOLUTION
16 AUTHORIZING PAYMENT TO C & S ENGINEERS, INC., IN
17 THE AMOUNT OF \$7,502.66 FOR ENGINEERING SERVICES
18 RENDERED;

19 and

20 **REJUVENATION & RUNWAY 10-28 THRESHOLD LIGHTING**

21 **PROJECT (DESIGN)**

22 **PROJECT FUNDED:**

23 **FAA GRANT #38-15 (90%)**

24 **NJDOT GRANT #6107308 (5%)**

25 **AIRPORT BOND (5%)**

1 **26.** RESOLUTION NO. 16-151 - RESOLUTION
2 AUTHORIZING PAYMENT TO C & S ENGINEERS, INC., IN
3 THE AMOUNT OF \$27,810.89 FOR DESIGN ENGINEERING
4 SERVICES RENDERED.)

5
6 (Whereupon, the Board discussed the
7 following items:

8 **ENVIRONMENTAL PROJECTS - HANGAR 1 AND 3**
9 **AND OIL/WATER SEPARATOR REPLACEMENT**

10 **PROJECT FUNDED:**

11 **AIRPORT - 100%**

12 **23.** RESOLUTION NO. 16-148 - WITHDRAWN -
13 RESOLUTION AUTHORIZING PAYMENT TO H2M ASSOCIATES
14 INC., IN THE AMOUNT OF \$58,213.17 FOR ENGINEERING
15 SERVICES IN CONNECTION WITH SITE REMEDIATION AT
16 HANGAR 3 AREA PROJECT THROUGH 4-29-16; and

17 **24.** RESOLUTION NO. 16-149 - WITHDRAWN -
18 RESOLUTION AUTHORIZING PAYMENT TO H2M ASSOCIATES,
19 INC., IN THE AMOUNT OF \$177,663.05 FOR
20 ENGINEERING SERVICES IN CONNECTION WITH SITE
21 REMEDIATION AT HANGAR 1 AREA PROJECT THROUGH 4-
22 29-16.)

23

24 CHAIRMAN KLINGHOFFER: The Airport runs
25 from 14 through 26. Am I --

1 MS. SAPINSKI: Yes.

2 CHAIRMAN KLINGHOFFER: -- I got the numbers
3 right.

4 MS. SAPINSKI: Um hum.

5 CHAIRMAN KLINGHOFFER: And unless there's
6 an objection, maybe somebody would like to move
7 all 14 through 26?

8 COMMISSIONER DUNEC: I'll move that.

9 COMMISSIONER SPIESBACH: I have a problem
10 with 23 and 24, I'll tell you that right now.

11 CHAIRMAN KLINGHOFFER: Okay. Let's --

12 COMMISSIONER SPIESBACH: They could be
13 approved, but I'd like you to break them out
14 separately.

15 CHAIRMAN KLINGHOFFER: Do you want to just
16 talk about it first? Or you have --

17 COMMISSIONER SPIESBACH: Well, I'm just
18 looking at --

19 CHAIRMAN KLINGHOFFER: Do we have a
20 conflict issue?

21 COMMISSIONER SPIESBACH: Well, but I had
22 some questions as to when we're going to finish
23 this job? I was going to ask Joe if he could
24 fill us in on what the status --

25 MS. DILLON: Sit forward, Commissioner.

1 COMMISSIONER SPIESBACH: Because I keep
2 reading stuff --

3 CHAIRMAN KLINGHOFFER: Move forward. She's
4 not getting you on the -- on the --

5 COMMISSIONER SPIESBACH: I keep reading
6 that the next phase of the investigation, the
7 next phase of the investigation, we're not moving
8 to the end game here. And I'm really, really
9 getting concerned, because we're at like \$1.2
10 million.

11 Now, some of it was to take out the tanks,
12 I'll grant you. But that's a lot of -- lot of
13 investigation money for, essentially, a municipal
14 airport.

15 And I'm still having a hard time wrapping
16 my head around that one.

17 CHAIRMAN KLINGHOFFER: And who's -- how's
18 the --

19 COMMISSIONER SPIESBACH: And some of the
20 backup on the particular bills, they have
21 subcontractors in the -- to the tune of
22 \$68,000.00, but it's just a line item. There's
23 no -- where's their receipt? Where's their
24 invoice?

25 I have -- I have no problem with approving

1 | them, because the payment, just like Commissioner
2 | Dunec just said, the work was done, so I have no
3 | problem with that. But I'd like to see that
4 | backup, but I'd really like to see when are we
5 | going to move this thing to the end?

6 | MR. ROTHER: Well, that's -- and let's --
7 | it's two different things. And, absolutely, the
8 | -- the backup we'll -- we'll reach out to them
9 | tomorrow and -- and we'll get the -- get the
10 | backup.

11 | COMMISSIONER SPIESBACH: And before we --
12 | before we --

13 | MR. ROTHER: That's the thing about --

14 | COMMISSIONER SPIESBACH: -- get to the next
15 | point.

16 | MR. ROTHER: Yeah.

17 | COMMISSIONER SPIESBACH: And there's also
18 | some charges here that, why do we need two of
19 | their senior people for construction observation?

20 | MR. ROTHER: That's a third --

21 | COMMISSIONER SPIESBACH: That sounds weird
22 | to me.

23 | MR. ROTHER: That's a third issue. So,
24 | let's -- let's deal with these things in separate
25 | ways here.

1 The -- we'll get you the backup.

2 We -- we will schedule another meeting with
3 them where we can talk to them about how much
4 supervision, and what kind of supervision they
5 have, and why they need that level of senior
6 supervision.

7 We can bring them back in here.

8 COMMISSIONER SPIESBACH: Okay.

9 MR. ROTHER: And -- and we'll -- and we'll
10 have you at the meeting, and we'll have that
11 conversation with them.

12 With regard to the end game here, and
13 that's -- that's been an ongoing issue. And at
14 one point, Commissioner Spiesbach was going to
15 try to get an independent --

16 COMMISSIONER SPIESBACH: Yeah.

17 MR. ROTHER: -- firm to come in and advise
18 us what the end game ought to be. And of course,
19 Commissioner Spiesbach found that that was very
20 difficult to do, because one LSRP is not going to
21 rat on the other LSRP.

22 COMMISSIONER SPIESBACH: Um hum.

23 MR. ROTHER: And so --

24 COMMISSIONER SPIESBACH: Haven't found one
25 that will yet.

1 MR. ROTHER: -- but have we haven't found
2 one yet.

3 Okay. All right. Yeah. Honor amongst
4 thieves.

5 COMMISSIONER SPIESBACH: Right.

6 MR. ROTHER: So -- so what -- what I
7 suggested, and I -- I haven't done it yet, and
8 maybe we should do it, I -- I have an
9 acquaintance, an attorney, who was deputy
10 attorney general with DEP.

11 COMMISSIONER SPIESBACH: Um hum.

12 MR. ROTHER: For many years, and is now
13 pretty knowledgeable environmental counsel. We
14 could bring him in -- you know, just on a -- on a
15 quick look to help us better gauge whether or not
16 there is a -- an end game that we can -- you
17 know, we can --

18 CHAIRMAN KLINGHOFFER: Could I make --

19 COMMISSIONER SPIESBACH: Yeah. I hear
20 that. But that's --

21 CHAIRMAN KLINGHOFFER: Could I make a --
22 could I make a practical suggestion?

23 MR. ROTHER: Yeah.

24 CHAIRMAN KLINGHOFFER: Would it be the end
25 -- would you consider withdrawing 23 and 24, hold

1 | them for the next meeting, and bring them in? If
2 | nothing else, they'll get the message that
3 | there's some concern. And we'll -- we don't want
4 | to not pay a bill, just not to pay a bill.

5 | MR. ROTHER: I --

6 | CHAIRMAN KLINGHOFFER: But if there's open
7 | issues, then, it -- it sends a message to
8 | everybody.

9 | MR. ROTHER: Okay. I don't have a problem
10 | unless -- unless Lucy, you know something about
11 | it that --

12 | MS. SAPINSKI: No. No.

13 | MR. ROTHER: Okay.

14 | Let's -- let's -- then, let's table it.

15 | COMMISSIONER SPIESBACH: Because Joe's been
16 | their main contact.

17 | Is Joe still here, because --

18 | MS. SAPINSKI: No. I'm sorry. Joe is
19 | getting married, and he had a church today at
20 | 6:30 so he had to --

21 | CHAIRMAN KLINGHOFFER: That's -- that's --

22 | COMMISSIONER SPIESBACH: Okay. No, no, no,
23 | no. No.

24 | COMMISSIONER DUNEC: Priority.

25 | MR. ROTHER: So, let's --

1 COMMISSIONER SPIESBACH: My only point in
2 bringing that up is that Joe has been closer to
3 it --

4 MS. SAPINSKI: Yeah.

5 COMMISSIONER SPIESBACH: -- than anyone.

6 MS. SAPINSKI: This -- this is up to --

7 COMMISSIONER SPIESBACH: And I certainly
8 didn't want to --

9 MS. SAPINSKI: This time is all up to the
10 May 7 deadline for the --

11 COMMISSIONER SPIESBACH: No, I understand
12 that.

13 MS. SAPINSKI: -- DEP.

14 MR. ROTHER: The filing. The filing.

15 MS. SAPINSKI: The filing of it. So, this
16 is all --

17 MR. ROTHER: We had to -- we had that
18 deadline.

19 MS. SAPINSKI: They had the deadline.

20 CHAIRMAN KLINGHOFFER: That's done.

21 MS. SAPINSKI: So, everything is -- that's
22 all done. Yes. Yes. Yes.

23 CHAIRMAN KLINGHOFFER: And who --

24 MS. SAPINSKI: Yes.

25 CHAIRMAN KLINGHOFFER: Are we -- how is --

1 | how is the cost being allocated on this? Is this
2 | all us? Is this --

3 | MS. SAPINSKI: All us. All us. We have no
4 | money. No. It's all us. All us.

5 | MR. ROTHER: So, yes.

6 | MS. SAPINSKI: And they -- they even --

7 | MR. ROTHER: We'll --

8 | MS. SAPINSKI: -- suggested that they want
9 | to come before the next phase.

10 | COMMISSIONER SPIESBACH: Yeah. It's only
11 | because we've had a couple of conversations. And
12 | it's very easy, and I'm fairly knowledgeable in
13 | the field, but no, I'm not an LSRP. But before
14 | you know it, it's like --

15 | CHAIRMAN KLINGHOFFER: I'm sorry.

16 | COMMISSIONER SPIESBACH: -- no --

17 | CHAIRMAN KLINGHOFFER: LSRP stands for?

18 | MR. ROTHER: Licensed site remediation --

19 | COMMISSIONER SPIESBACH: Licensed site
20 | remediation professional.

21 | MR. ROTHER: -- professional.

22 | COMMISSIONER SPIESBACH: Used to be better
23 | when the DEP had case managers, because then you
24 | would have people that --

25 | MR. ROTHER: So that others understand what

1 -- what has happened is, nowadays, you -- you
2 don't have to go to DEP to have them actually
3 administer --

4 COMMISSIONER SPIESBACH: Right.

5 MR. ROTHER: -- these cleanups. So they
6 have licensed certain personnel to do that for
7 them.

8 Now, the -- the story you hear from them is
9 -- you know, we have been given, essentially, the
10 pen for DEP. So, we have to be very careful that
11 we protect that -- that --

12 COMMISSIONER SPIESBACH: Um hum.

13 MR. ROTHER: -- position. We can't be very
14 aggressive because if we do that, we're going to
15 lose our license.

16 COMMISSIONER SPIESBACH: Right.

17 MR. ROTHER: So, we -- we hear that again
18 and again.

19 But I'm sympathetic to Gerry's concern that
20 there has to be an end game. After all, we're
21 not going to remediate an airport to residential
22 standards.

23 COMMISSIONER SPIESBACH: Of course not.

24 MR. ROTHER: I mean, nobody's going to be
25 living here. There has to be a point in time

1 | where we stop remediating.

2 | COMMISSIONER SPIESBACH: Right.

3 | MR. ROTHER: Now, we're at the --

4 | COMMISSIONER SPIESBACH: Or investigating
5 | even.

6 | MR. ROTHER: Yes. Yes.

7 | COMMISSIONER SPIESBACH: Investigating.

8 | MR. ROTHER: We shouldn't be looking.

9 | Yeah. We're looking for trouble with a
10 | searchlight is what -- what we're doing. So, I'm
11 | -- I'm sympathetic.

12 | CHAIRMAN KLINGHOFFER: Okay.

13 | So, for the record, the Administration,
14 | then, is withdrawing 23 and 24.

15 | And somebody is then, hopefully, going to
16 | move --

17 | VICE CHAIRMAN BROWN: Fourteen through --

18 | CHAIRMAN KLINGHOFFER: -- 14 through 26,
19 | excluding 23 and 24.

20 | MS. SAPINSKI: Yes.

21 | CHAIRMAN KLINGHOFFER: Did I get that
22 | right?

23 | MS. SAPINSKI: Yes.

24 | CHAIRMAN KLINGHOFFER: Okay.

25 | COMMISSIONER DUNEC: I'll move that.

1 CHAIRMAN KLINGHOFFER: Thank you.

2 COMMISSIONER YUSTEIN: I'll second it.

3 MS. DILLON: I'm sorry.

4 Who's the second?

5 MS. SAPINSKI: Commissioner Yustein.

6 MS. DILLON: Thank you.

7 MS. SAPINSKI: Commissioner Brown?

8 VICE CHAIRMAN BROWN: Yes.

9 MS. SAPINSKI: Commissioner Dunec?

10 COMMISSIONER DUNEC: Yes.

11 MS. SAPINSKI: Commissioner Spiesbach?

12 COMMISSIONER SPIESBACH: Yes.

13 MS. SAPINSKI: Commissioner Stanziale?

14 COMMISSIONER STANZIALE: Yes.

15 MS. SAPINSKI: Commissioner Yustein?

16 COMMISSIONER YUSTEIN: Yes.

17 MS. SAPINSKI: Chairman Klinghoffer?

18 CHAIRMAN KLINGHOFFER: Yes.

19

20 (Whereupon, the Board discussed and took
21 action on the following items:

22 **PARKING FACILITY (JUROR LOT AND PARKING GARAGE)**

23 27. RESOLUTION NO. 16-152 - RESOLUTION
24 ACCEPTING A PROPOSAL FROM PROTECTIVE MEASURERS IN
25 THE AMOUNT OF \$8,485.00 FOR FIRE ALARM SYSTEM

1 REPAIRS; and

2 **28.** RESOLUTION NO. 16-153 - RESOLUTION
3 AUTHORIZING AN AGREEMENT WITH GIBBONS, PC IN THE
4 AMOUNT OF \$15,000.00 TO ASSIST THE AUTHORITY TO
5 DETERMINE OWNERSHIP AND INTEREST OF THE PARKING
6 GARAGE AND AMEND AND RESTATE ALL PARKING SERVICE
7 AGREEMENTS BETWEEN ECIA AND THE COUNTY.)

8

9 CHAIRMAN KLINGHOFFER: And next is 27 and
10 28.

11 COMMISSIONER DUNEC: I'll move that, too.

12 VICE CHAIRMAN BROWN: I'll second it.

13 MS. SAPINSKI: Commissioner Brown?

14 VICE CHAIRMAN BROWN: Yes.

15 MS. SAPINSKI: Commissioner Dunec?

16 COMMISSIONER DUNEC: Yes.

17 MS. SAPINSKI: Commissioner Spiesbach?

18 COMMISSIONER SPIESBACH: Yes.

19 MS. SAPINSKI: Commissioner Stanziale?

20 COMMISSIONER STANZIALE: Yes.

21 MS. SAPINSKI: Commissioner Yustein?

22 Commissioner Yustein?

23 COMMISSIONER YUSTEIN: Yes.

24 MS. SAPINSKI: Chairman Klinghoffer?

25 CHAIRMAN KLINGHOFFER: Yes.

1
2 (Whereupon, the Board discussed and took
3 action on the following items:

4 **SPORTSPLEX STADIUM**

5 29. RESOLUTION NO. 16-154 - RESOLUTION
6 AUTHORIZING PAYMENT IN THE AMOUNT OF \$3,928.50 TO
7 PS&S FOR CONSULTING SUPPORTING SERVICES RENDERED
8 IN CONNECTION WITH SALE OF THE STADIUM THROUGH
9 MARCH 2016; and

10 30. RESOLUTION NO. 16-155 - RESOLUTION
11 AUTHORIZING AMENDMENT #1 TO THE AGREEMENT WITH
12 CONNELL FOLEY IN THE AMOUNT OF \$25,000.00 FOR
13 LEGAL SERVICES IN CONNECTION WITH SALE OF THE
14 STADIUM; and

15 31. RESOLUTION NO. 16-156 - RESOLUTION
16 AUTHORIZING PAYMENT IN THE AMOUNT OF \$50,399.68
17 TO CONNELL FOLEY FOR LEGAL SERVICES RENDERED IN
18 CONNECTION WITH THE SALE OF THE STADIUM FROM
19 2-19-16 THROUGH 4-28-2016; and

20 32. RESOLUTION NO. 16-157 - RESOLUTION
21 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,296.00 TO
22 CITY NEWARK GLASS COMPANY FOR A GLASS REPLACEMENT
23 AT THE STADIUM; and

24 33. RESOLUTION NO. 16-158 - RESOLUTION
25 AUTHORIZING PAYMENT IN THE AMOUNT OF \$2,115.00 TO

1 ABLE ROLLING DOOR, INC. FOR FIELD EQUIPMENT SHED
2 DOOR REPAIRS AT THE STADIUM; and

3 **34.** RESOLUTION NO. 16-159 - RESOLUTION
4 AUTHORIZING PAYMENT IN THE AMOUNT OF \$2,513.21 TO
5 FISHER & SON COMPANY INC. FOR FIELD MAINTENANCE
6 SUPPLIES; and

7 **35.** RESOLUTION NO. 16-160 - RESOLUTION
8 AUTHORIZING PAYMENT IN THE AMOUNT OF \$2,964.00 TO
9 POSITIVE ELECTRIC FOR HIGH POLE LIGHTS REPAIRS
10 AND BULB REPLACEMENT.)

11

12 CHAIRMAN KLINGHOFFER: Now, I have a
13 question on Sportsplex.

14 We still have an obligation to maintain the
15 stadium, do we --

16 MR. ROTHER: Yeah.

17 CHAIRMAN KLINGHOFFER: -- do we not?

18 MR. ROTHER: Yeah. That was -- that was
19 one of the things, and in -- in the end, it's
20 going to come out of the -- the funds that we
21 generate -- you know, from the -- from the
22 parking garage and whatever.

23 So, it's -- it's not really coming out of
24 our pocket. It comes out of the -- out of the --
25 the sharing that we have with the City and the --

1 and the County, in the end.

2 CHAIRMAN KLINGHOFFER: And now, this
3 baseball season, effectively, it's over for
4 college, or very close to being over.

5 MR. ROTHER: Just about. Yup.

6 MS. SAPINSKI: Just. Yeah.

7 CHAIRMAN KLINGHOFFER: How many more
8 seasons do you anticipate that we're going to be
9 operating the stadium?

10 MR. ROTHER: One -- one more for certain,
11 and perhaps a third.

12 CHAIRMAN KLINGHOFFER: Okay.

13 MR. ROTHER: That's according to the
14 developer.

15 And it would -- we're getting other
16 requests for use on a pretty regular basis. Some
17 of them -- some of them good, some of them not so
18 good.

19 CHAIRMAN KLINGHOFFER: Okay.

20 Would someone like to move 29 through 35?

21 COMMISSIONER STANZIALE: I'll move it.

22 COMMISSIONER DUNEC: I'll second it.

23 MS. SAPINSKI: Commissioner Brown?

24 VICE CHAIRMAN BROWN: Yes.

25 MS. SAPINSKI: Commissioner Dunec?

1 COMMISSIONER DUNEC: Yes.

2 MS. SAPINSKI: Commissioner Spiesbach?

3 COMMISSIONER SPIESBACH: Yes.

4 MS. SAPINSKI: Commissioner Stanziale?

5 COMMISSIONER STANZIALE: Yes.

6 MS. SAPINSKI: Commissioner Yustein?

7 COMMISSIONER YUSTEIN: Yes.

8 MS. SAPINSKI: Chairman Klinghoffer?

9 CHAIRMAN KLINGHOFFER: Yes.

10

11 (Whereupon, the Board discussed and took
12 action on the following item:

13 **FINANCE**

14 **36. RESOLUTION NO. 16-161 - RESOLUTION**

15 AUTHORIZING PAYMENT OF CHARGES AND EXPENSES OF

16 THE AUTHORITY'S \$150,000,000 POOLED GOVERNMENT

17 LOAN PROGRAM, SERIES 1986

18 PAYMENTS DUE OTHERS FOR PGLP SERVICES

19 GALLEROS KOH, LLP \$2,000.00

20 FINANCIAL CONSULTANT

21 MAY 2016

22 WELLS FARGO BANK, NA \$2,525.00

23 LETTER OF CREDIT FEE

24 ACACIA FINANCIAL GROUP \$5,400.00

25 RENEW OF LETTER OF CREDIT

1 PEARLMAN & MIRANDA, LLC \$8,833.30
2 RENEW OF LETTER OF CREDIT
3 CHAPMAN AND CUTLER, LLP \$10,000.00
4 RENEW OF LETTER OF CREDIT.)

5

6 CHAIRMAN KLINGHOFFER: Number 36 remains.
7 Someone like to move it?

8 VICE CHAIRMAN BROWN: I'll move it.

9 COMMISSIONER DUNEC: I'll second it.

10 MS. SAPINSKI: Commissioner Brown?

11 VICE CHAIRMAN BROWN: Yes.

12 MS. SAPINSKI: Commissioner Dunec?

13 COMMISSIONER DUNEC: Yes.

14 MS. SAPINSKI: Commissioner Spiesbach?

15 COMMISSIONER SPIESBACH: Yes.

16 MS. SAPINSKI: Commissioner Stanziale?

17 COMMISSIONER STANZIALE: Yes.

18 MS. SAPINSKI: Commissioner Yustein?

19 COMMISSIONER YUSTEIN: Yes.

20 MS. SAPINSKI: Chairman Klinghoffer?

21 CHAIRMAN KLINGHOFFER: Yes.

22

23 (Whereupon the Board discussed the
24 following item:

25 **ADMINISTRATIVE**

1 5. RESOLUTION NO. 16-130 - RESOLUTION RATIFYING
2 THE APPOINTMENT OF CLYDE L. OTIS, III, ESQ. AS
3 THE AUTHORITY'S DIRECTOR OF DEVELOPMENT/ASSISTANT
4 GENERAL COUNSEL.)

5

6 CHAIRMAN KLINGHOFFER: I have a question
7 now.

8 Did we ratify the hiring?

9 MR. ROTHER: Yes, we did. In the first
10 grouping.

11 COMMISSIONER SPIESBACH: Yes.

12 MR. ROTHER: Will you want to have Nia put
13 something on the record?

14 CHAIRMAN KLINGHOFFER: Yeah. I think we
15 ought to have -- we ought to be clear on the
16 record of -- of the hiring of -- of associate
17 general counsel, the potential conflict, our
18 discussion and how we resolved it, I think is --

19 MS. GILL: Okay.

20 CHAIRMAN KLINGHOFFER: Let's start with
21 your concern, and then we can --

22 MS. GILL: Okay.

23 CHAIRMAN KLINGHOFFER: -- if Director wants
24 to --

25 MR. ROTHER: Yeah. Well, I think we can

1 put on the record that -- that in -- in our
2 discussion in Executive Session on the hiring of
3 -- of Clyde Otis, that counsel, Nia Gill,
4 expressed concern that there is an appearance of
5 a conflict. And she wanted that noted, and we
6 note it here for -- for the record, that there is
7 that concern, and it was discussed.

8 CHAIRMAN KLINGHOFFER: It was -- it was
9 discussed extensively.

10 MR. ROTHER: Yes.

11 CHAIRMAN KLINGHOFFER: And there was a
12 consensus among Commissioners that are here this
13 evening --

14 MR. ROTHER: Yeah.

15 CHAIRMAN KLINGHOFFER: -- that there was --
16 that we were comfortable with it.

17 VICE CHAIRMAN BROWN: Yes.

18 COMMISSIONER DUNEC: Correct.

19 CHAIRMAN KLINGHOFFER: And if -- if anybody
20 disagrees, please say so now.

21 I hear silence.

22 MR. ROTHER: Okay.

23 CHAIRMAN KLINGHOFFER: Okay.

24 MR. ROTHER: Thank you all.

25

1 **ADJOURNMENT :**

2

3 CHAIRMAN KLINGHOFFER: Well, we need a
4 motion to adjourn before we --

5 COMMISSIONER YUSTEIN: I make a motion.

6 MS. SAPINSKI: We like you.

7 Commissioner Brown?

8 VICE CHAIRMAN BROWN: Who moved it?

9 She made the motion. Who moved it?

10 COMMISSIONER DUNEC: I second.

11 VICE CHAIRMAN BROWN: Oh, okay.

12 MS. SAPINSKI: He second. She made the
13 motion.

14 COMMISSIONER DUNEC: So quiet.

15 Steve?

16 VICE CHAIRMAN BROWN: Yes.

17 MS. SAPINSKI: Commissioner Brown?

18 Commissioner Dunec?

19 COMMISSIONER DUNEC: Yes.

20 MS. SAPINSKI: Commissioner Spiesbach?

21 COMMISSIONER SPIESBACH: Yes.

22 MS. SAPINSKI: Commissioner Stanziale?

23 COMMISSIONER STANZIALE: Yes.

24 MS. SAPINSKI: Commissioner Yustein?

25 COMMISSIONER YUSTEIN: Yes.

1 MS. SAPINSKI: Chairman Klinghoffer?

2 CHAIRMAN KLINGHOFFER: Yes.

3 Thank you and congratulations. Welcome to
4 your first meeting.

5

6 (Whereupon, the proceedings were concluded
7 at 6:34 p.m. Resolution No. 16-19.)

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1 STATE OF NEW JERSEY :

2 :

3 COUNTY OF ESSEX :

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5 I, DEBRA A. KASZNIAK, assigned transcriber,
6 do hereby affirm that the foregoing is a true and
7 accurate transcript of the REGULAR BOARD MEETING
8 of the ESSEX COUNTY IMPROVEMENT AUTHORITY heard
9 on Tuesday, May 24, 2016 and digitally recorded.

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25 Monitored and proofread by: Deborah Dillon