

ESSEX COUNTY
IMPROVEMENT AUTHORITY
ESSEX COUNTY, NEW JERSEY

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

27 Wright Way
Fairfield, New Jersey

Tuesday, October 28, 2014
Commencing at 5:00 p.m.

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

COMMISSIONER RONALD J. BROWN
COMMISSIONER GERARD M. SPIESBACH
COMMISSIONER CARLA A. STANZIALE
COMMISSIONER CYNTHIA D. TORO

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

COMMISSIONER STEVEN H. KLINGHOFFER
COMMISSIONER ELEONORE KESSLER COHEN,
Vice Chairperson

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

JAMES R. PAGANELLI, Executive Director
NIA H. GILL, ESQ., General Counsel
LUCY SAPINSKI, Director of Operations
SHARIFA R. SALAAM, ESQ., Deputy Freeholder Counsel
(Arrived at 5:11 p.m.)
THOMAS GOMEZ, Airport Manager
BETSY WILLIAMSON, Administrative Assistant
JOSEPH CALI, Airport Accounts Receivables

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1 MS. DILLON: Okay, on the record.

2 COMMISSIONER SPIESBACH: You ready, Deb?

3 MS. DILLON: Yes.

4 COMMISSIONER SPIESBACH: Let's begin then.

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

14 Roll call please.

15 MS. SAPINSKI: Commissioner Brown?

16 COMMISSIONER BROWN: Here.

17 MS. SAPINSKI: Commissioner Spiesbach?

18 COMMISSIONER SPIESBACH: Here.

19 MS. SAPINSKI: Commissioner Stanziale?

20 COMMISSIONER STANZIALE: Here.

21 MS. SAPINSKI: Commissioner Toro?

22 COMMISSIONER TORO: Here.

23 COMMISSIONER SPIESBACH: Okay, at this
24 point we would open the meeting to public
25 comment.

1 If there's anyone in the public that would
2 like to address the Board, now is the
3 opportunity.

4 Seeing no one from the public, we would
5 move on and close public comment and go to the
6 Acceptance of Minutes.

7

8 (Whereupon, the Board discussed and took
9 action on the following item:

10 **ACCEPTANCE OF MINUTES**

11 **RESOLUTION NO. 14-27**

12 **1. REGULAR BOARD MEETING 9-23-14.)**

13

14 COMMISSIONER SPIESBACH: We have the
15 Regular Board Meeting Minutes of September 23rd,
16 2014.

17 Can we have a motion to accept?

18 COMMISSIONER BROWN: I'll move it.

19 COMMISSIONER TORO: Second.

20 MS. SAPINSKI: Commissioner Brown?

21 COMMISSIONER BROWN: Yes.

22 MS. SAPINSKI: Commissioner Spiesbach?

23 COMMISSIONER SPIESBACH: Yes.

24 MS. SAPINSKI: Commissioner Stanziale?

25 COMMISSIONER STANZIALE: Yes.

1 MS. SAPINSKI: Commissioner Toro?

2 COMMISSIONER TORO: Yes.

3 COMMISSIONER SPIESBACH: Jim, do you think
4 we'll need an Executive Session this evening?

5 MR. PAGANELLI: I don't but we can always
6 go in and talk about Celanese or Riverfront, if
7 anybody wants to. Otherwise, I --

8 COMMISSIONER SPIESBACH: Okay.

9 MR. PAGANELLI: -- think I can handle it on
10 the record.

11 COMMISSIONER SPIESBACH: Well, we see if --
12 Yeah.

13 We'll see if that pops up.

14 MR. PAGANELLI: Um-hum.

15

16 (Whereupon, the Board discussed and took
17 action on the following items:

18 **ADMINISTRATIVE**

19 **1.** RESOLUTION NO. 14-211 - RESOLUTION
20 INTRODUCING THE AUTHORITY'S 2015 ANNUAL OPERATING
21 BUDGET INCLUDING APPENDED SUPPLEMENTAL SCHEDULES,
22 AND THE CAPITAL BUDGET/PROGRAM;

23 **2.** RESOLUTION NO. 14-212 - RESOLUTION
24 AUTHORIZING PAYMENT TO AUDIO-DIGITAL
25 TRANSCRIPTION SERVICES, LLC FOR TRANSCRIPTION OF

1 BOARD MEETING ON 9-23-14; and

2 3. RESOLUTION NO. 14-213 - RESOLUTION
3 RATIFYING PAYMENT OF RECURRING BILLS (BILL
4 LIST).)

5

6 COMMISSIONER SPIESBACH: With that in mind
7 we'll go to review and approve Resolutions and
8 we'll do it under the general categories.

9 Under the first category of Administrative,
10 we have Resolutions 1, 2 and 3.

11 If there are any questions from any of the
12 Commissioners on any of those Resolutions?

13 Then can we have a motion to accept -- not
14 to -- a motion to approve Resolutions 1, 2 and 3?

15 COMMISSIONER TORO: I move.

16 COMMISSIONER STANZIALE: Second.

17 MS. SAPINSKI: Commissioner Brown?

18 COMMISSIONER BROWN: Yes.

19 MS. SAPINSKI: Commissioner Spiesbach?

20 COMMISSIONER SPIESBACH: Yes.

21 MS. SAPINSKI: Commissioner Stanziale?

22 COMMISSIONER STANZIALE: Yes.

23 MS. SAPINSKI: Commissioner Toro?

24 COMMISSIONER TORO: Yes.

25

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

3 **CORRECTIONAL FACILITY/CELANESE LITIGATION**

4

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

6

7 **NOTICE: AS PER COURT ORDER OF JANUARY 23, 2014,**
8 **PAYMENT TO SPECIAL MASTER ROSEN IN THE AMOUNT OF**
9 **\$10,139.17**

10

11 **4. RESOLUTION NO. 14-214 - RESOLUTION**
12 **AUTHORIZING PAYMENT IN THE AMOUNT OF \$19,665.69**
13 **TO BUCHANAN, INGERSOLL & ROONEY, PC FOR LEGAL**
14 **SERVICES RENDERED IN THE MONTH OF SEPTEMBER 2014;**
15 **and**

16 **5. RESOLUTION NO. 14-215 - RESOLUTION**
17 **AUTHORIZING PAYMENT IN THE AMOUNT OF \$4,458.00 TO**
18 **SMART DEVINE FOR ACCOUNTING REVIEW/ANALYSIS**
19 **SERVICES RENDERED IN THE MONTH OF SEPTEMBER**
20 **2014.)**

21

22 **COMMISSIONER SPIESBACH: Okay.**

23 **Next would be the Correctional Facility and**
24 **the Celanese Litigation.**

25 **And we have two items; item 4 and item 5.**

1 Any questions or comments from any of the
2 Commissioners on either of those Resolutions?

3 MR. PAGANELLI: I should just let the Board
4 know that Mr. O'Toole is back in court today
5 arguing a motion over confidentiality of some
6 documents.

7 As the Board knows, we're trying to step
8 into the shoes of Celanese and therefore we've --
9 when we're stepping into their shoes we've asked
10 to take -- to get all the documents for how
11 they've presented the defense prior to our doing
12 that.

13 They've fought back on that.

14 We're also fighting back on some of the
15 eligible costs; I think you guys have seen some
16 of those pleadings that have gone back and forth.

17 So, Mr. O'Toole informed us that they are
18 -- he should get an opinion from Judge Moore
19 tomorrow on some of these issues, so we'll get
20 some resolution, which will then be appealed.
21 And we'll go from there. So --

22 COMMISSIONER SPIESBACH: Okay.

23 Thank you, Jim.

24 MR. PAGANELLI: Um-hum.

25 COMMISSIONER SPIESBACH: Any other -- any

1 other questions or comments?

2 Then can we have a motion to approve items
3 4 and 5?

4 COMMISSIONER STANZIALE: Moved.

5 COMMISSIONER TORO: Second.

6 MS. SAPINSKI: Commissioner Brown?

7 COMMISSIONER BROWN: Yes.

8 MS. SAPINSKI: Commissioner Spiesbach?

9 COMMISSIONER SPIESBACH: Yes.

10 MS. SAPINSKI: Commissioner Stanziale?

11 COMMISSIONER STANZIALE: Yes.

12 MS. SAPINSKI: Commissioner Toro?

13 COMMISSIONER TORO: Yes.

14 MR. PAGANELLI: Just, -- Ger, just for
15 purposes of the Minutes, I just want to note for
16 those who may go back and read, that we did make
17 an additional payment to Special Master Rosen in
18 the amount of \$10,139.17.

19 We don't ask the Board to vote on it
20 because it's part of the court order but we just
21 want to make sure the public's aware that money's
22 being spent.

23 COMMISSIONER SPIESBACH: Thank you, Jim.

24

25 (Whereupon, the Board discussed and took

1 action on the following items:

2 **AIRPORT**

3

4 **6.** RESOLUTION NO. 14-216 - DISPOSITION OF BID
5 FOR RUNWAY SNOW BLOWER IN THE AMOUNT OF
6 \$99,300.00;

7 **7.** RESOLUTION NO. 14-217 - RESOLUTION
8 AUTHORIZING PAYMENT TO H2M ASSOCIATES INC., IN
9 THE AMOUNT OF \$48,725.94 FOR ENVIRONMENTAL
10 CONSULTING SERVICES IN CONNECTION WITH THE SITE
11 REMEDIATION AT AIRPORT - HANGAR 1 AREA;

12 **8.** RESOLUTION NO. 14-218 - RESOLUTION
13 AUTHORIZING PAYMENT TO H2M ASSOCIATES INC., IN
14 THE AMOUNT OF \$20,249.81 ENVIRONMENTAL CONSULTING
15 SERVICES IN CONNECTION WITH THE SITE REMEDIATION
16 AT AIRPORT - HANGAR 3 AREA;

17 **9.** RESOLUTION NO. 14-219 - RESOLUTION
18 ACCEPTING A PROPOSAL FROM DOWNES TREE SERVICES,
19 INC., IN THE AMOUNT OF \$6,300.00 FOR ADDITIONAL 9
20 TREES IN CONNECTION WITH OBSTRUCTION REMOVAL
21 PHASE VII (HAMMER PROPERTY);

22 **10.** RESOLUTION NO. 14-220 - RESOLUTION
23 AUTHORIZING PAYMENT IN THE AMOUNT OF \$5,272.95 TO
24 VERNER-CADBY FORD FOR REPAIRS TO AIRPORT VEHICLE
25 (VAN);

1 **11.** RESOLUTION NO. 14-221 - RESOLUTION
2 AUTHORIZING AMENDMENT #1 TO MAINTENANCE AGREEMENT
3 WITH AIR POWER FOR ALL ELECTRIC AND HVAC RELATED
4 ISSUES AT ALL AIRPORT BUILDINGS AND HANGARS IN
5 THE AMOUNT OF \$5,000.00; and

6 **12.** RESOLUTION NO. 14-222 - RESOLUTION
7 AUTHORIZING PAYMENT IN THE AMOUNT OF \$4,900.00 TO
8 AIR POWER FOR REPAIRS TO RADIANT HEATING SYSTEM
9 AT HANGAR M.)

10

11 COMMISSIONER SPIESBACH: Okay, under
12 Airport, we have Resolutions 6 through 12.

13 MR. PAGANELLI: The Administration's going
14 to withdraw 7 and 8, pending a meeting with H2M.

15 And we would ask that you consider 6, 9,
16 10, 11 and 12.

17 COMMISSIONER SPIESBACH: Any other
18 questions?

19 Just point of clarification, Jim.

20 While I wanted to meet with them about
21 where we are and what we're doing, I didn't have
22 any problem necessarily with their invoices.

23 MR. PAGANELLI: Okay.

24 COMMISSIONER SPIESBACH: So, were you
25 withdrawing them because of that?

1 MR. PAGANELLI: Yeah, I thought there were
2 different issues, so --

3 COMMISSIONER SPIESBACH: No, no, no.

4 MR. PAGANELLI: Okay.

5 COMMISSIONER SPIESBACH: No. The issue is
6 really where are we going, what -- where have we
7 been to date and where would be going in the
8 future.

9 MR. PAGANELLI: Okay.

10 COMMISSIONER SPIESBACH: Okay.

11 But this is work that they've done that
12 presumably is in their original scope of work
13 and --

14 MR. PAGANELLI: Yes.

15 COMMISSIONER SPIESBACH: -- I had no
16 problem with that.

17 I just --

18 MR. PAGANELLI: Okay.

19 COMMISSIONER SPIESBACH: -- want to try and
20 take a breath, stop, see what the future holds.

21 So with that we will put items 7 and 8 --

22 COMMISSIONER BROWN: Back on.

23 COMMISSIONER SPIESBACH: -- back on; not to
24 be withdrawn.

25 So, what we would be looking for is a --

1 COMMISSIONER BROWN: Resolution.

2 COMMISSIONER SPIESBACH: -- Resolution to
3 approve Resolutions 6 through 12 under Airport.

4 COMMISSIONER BROWN: I'll move it.

5 COMMISSIONER STANZIALE: Second.

6 MS. SAPINSKI: Commissioner Brown?

7 COMMISSIONER BROWN: Yes.

8 MS. SAPINSKI: Commissioner Spiesbach?

9 COMMISSIONER SPIESBACH: Yes.

10 MS. SAPINSKI: Commissioner Stanziale?

11 COMMISSIONER STANZIALE: Yes.

12 MS. SAPINSKI: Commissioner Toro?

13 COMMISSIONER TORO: Yes.

14 MR. PAGANELLI: Just so the Board knows,
15 there's an indication under number 9 of the
16 Hammer property. That's one of the properties
17 where we were doing tree removal. That project
18 is -- that parcel's done.

19 We are just about concluding Hutchinson.

20 Which leaves us with the golf course.

21 We're supposed to get some word back; they're
22 meeting again tonight, so we're supposed to get
23 some word back from them, so we'll see how that
24 goes.

25 COMMISSIONER BROWN: How does it look?

1 MR. PAGANELLI: Looks about as bad as it
2 looked before but, you know, we're still trying.

3 COMMISSIONER SPIESBACH: Okay.

4 Did we take the roll call on that?

5 MR. PAGANELLI: Um-hum.

6 COMMISSIONER SPIESBACH: Okay. Good.

7

8 (Whereupon, the Board discussed and took
9 action on the following item:

10 **SPORTSPLEX**

11

12 **13.** RESOLUTION NO. 14-223 - RESOLUTION
13 RATIFYING PAYMENT IN THE AMOUNT OF \$2,332.00 TO
14 CITY NEWARK GLASS COMPANY FOR REPLACEMENT OF
15 PANEL GLASS AT GARAGE STAR TOWER.)

16

17 COMMISSIONER SPIESBACH: Then we move to
18 the next one which is Sportsplex.

19 Only one item; would be item 13 --
20 Resolution 13.

21 COMMISSIONER TORO: I move.

22 COMMISSIONER BROWN: Second.

23 MS. SAPINSKI: Commissioner Brown?

24 COMMISSIONER BROWN: Yes.

25 MS. SAPINSKI: Commissioner Spiesbach?

1 COMMISSIONER SPIESBACH: Yes.

2 MS. SAPINSKI: Commissioner Stanziale?

3 COMMISSIONER STANZIALE: Yes.

4 MS. SAPINSKI: Commissioner Toro?

5 COMMISSIONER TORO: Yes.

6 COMMISSIONER SPIESBACH: Good.

7 Thank you.

8

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

11 **RESOURCE RECOVERY FACILITY PROJECT**

12

13 **14.** RESOLUTION NO. 14-224 - RESOLUTION
14 AUTHORIZING PAYMENT IN THE AMOUNT OF \$2,175.58 TO
15 DE COTIIS, FITZPATRICK & COLE, LLP FOR LEGAL
16 SERVICES RENDERED THROUGH SEPTEMBER 2014;

17 **15.** RESOLUTION NO. 14-225 - RESOLUTION
18 AUTHORIZING PAYMENT IN THE AMOUNT OF \$450.00 TO
19 ACACIA FINANCIAL SERVICES FOR SERVICES RENDERED
20 THROUGH SEPTEMBER 2014; and

21 **16.** RESOLUTION NO. 14-226 - RESOLUTION
22 AUTHORIZING THE PREPARATION AND SUBMISSION OF ANY
23 APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT
24 TO THE LOCAL AUTHORITIES FISCAL CONTROL LAW AND
25 OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE

1 | AUTHORITIES PROPOSED REVENUE BONDS (RESOURCE
2 | RECOVERY FACILITY PROJECT).)

3 |

4 | COMMISSIONER SPIESBACH: Okay, under our
5 | Resource Recovery Facility Project, items --
6 | Resolutions 14, 15 and 16.

7 | Jim, just for my benefit, these all relate
8 | to -- especially 16 is the bond issue to cover
9 | the capital improvements for the baghouses and
10 | the ferrous metal and all the rest of the things
11 | that need to be done at the Resource Recovery
12 | Facility?

13 | MR. PAGANELLI: Yeah, we are -- we are not
14 | certain at this point whether or not we need to
15 | go to Local Finance --

16 | COMMISSIONER SPIESBACH: Um-hum.

17 | MR. PAGANELLI: -- but we wanted to try to
18 | get some things accomplished. So we are going to
19 | ask for passage of this Resolution, which we'll
20 | hold in the file ultimately; if we have to go,
21 | we're going to go.

22 | We don't anticipate -- they're doing some
23 | of the work now, which they're doing under our
24 | inducement resolution from last year. We don't
25 | anticipate our bond being sold until sometime

1 after January.

2 COMMISSIONER SPIESBACH: Um-hum. Okay.

3 MR. PAGANELLI: And --

4 COMMISSIONER SPIESBACH: All right, I just
5 wanted to make sure I was understanding what
6 these --

7 MR. PAGANELLI: Yup.

8 COMMISSIONER SPIESBACH: -- are related to.

9 MR. PAGANELLI: Fourteen and 15 are funded
10 through an escrow that was posted by Covanta, who
11 is the operator of that facility.

12 So it's not ECIA dollars; they're funding
13 it, they'll look to get it back when we do the
14 ultimate financing.

15 COMMISSIONER SPIESBACH: Okay.

16 Thank you for that clarification, Jim.

17 With that, could we have a motion to
18 approve 14, 15 and 16?

19 COMMISSIONER STANZIALE: I'll move.

20 COMMISSIONER BROWN: I'll second.

21 MS. SAPINSKI: Commissioner Brown?

22 COMMISSIONER BROWN: Yes.

23 MS. SAPINSKI: Commissioner Spiesbach?

24 COMMISSIONER SPIESBACH: Yes.

25 MS. SAPINSKI: Commissioner Stanziale?

1 COMMISSIONER STANZIALE: Yes.

2 MS. SAPINSKI: Commissioner Toro?

3 COMMISSIONER TORO: Yes.

4

5 (Whereupon, the Board discussed and took
6 action on the following items:

7 **NEWARK RIVERFRONT PROJECT/LITIGATION**

8

9 **17.** RESOLUTION NO. 14-227 - RESOLUTION
10 AUTHORIZING AMENDMENT #2 TO THE AGREEMENT WITH
11 DE COTIIS, FITZPATRICK & COLE, LLP FOR LEGAL
12 SERVICES REGARDING NEWARK RIVERFRONT PROJECT IN
13 THE AMOUNT OF \$50,000.00;

14 **18.** RESOLUTION NO. 14-228 - RESOLUTION
15 AUTHORIZING PAYMENT IN THE AMOUNT OF \$33,368.29
16 TO DE COTIIS, FITZPATRICK & COLE, LLP FOR LEGAL
17 SERVICES RENDERED IN THE MONTH OF SEPTEMBER 2014
18 (TRIAL); and

19 **19.** RESOLUTION NO. 14-229 - RESOLUTION
20 AUTHORIZING PAYMENT IN THE AMOUNT OF \$14,600.00
21 TO INTEGRA REALTY RESOURCES (OUR APPRAISAL
22 EXPERT) FOR TRIAL PREPARATION AND TRIAL TESTIMONY
23 IN SEPTEMBER 2014 (RUBIN PROPERTY).)

24

25 COMMISSIONER SPIESBACH: And under the

1 Riverfront Project/Litigation, we have three
2 items; 17, 18 and 19.

3 I assume this means that it's going to go
4 to a trial or a hearing, Jim?

5 Is that what this is on?

6 MR. PAGANELLI: Trial has been concluded.
7 That's kind of why we're -- our amounts are a
8 little up this month.

9 The jury came back on value at \$953,000.00
10 an acre.

11 The Board should remember that when we
12 bought Palmer and ORFAC we bought those for 900
13 an acre. So, we're right where we expected to
14 be. We're certainly not where Mr. Rubin expected
15 to be.

16 And there has yet to be a order entered
17 following the trial yet, because they're still
18 arguing over the order as attorneys do. And we
19 anticipate that once the order gets entered
20 there'll be an appeal.

21 Again, the Board's kind of aware that they
22 have always argued that the date of taking was
23 other than when we actually filed our paperwork.
24 And if they are successful as to the date of
25 taking they will then argue highest and best use.

1 COMMISSIONER SPIESBACH: Um-hum.

2 MR. PAGANELLI: But for now this is where
3 we are.

4 COMMISSIONER SPIESBACH: Stay tuned.

5 MR. PAGANELLI: Yup.

6 COMMISSIONER SPIESBACH: Okay.

7 Thank you for that clarification.

8 So can we have a motion to approve
9 Resolution 17, 18 and 19?

10 COMMISSIONER BROWN: I'll move it.

11 COMMISSIONER TORO: I'll second.

12 MS. SAPINSKI: Commissioner Brown?

13 COMMISSIONER BROWN: Yes.

14 MS. SAPINSKI: Commissioner Spiesbach?

15 COMMISSIONER SPIESBACH: Yes.

16 MS. SAPINSKI: Commissioner Stanziale?

17 COMMISSIONER STANZIALE: Yes.

18 MS. SAPINSKI: Commissioner Toro?

19 COMMISSIONER TORO: Yes.

20

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

23 **JUROR PARKING FACILITY**

24

25 **20.** RESOLUTION NO. 14-230 - RESOLUTION

1 AUTHORIZING PAYMENT IN THE AMOUNT OF \$220.00 TO
2 PRECISION TECHNOLOGY SOLUTIONS FOR SERVICES TO
3 PARKING EQUIPMENT NOT COVERED BY ANNUAL
4 MAINTENANCE AGREEMENT (EXIT GATE NOT WORKING);
5 and

6 **21.** RESOLUTION NO. 14-231 - RESOLUTION
7 AUTHORIZING PAYMENT IN THE AMOUNT OF \$6,828.14 TO
8 POSITIVE ELECTRIC FOR ELECTRICAL REPAIRS AT THE
9 GARAGE.)

10

11 COMMISSIONER SPIESBACH: Okay.

12 Under our Juror Parking Facility, two
13 Resolutions, 20 and 21.

14 Are there any questions, comments or need
15 for clarification from any of the Commissioners?

16 If not, can we have a motion to approve
17 items 20 and 21 please?

18 COMMISSIONER TORO: So moved.

19 COMMISSIONER STANZIALE: Second.

20 MS. SAPINSKI: Commissioner Brown?

21 COMMISSIONER BROWN: Yes.

22 MS. SAPINSKI: Commissioner Spiesbach?

23 COMMISSIONER SPIESBACH: Yes.

24 MS. SAPINSKI: Commissioner Stanziale?

25 COMMISSIONER STANZIALE: Yes.

1 MS. SAPINSKI: Commissioner Toro?

2 COMMISSIONER TORO: Yes.

3

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

6 **FINANCE**

7

8 **22.** RESOLUTION NO. 14-232 - RESOLUTION
9 AUTHORIZING PAYMENT OF CHARGES AND EXPENSES OF
10 THE AUTHORITY'S \$150,000,000 POOLED GOVERNMENT
11 LOAN PROGRAM (SERIES 1986)

12 PAYMENTS DUE OTHERS FOR PGLP SERVICES

13 PHILIP A. LANZET, FINANCIAL CONSULTANT,
14 OCTOBER 2014 - \$2,500.00;

15 WELLS FARGO BANK, NA - REMARKETING FEE -
16 7-1-14 TO 9-30-14 - \$4,395.56.)

17

18 COMMISSIONER SPIESBACH: Okay.

19 And last our normal, under Finance, the
20 Pooled Government Loan Program.

21 COMMISSIONER BROWN: I'll move it.

22 COMMISSIONER TORO: I'll second.

23 MS. SAPINSKI: Commissioner Brown?

24 COMMISSIONER BROWN: Yes.

25 MS. SAPINSKI: Commissioner Spiesbach?

1 COMMISSIONER SPIESBACH: Yes.

2 MS. SAPINSKI: Commissioner Stanziale?

3 COMMISSIONER STANZIALE: Yes.

4 MS. SAPINSKI: Commissioner Toro?

5 COMMISSIONER TORO: Yes.

6

7 (Whereupon, the Board discussed and took
8 action on the following item:

9 **LATE STARTER**

10 **FINANCE**

11 1. RESOLUTION NO. 14-233 - RESOLUTION
12 AUTHORIZING FIRST AMENDMENT TO TAX REGULATORY
13 AGREEMENT IN CONNECTION WITH PAYMENT IN FULL BY
14 THE BORROWER OF THE AUTHORITY'S REVENUE BONDS
15 (BRANCHVILLE MANOR PROJECT) SERIES 2006.)

16

17 COMMISSIONER SPIESBACH: Okay.

18 We have a late starter under Finance.

19 This would be a Resolution Authorizing
20 First Amendment to the Tax Regulatory Agreement
21 in Connection with Payment in Full by the
22 Borrower of the Authority's Revenue Bonds,
23 Branchville Manor Project, Series 2006.

24 COMMISSIONER TORO: So, --

25 COMMISSIONER SPIESBACH: Questions?

1 COMMISSIONER TORO: Yeah.

2 How is this different than what we had
3 prior?

4 MR. PAGANELLI: In this instance,
5 Branchville is looking to basically take out the
6 ECIA bonds. They're looking to do that with HUD
7 financing.

8 So the amended -- there's a need for an
9 amendment to the Regulatory Agreement.

10 The problem -- not the problem; the issues
11 from the Improvement Authority's standpoint is
12 that even with this what I'll call a refunding or
13 a refinancing through HUD, there still may be
14 some obligations that we have in terms of
15 maintaining tax exempt status for this project
16 for a certain period of time.

17 So when we did this project in 2006, we had
18 promised that it would be -- remain tax exempt
19 for a certain period of time.

20 That obligation, even though it may get
21 re-funded out, is still an obligation of the
22 Improvement Authority. So we are looking to try
23 to see if we can somehow get it transferred to a
24 different entity.

25 As you know, when we do financings, our

1 admin fees, which kind of feed the administrative
2 part of this -- of our budget, are tied to
3 declining principal on the way out. If you re-
4 fund us out, there is no further principal
5 because you've taken our bonds out.

6 (Whereupon, Sharifa R. Salaam, Esq. arrived
7 at 5:11 p.m.)

8 MR. PAGANELLI: So we are going back and
9 forth with them on a fee that we think would be
10 commensurate with what activity we have to do
11 until that affordability period is over.

12 COMMISSIONER TORO: All right.

13 Thank you.

14 MR. PAGANELLI: Yup.

15 COMMISSIONER BROWN: What percentage of fee
16 are you looking at?

17 MR. PAGANELLI: Well, --

18 MR. BROWN: What kind of percentage?

19 MR. PAGANELLI: -- ordinarily we do 25
20 basis points, which for -- to do a deal. And
21 that's like .0025 times the total amount of bonds
22 you sell.

23 And then annually entities will make
24 interest and then principal payments. And so
25 that principal then starts to reduce the whole

1 gross of the -- of the bond.

2 So if you did a -- you know if you did a
3 million dollar deal, you would do 25 basis points
4 on that million dollar. And then annually you
5 would get 10 basis points, .0010, on the
6 principal. And as the entity is making that
7 principal payment, principal's declining until
8 they're -- they have a zero at the end.

9 So, our .001 is tied to that declining
10 principal on the way out.

11 In this deal we anticipated our deal would
12 say go out for ten years. It's only going to go
13 out for five years, because they're going to take
14 us out but our obligations continue. And so if
15 our obligations are going to continue, I want to
16 get paid for it.

17 COMMISSIONER BROWN: Right.

18 MR. PAGANELLI: So we may not do .001
19 because some of our responsibilities are going to
20 be lessened but we may do .0005, half of a point;
21 we'll have to figure out. But we still have to
22 figure out internally how much work this is going
23 to require for us to --

24 COMMISSIONER BROWN: Hmm.

25 COMMISSIONER SPIESBACH: And set the fee

1 | accordingly?

2 | MR. PAGANELLI: Right.

3 | COMMISSIONER SPIESBACH: Okay.

4 | MR. PAGANELLI: We don't do anything for
5 | free here, unless it's the County.

6 | COMMISSIONER BROWN: I'm with you. I'm
7 | with you.

8 | I understand.

9 | COMMISSIONER SPIESBACH: Any other
10 | questions about the late starter?

11 | If not, we would seek a motion to approve
12 | the late starter under Finance, Resolution number
13 | 1.

14 | COMMISSIONER TORO: I move.

15 | COMMISSIONER BROWN: I'll second.

16 | MS. SAPINSKI: Commissioner Brown?

17 | COMMISSIONER BROWN: Yes.

18 | MS. SAPINSKI: Commissioner Spiesbach?

19 | COMMISSIONER SPIESBACH: Yes.

20 | MS. SAPINSKI: Commissioner Stanziale?

21 | COMMISSIONER STANZIALE: Yes.

22 | MS. SAPINSKI: Commissioner Toro?

23 | COMMISSIONER TORO: Yes.

24 |

25 | (Whereupon, the Board discussed the

1 following items:

2 **ADDITIONAL INFORMATION**

3 **A.** REPORT OF PGLP ADMINISTRATOR

4 **B.** CELANESE - INVOICE FROM SPECIAL MASTER

5 ROSEN.)

6

7 COMMISSIONER SPIESBACH: Okay.

8 Under Additional Information.

9 You had already clarified about the invoice
10 from the Special Master and that's in accordance
11 with what we need to do.

12 But unless there's any other comments or
13 would any of the Commissioners need or want to go
14 into Executive Session to talk about where we --

15 COMMISSIONER BROWN: I don't need to.

16 COMMISSIONER SPIESBACH: -- stand on
17 Celanese?

18 COMMISSIONER BROWN: I don't need to.

19 COMMISSIONER SPIESBACH: No?

20 COMMISSIONER BROWN: No.

21 COMMISSIONER SPIESBACH: Okay.

22

23 **ADJOURNMENT**

24

25 COMMISSIONER SPIESBACH: Then with that we

1 would just need a motion to adjourn?

2 COMMISSIONER TORO I move.

3 COMMISSIONER BROWN: Second.

4 MS. SAPINSKI: Commissioner Brown?

5 COMMISSIONER BROWN: Yes.

6 MS. SAPINSKI: Commissioner Spiesbach?

7 COMMISSIONER SPIESBACH: Yes.

8 MS. SAPINSKI: Commissioner Stanziale?

9 COMMISSIONER STANZIALE: Yes.

10 MS. SAPINSKI: Commissioner Toro?

11 COMMISSIONER TORO: Yes.

12 COMMISSIONER BROWN: That point, point --

13 MS. DILLON: Hold one second.

14 COMMISSIONER BROWN: You're off the record.

15 Right?

16 MS. DILLON: One second.

17 (Whereupon, there was a pause in the
18 proceedings.)

19

20 (Whereupon, the proceedings were concluded
21 at 5:13 p.m., Resolution No. 14-28.)

22

23

24

25

1 STATE OF NEW JERSEY :

2 :

3 COUNTY OF ESSEX :

4

5 I, Karen A. Marino, assigned transcriber,
6 do hereby affirm that the foregoing is a true and
7 accurate transcript in the matter of the REGULAR
8 BOARD MEETING of the ESSEX COUNTY IMPROVEMENT
9 AUTHORITY heard on Tuesday, October 28, 2014 and
10 digitally recorded.

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25 Monitored and Proofread by: Deborah Dillon