HUDSON COUNTY IMPROVEMENT AUTHORITY

IN THE MATTER OF
THE REGULAR MONTHLY MEETING

: TRANSCRIPT OF
: PROCEEDINGS

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WEDNESDAY, SEPTEMBER 24, 2014
830 BERGEN AVENUE, 8TH FLOOR
JERSEY CITY, NEW JERSEY 07306
COMMENCING AT 5:40 P.M.

BOARD MEMBERS:

JOHN L. SHINNICK, CHAIRMAN
FRANK PESTANA, VICE CHAIRMAN (ABSENT)
STEPHEN J. GALLO, TREASURER (ABSENT)
FRANK LORENZO, SECRETARY
MARTIN T. MARTINETTI, COMMISSIONER
FRED M. BADO, COMMISSIONER
OREN K. DABNEY, COMMISSIONER (ABSENT)
JOHN PENEDE, COMMISSIONER
JAMES DORAN, COMMISSIONER

APPEARANCES:

NORMAN M. GUERRA, CHIEF EXECUTIVE OFFICER
KURT CHERRY, EXECUTIVE DIRECTOR/CFO
WILLIAM J. NETCHERT, ESQ.
GENERAL COUNSEL TO THE BOARD

ELIZABETH RAMOS, EXECUTIVE ASSISTANT
and ACTING ASSISTANT SECRETARY TO THE BOARD

SHARON PALMER
CERTIFIED SHORTHAND REPORTER

R.J. O'CONNELL ASSOCIATES,
P.O. BOX 277
CEDAR GROVE, NEW JERSEY 07009
(973) 239-7252
Mr. Chairman, we have a quorum with six
bord members being present, three not present.
The COURT: Thank you, Liz.
Mr. Netchert.
MR. NETCHERT: Yes, Mr. Chairman. This
is a public meeting. Notice of tonight's meeting
was forwarded for publication to the Jersey
Journal and Star-Ledger on February 6, 2014.
Notice was also forwarded to the Clerk of the
County of Hudson and the Clerk of the Hudson
County Board of Freeholders for posting on their
respective bulletin boards. Notice was also
posted on the bulletin board at the elevator exit
of the Authority's offices and on the Authority's
website. These notices are all in compliance with
the requirements of the Open Public Meetings Act.
CHAIRMAN SHINNICK: Thank you,
Mr. Netchert.
Item two is the approval of the minutes
of the August 13, 2014 meeting. Is there a
motion?
COMMISSIONER PENEDA: I'll make a
motion.
CHAIRMAN SHINNICK: Motion by
Commissioner Peneda.

CHAIRMAN SHINNICK: We'll call the
meeting to order.
We'll have the Pledge of Allegiance.
(At this time all present recite the
Pledge of Allegiance.)
CHAIRMAN SHINNICK: Liz, call the roll
please.
MS. RAMOS: Commissioner Bado.
COMMISSIONER BADO: Present.
MS. RAMOS: Commissioner Dabney. Not
present.
Commissioner Doran.
COMMISSIONER DORAN: Here.
MS. RAMOS: Commissioner Gallo. Not
present.
Commissioner Lorenzo.
COMMISSIONER LORENZO: Here.
MS. RAMOS: Commissioner Martinetti.
COMMISSIONER MARTINETTI: Here.
MS. RAMOS: Commissioner Peneda.
COMMISSIONER PENEDA: Here.
MS. RAMOS: Commissioner Pestana. Not
present.
Chairman Shinnick.
CHAIRMAN SHINNICK: Here.

COMMISSIONER LORENZO: Seconded by
Commissioner Lorenzo.
MS. RAMOS: Commissioner Bado.
COMMISSIONER BADO: Yes.
MS. RAMOS: Commissioner Doran.
COMMISSIONER DORAN: Abstain.
MS. RAMOS: Commissioner Lorenzo.
COMMISSIONER LORENZO: Yes.
MS. RAMOS: Commissioner Martinetti.
COMMISSIONER MARTINETTI: Yes.
MS. RAMOS: Commissioner Peneda.
COMMISSIONER PENEDA: Yes.
MS. RAMOS: Chairman Shinnick.
CHAIRMAN SHINNICK: Yes.
MS. RAMOS: The minutes of August 13,
2014 are now approved with five board members
voting yes, one abstention.
CHAIRMAN SHINNICK: At this time we'll
entertain comments from the public regarding any
agenda items.
Hearing none.
Item number four is resolution, as
amended, for payment of costs and expenses for the
month of September. Is there a motion?
COMMISSIONER DORAN: Motion.

CHAIRMAN SHINNICK: By Commissioner Doran.

COMMISSIONER LORENZO: Second.

CHAIRMAN SHINNICK: Seconded by Commissioner Lorenzo.

MS. RAMOS: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. RAMOS: Commissioner Doran.

COMMISSIONER DORAN: Yes.

MS. RAMOS: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. RAMOS: Commissioner Martinetti.

COMMISSIONER MARTINETTI: Yes.

MS. RAMOS: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. RAMOS: Chairman Shinnick.

CHAIRMAN SHINNICK: Yes.

MS. RAMOS: Resolution 9-2014-4 passes in the affirmative, as amended, with six board members voting yes, three not present.

MR. GUERRA: Item five is Resolution 9-2014-5 of the Hudson County Improvement Authority making application to the Local Finance Board pursuant to N.J.S.A. 40A:5A-5 reference.

Pooled Loan Notes Series V.

Participating in this round of financing through our Pooled Note Program is the towns of Hoboken, Jersey City, Union City, Weehawken, West New York, and the Weehawken Parking Authority.

The total amount of this financing is $70,171,000.

There are two towns that are participating in this round which are new, they are not rollover of notes, and that's Union City and also West New York.

Again, the total amount of this financing is $70,171,000 and that's to the Pooled Note Program.

CHAIRMAN SHINNICK: It is good to see that even more municipalities are participating.

MR. GUERRA: Yes.

And to date, if I'm not mistaken, and Mr. Hanley would attest to this, I think we have saved the towns in total about $30 million.

CHAIRMAN SHINNICK: Excellent. It's great to see and it has been good for a long time.

I'm glad to see other municipalities using it. Is there a motion?

COMMISSIONER PENEDA: I'll make a motion.

CHAIRMAN SHINNICK: By Commissioner Peneda.

COMMISSIONER DORAN: Second.

CHAIRMAN SHINNICK: And seconded by Commissioner Doran.

MS. RAMOS: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. RAMOS: Commissioner Doran.

COMMISSIONER DORAN: Yes.

MS. RAMOS: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. RAMOS: Commissioner Martinetti.

COMMISSIONER MARTINETTI: Yes.

MS. RAMOS: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. RAMOS: Chairman Shinnick.

CHAIRMAN SHINNICK: Yes.

MS. RAMOS: Resolution 9-2014-5 passes in the affirmative with six board members voting yes, three not present.

MR. GUERRA: Resolution 9-2014-6 of the Hudson County Improvement Authority authorizing the formation of a Property Assessed Clean Energy Program team and initiation of a municipal outreach program concerning interest in the implementation of a Property Assessed Clean Energy Program.

The State has adopted a legislation authorizing the development and implementation of such a program. The program is known as PACE.

The program is designated to assist municipal, residential, and commercial property owners to undertake and finance renewable energy systems and energy efficient improvements to their properties.

Tonight with us is our financial advisor from NW Financial, Mike Hanley, who introduced the program to us and is here tonight with a team to provide an overview of this program.

MR. HANLEY: Thank you, Chairman.

I think in front of you you have a short pitch book that we can go through to attempt to kind of describe the program as to how it works and why people might want to use it.

In 2011 the State passed legislation authorizing PACE loans, and those loans are created by -- In the event that you wanted to do an energy improvement on your home or property,
you are able to ask your municipality to put an
assessment on your home. And that assessment is
then utilized to finance the improvement that you
are making.

I have a team here with me that
includes Deutsche Bank, who is one of the world
largest banks; Leidos, who is a national
engineering firm; and CounterPointe Energy, who is
a tax lien and equity investor throughout the
country.

These programs are going on throughout
the country. There is a program actually in
California doing between 5 and $7 million a week
in loans to residents who are making these types
of improvements on their home.

If you flip to the second page there
are a couple of positives that result from this
program.

First, there is job creation. By
making this financing available to residents or
businesses you are creating jobs.

In Hudson County, if five percent of
the county were to utilize this program over five
years, it would create about $270 million in loans
and create 1,600 jobs.

This allows people that have aging
properties to improve those properties, which
accrues to the benefit of the municipalities in
addition to the building permit fees and other
fees that they generate.

You are hardening the grid by
decreasing the burden on the energy savings
improvements.

If you go on to the next page we're
attempting to describe why property owners use the
program. There are a couple of benefits that make
it advantageous to some property owners as
compared to how they might otherwise fund those
improvements, which might be through cash, it
might be through a home equity loan or it might be
through better financing.

The first real benefit of the program
is that the homeowner doesn't need to put up
equity to be in the program. If there is equity
in their home, and they meet the underwriting
requirements of the program, there is no cash
out-of-pocket.

A second real important benefit is that
you are able to finance the improvement over the
term of its life. So whether it is solar panels

or HVAC, or whatever the energy savings is, you
should immediately start benefitting from it
because the lower costs are greater than the
amount of the financing. And most alternative
forms of financing are shorter and have that
rollover as to the amount immediately benefitting.

It is also not on your personal credit.
The assessment runs with the property. So whether
you are the resident or a property owner, this is
a tax payment and not a personal liability.

If you transfer or if you were to sell
your home or property it can stay with the
property. It is not necessary that you pay it
off. I mean it is possible for someone buying
from you to require that you pay it off in order
to make the purchase, but it is not required that
it be paid off when you transfer the property.

Going on to the next page. We kind of
look at describing here the entities that
participates in the program.

The property owner obviously would be
the person identifying the project and requesting
the assessment from the municipality.

The municipalities all have to pass
ordinances that allow residents to use the
program. That's a requirement of the statute
They also are the entity that sends the property
tax bill and collects the property taxes, which
then would be paid over to the trustee for the
Improvement Authority.

The Improvement Authority is the issuer
of the debt, but at no -- It is a conduit issuance
with no risk to the Improvement Authority as it
relates to credit.

Our team provides all of the funds and
is not relying on any county or municipal credit
to support the program. There is no municipal
funding of the program, unlike some other programs
that we've done.

And then the investor is funding with
the investor are funding the loans and receiving
the payment from the property owner.

If you look at page 6, it's a picture
of the country. As you can see there is about -
over 30 states and Washington DC that have
legislation and varying degrees of success in the
programs.

Page 7 tries to give you a sense of
what types of things people are using the program
to finance the HVAC and lighting retrofits, energy
recovery program, solar, geothermal, et cetera.
Page 8 is why we're here as team, why
all of these people are with me.
PACE requires a lot of capital and
multiple disciplines to make the program work.
You need people familiar with municipal finance,
you need people that have engineering backgrounds,
you need people with technology and servicing
backgrounds. And to build the whole program and
fund the costs that it takes to build that program
is wildly expensive. It is a multi-million dollar
outlay to get it all up and running because you
need call centers, you need a website where people
can make application and make the program able to
be utilized. After the loans are made someone has
to to tract the loans, service the loans, make sure
they are being paid, make sure the rights amounts
are being paid, make sure that when the loans are
paid off that the assessment stops. And all of
this is expensive and requires multiple
disciplines. That's why the team is the size that
it is.

The next page describes the

underwriting, what it takes to get a PACE loan.

There are best practices that have been
developed by the Department of Energy. There are
many programs throughout the country that have
kind of created a standard. There is usually a
limitation that the amount of mortgage on the
property and the PACE loan don't exceed a hundred
percent of the property value. There is typically
a limit that the payment not be more than five
percent of the property value, that the mortgage
related debt not be more than ninety percent and
that the loan not be more than twenty percent of
the loan to value. Those are all in there to
protect consumers and lenders from predatory type
situations. It is important that the loans be
made to people that can afford to pay them and
they get paid off both from the lenders side and
from the public policy side.

Page 10 kind of already been
discussed. The capital, marketing, and the
surveillance are crucial to making the program
work.

Page 11 we have also discussed, the
firms and the entities that are involved.
Page 12 is kind of the process. It is
going to be initiated by the homeowners or the
property owner, commercial property owner. It is
completely voluntary. They would be making an
application, whether it be electronically, through
the website, or to a call center. Once the
application is approved there will be form
documents that are left to be filled out. The
assessment will be levied. The contractor
receives a notice to proceed. When the
improvement is completed the proceeds are then
advanced to the contractor. And then tax bills
are eventually sent and repaid on a quarterly
basis like other special assessments as part of
the normal tax bill.

Page 13 is screen shot from the website
that's being developed. We're already putting
together programs in Union and Passaic County.
Hudson would be the third to sign on this. So the
team is developing a website. That is kind of a
main page there whether it's a homeowner, a
contractor, or business owner, go on, click, get
those documents, fill out applications, get
information on the program.

And then the next page is kind of shows
-- We're going to be providing systems to both the

Improvement Authority, as they market the program,
and the municipalities who have access so that
they don't have to do all of the tracking.
Everything will be available on a web-based
platform that shows you when the loan was made,
what it was made for, when it was completed, and
kind of cradle to the grave processing types of
information.

The final page of the presentation is
an implementation plan. It takes about five to
six months to get a program up and running
starting with obviously the outreach to the
municipalities, getting them on board with putting
ordinances into place. Those ordinances have to
be approved by the State. Once approved by the
State we have to go through the loan financing
documents and ultimately start making loans.
So this is kind of a brief overview of
the program.

We have a whole group here that can
answer questions as it relates to what's going on
here, what's going on in the rest of the country.
COMMISSIONER MARTINETTI: Have a
question. How are interest rates calculated?
MR. HANLEY: Interest rates are --
There is an existing marketplace for PACE loans. They are currently being made around the seven percent range for kind of small residential stuff.

COMMISSIONER MARTINETTI: What?

MR. HANLEY: Around seven percent.

COMMISSIONER MARTINETTI: That's based on the marketplace.

MR. HANLEY: Yes. There are like thousands of loans being made around the country. It is kind of an established marketplace.

COMMISSIONER MARTINETTI: Would the individual's credit affect those rates?

MR. HANLEY: No. It is based on the individual's -- There are a couple of limitations on the individual. They can have recently filed for bankruptcy and they have to be current on their taxes. Their personal credit score is not a factor in determining whether or not they can get the loan.

COMMISSIONER MARTINETTI: How about contractor pricing. Is that based on equipment, say 100,000 BTU or whatever?

MR. McLEAN: The contract --

MR. Netchet: State your name.

and the customer gets to choose which contractor he's going to engage.

COMMISSIONER MARTINETTI: Okay.

COMMISSIONER PÉNEDA: If I understand it right, let's say someone buys an HVAC, and they go through this process, then you get an adduction assessment on your property tax?

MR. HANLEY: Yes.

COMMISSIONER PÉNEDA: The question I have is for solar and for generators, for example, you cannot add --

MR. HANLEY: Actually I should have corrected you. It is not an added assessment, it is a special assessment, and it is authorized as a separate piece of legislation.

It doesn't -- You are not -- The value of the home is not being -- Your actual assessed value of your home is not being impacted. It is a special line of assessment on your taxes.

COMMISSIONER PÉNEDA: Okay. Just going through the tax bill.

Now what about for the municipalities, the tax collector and what ratios to build on this. It is going to be more work for them in terms of man hours and have this --

MR. McLEAN: Hamilton McLean from Leidos Engineering.

The program is designed to be market driven, so contractors are able to negotiate with property owners, both residential and commercial, for the entire project. They use their best efforts to secure the best pricing for their equipment that they are proposing. The customer is encouraged to get more than one bid just as we would in any other commercial construction project.

What we do is we make sure that those contractors have all of the requirements, meet all of the requirements to work within the State, that they are state licensed, that they have insurance, they have whatever bonds are required. They get training and access to tools so that we can help them market, help them communicate the overall objective and the procedures of the program to the property owner to make it easier for them to sell their services to property owners, but at the same time protecting the property owner from contractors that are working off the back of a motorcycle or are not licensed or insured. So it is within that the pricing for the projects will be market driven.

MR. HANLEY: There are fees built into the program for the Improvement Authority and municipality to --

COMMISSIONER PÉNEDA: So the municipality would be compensated for it.

MR. HANLEY: Yes.

COMMISSIONER PÉNEDA: Okay.

MR. GUERRA: That was one of the questions we had early on because you could go to some towns and they don't want to be bothered.

MR. HANLEY: Right.

MR. GUERRA: And that's the idea of once the team is selected they will be out there marketing this to see who is interested.

COMMISSIONER PÉNEDA: Okay.

COMMISSIONER DORAN: The general to the specific to see if I understand this correctly.

The Improvement Authority passes a resolution to approve this program. Then the municipality at one point will have to pass a resolution similar to I guess what we did in solar.

MR. NETCHET: If they choose to do so.

COMMISSIONER DORAN: From there a person like myself could apply say to do solar
panels. And it wouldn't be a loan if I'm approved for the program. I would pick a contractor, agree through engineering or whatever that this is a project that fits the program. And then I would pay for that by a special assessment on my house.

MR. HANLEY: Correct.

COMMISSIONER DORAN: And whatever that price would be it would be -- Is it --

A VOICE: Twenty years.

COMMISSIONER DORAN: Twenty years, and whatever the life of the asset.

MR. GUERRA: For the life of the asset.

COMMISSIONER DORAN: Okay. So if it is solar panels, say nineteen years or whatever at seven percent. Why is that more advantageous to me as a homeowner than say just refinancing my house, taking an extra $30,000 out, and paying three percent or four percent?

MR. HANLEY: It is not necessarily. The person may not be able to refinance their house. That's a cumbersome process. It takes a long time to go through that. That can take months if you decide you want to do a project, and you may or may not be able to get it.

This is one point on the menu. We talked about you can pay cash.

COMMISSIONER DORAN: I'm looking for the advantage.

MR. HANLEY: It is ease of getting it done and not having to come up with cash.

COMMISSIONER DORAN: So if you want to air condition your house, say you want this, it would be probably a better way to do it instead of using high energy solar panels or something like that.

MR. HANLEY: Yes.

MR. McLEAN: Often times this is utilized by property owners when they have equipment that's about to fail or has failed. So a HELOC, a home equity loan, it's too long for them to wait in order to get that piece of equipment replaced. It could be a boiler, it could be a furnace. So often times it is the speed of processing that impacts which financing mechanism they would use.

COMMISSIONER DORAN: The thing you worry about most is who you get as a contractor for some of these things and what they promise you up front and so forth.

Is there any special advantage to say someone like myself, who is leery of going with different contractors or using --

MR. McLEAN: That's our job, Leidos Engineering. Our job is to vet the contractors. Not only vet them in terms of their ability to do the work, but when they submit the proposal we vet the proposal because the proposal has to tell the customer if you spend this you are going to save this. And we look at those energy estimates and the costs and we look to see that it is reasonable. Now there is no guarantee, but it is a set of professional engineering eyes that look at every proposal that the customer puts on their desk.

COMMISSIONER MARTINETTI: Is there a guarantee on the contractor's work?

MR. McLEAN: I'm sorry. Say it again.

COMMISSIONER MARTINETTI: Is there a guarantee on the contractor's work?

MR. McLEAN: There is guarantees within the State licensure, so that a customer -- Whatever the State licensure requires in terms of bonds, be it performance bonds or labor material bonds, those would in place on each one of the projects.

COMMISSIONER MARTINETTI: And how about the interest rate? Is that a fixed rate or is that adjustable?

MR. McLEAN: It is fixed for the term of the --

COMMISSIONER MARTINETTI: The closing costs and financing charges built in or they have to have --

MR. HANLEY: Everything is built in.

You get a pure payment. And you would compare it against other ways of paying. You can lender finance. That's usually like fifteen percent.

MR. NETCHERT: Eighteen.

MR. HANLEY: I mean you can get a home equity loan, but then you have to roll it over or pay it off at times, and you might not --

CHAIRMAN SHINNICK: There is a lot associated with that.

MR. HANLEY: There is a menu of ways you can fund improvements to your home.

CHAIRMAN SHINNICK: Right.

MR. HANLEY: This is an alternative that many people find attractive.

COMMISSIONER DORAN: I thought I saw where it said it's five percent of your assessed
value. The project can't be more than that?

MR. HANLEY: That would be the maximum
3 payment. It can't be more than twenty percent of
4 your assessed value. That's kind of a best
5 practice around the county.
6 COMMISSIONER DORAN: So that would mean
7 if your house is valued at or assessed at
8 $150,000 --
9 MR. HANLEY: I'm sorry. Of the true
10 value, not the assessed value.
11 COMMISSIONER MARTINETTI: The market
12 value.
13 MR. HANLEY: Market value.
14 COMMISSIONER DORAN: So that would be
15 something that might fluctuate a little bit.
16 MR. HANLEY: Yes.
17 COMMISSIONER DORAN: So it's not -- I
18 thought I saw five percent of the assessed value
19 of the project. If you look at item number one, I
20 believe --
21 MR. HANLEY: That should say market
22 value. If it said assessed, it was a mistake.
23 Everything should be working off of market value.
24 As you know, assessed values are not really
25 connected to real life.

The Hilton Los Angeles is seven million.

MR. NETCHERT: If the Authority decides
this is a good idea who goes to the municipalities
to market the concept to them?

MR. HANLEY: We do, the team.

MR. NETCHERT: If the town decides it
is a good idea and they do what they have to do in
terms of an ordinance or resolution to allow this,
is there a percentage trigger that makes it worth
doing in this town or is one person enough to do
it in this town if the town does it?

MR. HANLEY: I mean we hope --

MR. NETCHERT: Well, we would prefer a
lot of people.

MR. HANLEY: We don't know. We're
going to go -- They're going to sign onto the
program. It's possible nobody will use it.

MR. NETCHERT: Who markets it for the
town?

MR. HANLEY: We do. That's the
website, the contractor training, the call
centers, the direct mail. I mean it's our risk.

MR. GUERRA: And there is no costs to.

us at all, no professional fees.

MR. NETCHERT: So basically it's a

service that you're willing to offer to the town
if we sponsor the program that, if pitched right,
can be beneficial, and if it blows up, could be
disastrous for a town that decides to sponsor it.

I mean you obviously need the
participation of the town and you need the town to
embrace it for it to work --

MR. HANLEY: Correct.

MR. NETCHERT: -- because once it is in
place you want to market it as best you can to the
biggest users.

I would think that a place like Jersey
City, the better market would be commercial users
than residential, but that may not be the case in
a place like Kearny.

MR. GUERRA: But if it did blow up, if
the town passed the ordinance and you went out and
marketed it and there was no interest, what real
loss is it to the town other than the trouble that
it went through?

MR. NETCHERT: Oh, you never --

MR. GUERRA: I mean money wise.

MR. NETCHERT: If it does not work I'm
calling the tax assessor.

MR. GUERRA: That's if they have a
customer. I'm saying if nobody participates.

MR. HANLEY: As you know, I mean every person in this room has been a public official. And when the power lines are down and PSE&G would call you up and yell at you and say why is my power out, my neighbor down the street, they are fixed.

COMMISSIONER DORAN: Let me ask you another question. Is this program available for the town?

MR. HANLEY: No. The town is not -- The town should be able to fund at a much lower cost of funds and they don't pay taxes.

COMMISSIONER DORAN: Right.

COMMISSIONER MARTINETTI: Any prepayment penalties?

MR. HANLEY: No.

COMMISSIONER MARTINETTI: So somebody could use this as a bridge while they refi and then prepay --

MR. HANLEY: Correct.

COMMISSIONER MARTINETTI: -- if they have an emergency condition.

MR. HANLEY: Yes.

COMMISSIONER MARTINETTI: And it doesn't affect the individual's credit, which is another --

MR. HANLEY: We're not evaluating their credit.

COMMISSIONER MARTINETTI: Right. It's all balance sheet.

MR. HANLEY: Yes.

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MR. GUERRA: And that helps if somebody has bad credit.

COMMISSIONER DORAN: I mean I can see this as an opportunity for some seniors that might be having some difficulty looking to upgrade some of the structural stuff of their house and so forth.

CHAIRMAN SHINNICK: The senior citizen whose central air has been going out needs to do this quickly and she doesn't want to go through with a similar program, which is like PSE&G has. A lot of this stuff where if you go to them you know you're going to pay more for the machinery, you're going to pay more in interest, but they'll have the thing in in two days.

MR. HANLEY: Right.
contractor.

MR. HANLEY: Yes.

CHAIRMAN SHINNICK: You pick the contractor.

MR. McLEAN: No. We pre-approve the contractor. We pre-approve them. So we'll give her a list, a directory of contractors that she can select from.

CHAIRMAN SHINNICK: Can she say to you do you have a list, do you have someone?

MR. HANLEY: Yes.

CHAIRMAN SHINNICK: You approve the project.

MR. McLEAN: We go out and we make sure that what the contractor said he was going to do was done.

CHAIRMAN SHINNICK: You don't go out beforehand.

MR. McLEAN: Sometimes we might.

CHAIRMAN SHINNICK: Okay.

MR. HANLEY: But we're receiving what the project is, the cost of the project. All of that is part of the application. So like it's not going to be -- If they are putting the solar panels in, and the cost is $100,000, the little old lady is getting ripped off, we're going to know about it.

COMMISSIONER MARTINETTI: Can I make a recommendation. Contractors should not be paid until final inspections are obtained.

MR. HANLEY: Of course.

COMMISSIONER MARTINETTI: Not just whenever whoever decides --

MR. McLEAN: The process that we use is when the project is done the contractor works with the homeowner and assembles all of the documents, labor material lien waivers, all of the warranties, and then there is one major piece of paper, and that is that the customer must sign off that not only is he being shown how to use this system, but he's happy with the installation. And until that document is in our hands, along with the other supporting documentation, the contractor doesn't get paid.

MR. NETCHERT: At all or final?

MR. McLEAN: Well, there are instances where large projects might require partial payment.

MR. NETCHERT: Right.

MR. McLEAN: So at each one of those stages we might require that their equipment is in a bonded warehouse or that we have the manufacturer's invoice to the contractor showing that the equipment actually was there.

MR. NETCHERT: Okay.

MR. McLEAN: But the final payment is based upon that piece of paper, that the customer is happy and that the system is functioning properly.

COMMISSIONER MARTINETTI: And we'll make sure that the contractor obtains or is compliant with permit requirements.

MR. HANLEY: Yes.

COMMISSIONER DORAN: I would assume there is a lot of local -- I mean you are talking -- I think even for HVAC units you still need to gets some variance and local CO approval, am I right?

COMMISSIONER MARTINETTI: It depends on the local zoning for condenser locations. Some require permits, set backs.

CHAIRMAN SHINNICK: If it is an existing pad you can put it there. It is a double edged sword. If you're going to be efficient, you're going to help the little old lady who has no experience in doing this.

But I can see where, and again I'm playing devil's advocate, it could be cumbersome where she can't get the air conditioning unit in the heat wave until she goes through a whole process.

What is the, and again I'm just picking on the little old lady with the air conditioning unit where that might be some emergent -- Solar, you don't care. I mean it's going to take awhile, take a month to get these panels up or whatever. But someone without heat or without air conditioning, and wants to go through this program, can it be as quick as it is efficient?

MR. McLEAN: It is not a silver bullet for all projects just as the financing -- And we're never claiming that this financing is the best option for any property owner. But there is a process that we must go through to protect everyone involved in the whole financing process. So it does take time.

MR. HANLEY: But it should be efficient, it should be quick because the contractor can go and know that -- I mean there
are actually -- I mean eventually the contractors will have hand-holds and they can do the work right on the hand-held and make the application. And I mean the technology is there for that.

So for them to decide whether or not to put it in, they know they're going to get paid if the application is approved. And some of it will be limited by municipal permitting, but absent that is -- I mean we're open to have pre-approvals for as many properties as we can get.

CHAIRMAN SHINNICK: Do you have a contractor list when you start out this program?

MR. HANLEY: We will, yes. We do not have it --

CHAIRMAN SHINNICK: I'm trying to see like how to make you more marketable. What is more marketable about your program than me going to someone else? Why would I do it this way as opposed to doing it another way? Like for window replacement this is great, that's a process, or for solar panels it is a process. For some things it is an emergency kind of situation. That's not the way to go.

MR. HANLEY: The experience though is that in successful programs the contractors are

years, then it is five years. It depends on the improvement. It is designed to match the life of that improvement so you are able to have your payments and your energy savings be in sync.

COMMISSIONER BADO: Well wouldn't that openly be more expensive than going to a bank and getting a three-year or a five-year loan?

MR. HANLEY: It is like anything. I mean it is cheaper to just write a check for your house than it is to get a mortgage --

COMMISSIONER BADO: Right.

MR. HANLEY: -- so far as total dollars, but if you're trying to match payments and savings, it is not because the home equity loan, which is a lower rate, is a balloon, and you have this rollover risk, you don't know what the rate is going to be in the future, and there are people that can't get home equity loans easily.

MR. GUERRA: Your credit doesn't play into this.

MR. HANLEY: Correct.

MR. McLEAN: One of the things that we have experienced --

COMMISSIONER BADO: If the owner doesn't make that special assessment, he pays

everything else on his tax bill except the special assessment, he can't make that additional payment or whatever it is, then he winds up with a tax lien on the property, correct?

MR. HANLEY: That's right.

COMMISSIONER DORAN: By the municipality or --

COMMISSIONER BADO: But the payments are -- Your tax bill is forever.

CHAIRMAN SHINNICK: By the municipality.

COMMISSIONER BADO: So you are saying the special assessment and the losses will be forever?

MR. HANLEY: No. The special assessments have a determined length of time and once it is paid off it is paid off and it comes off the bill.

COMMISSIONER BADO: What happens if I sell the house?

MR. HANLEY: If you sell the house the assessment can stay on the property. That is not to say that a buyer wouldn't tell you I want the assessment paid off. That could happen, but it is not necessary that that happen. The new person
could take on that assessment and keep paying as parts of the package.

**COMMISSIONER BADO:** Yes, but if I'm a seller I would include my improvements in my sale price, right?

**MR. HANLEY:** Sure.

**COMMISSIONER BADO:** And then increase it $10,000. And the buyer, if he doesn't really understand what the special assessment is, he's going to continue also putting in additional money for the additional assessment or profit that the seller made.

**MR. McLEAN:** The difference is that the new buyer, the new owner, would be receiving the direct benefit of the energy efficiency or renewable generation at the transfer.

The reason that the energy efficiency renewable generation is not really lived up to the promise in this country is that the savings don't align with the cost, the debt service monthly payments. So customers are saying well, you know, I'm only saving $90, but it is costing me 150 a month. So this program extends that term so that the savings can be a direct offset to the debt service and now the customer can say well, I'm going to pay and I'm going to save almost an equal amount until I sell the property. Then the next person that owns it will get a direct benefit of the savings and they're going to use those savings to offset the special assessment.

**COMMISSIONER BADO:** But he might be including it in the sale price, the new buyer might already be paying that off.

**MR. McLEAN:** He could, and that's really a market mechanism between buyer and seller.

**MR. HANLEY:** If the person wants to pay a price for that house, and you don't feel like you are getting the right price because you made those improvements, you have to make a financial decision at that point.

**CHAIRMAN SHINNICK:** Right.

**COMMISSIONER DORAN:** I have a question. Does it cover, and I think 'm using the right term, mixed use buildings? Say in Harrison, a lot of our buildings, and we try to do things that are along the main strip that we're trying to pay attention to, are stores and apartments.

**MR. HANLEY:** Residential.

**COMMISSIONER DORAN:** Do you cover those buildings?

**MR. HANLEY:** If they are just a commercial property, then yes, definitely.

**COMMISSIONER DORAN:** We call it a mixed use.

**MR. HANLEY:** Right. But where you have issues is if it was like if they were condo units --

**COMMISSIONER DORAN:** Right.

**MR. HANLEY:** Then you would be falling into whether the condo rules --

**COMMISSIONER DORAN:** It would be clearly where it is a business on the first floor, a restaurant or a --

**MR. HANLEY:** That would be fine.

**MR. GUERRA:** And they probably all function off the same heating system.

**COMMISSIONER DORAN:** Some of them have spec facilities, but a lot are looking to upgrade.

**MR. GUERRA:** But if it is one owner, then --

**COMMISSIONER DORAN:** One owner.

**MR. McLEAN:** Also generally rental properties, whether it is residential, commercial or mixed, is that because this is a special assessment, it can be passed through to the tenants. So the landlord -- You know, it is an improvement to the building, he's paying it off with the special assessment, and that special assessment can be passed through, depending upon the terms of their individual leases, to the tenant. So the tenant receives benefit by lowering energy costs and his rent goes up by a percentage of the total cost. If the landlord elects to pass it through, and many landlords decide not to, they figure that it is an improvement in the value of the property and they are willing to make that investment because it becomes more attractive in the rental market.

**COMMISSIONER DORAN:** I guess we're talking, I'm thinking, that the advantage of this is that you can take, I don't know what the lift is say of a more efficient boiler and heating system. It could be up to.

**MR. McLEAN:** Fifteen and sometimes twenty years.

**COMMISSIONER DORAN:** Right. So you can spread these costs, if it's a $12,000 project, you can spread it out over fifteen years. I mean when you think about that quarterly assessment, it is
really not all that much of a special assessment.
So that might make it advantageous to someone who
doesn't have the money to put out initially for it
and may not have the credit.
MR. McLEAN: So his natural gas bill
goes down.
COMMISSIONER DORAN: Right. So you are
saving the money on your heating costs over this
amount of time and you have this long range
assessment. I get it.
COMMISSIONER LORENZO: I have a
question. Take a town like Jersey City. If home
people want an improvement they need licensed
electricians, licensed plumbers, with the
exception of a one-family home. In a a one-family
home you don't need any licensed electrician, you
don't need a contractor, you don't need licensed
plumbers. You can do the work yourself as long
as you do it correctly.
Now with this project will a one-family
homeowner, will they be able to act as their own
contractor but without a contractor?
MR. HANLEY: They can, but they can't
be reimbursed for the labor.
COMMISSIONER DORAN: For what?

MR. HANLEY: For the labor.
COMMISSIONER DORAN: For their labor?
MR. HANLEY: You mean if you did the
work yourself.
COMMISSIONER DORAN: I think he was
saying if you got your own plumber.
COMMISSIONER LORENZO: No, if you do
the work yourself.
MR. HANLEY: If you do the work
yourself.
COMMISSIONER LORENZO: Yes. If you put
the windows in yourself, you are acting as your
own contractor.
MR. HANLEY: There is some paperwork
that goes along with it that is basically saying
that you did it yourself and there is some
protection on the lender's side.
COMMISSIONER LORENZO: So the cost
would on the materials.
MR. HANLEY: Correct.
COMMISSIONER BADO: Again, the owner
wants to do certain work, the heating system, and
you are going to give him a list of like ten
contractors who will do - that you have vetted
that will do the heating system.

MR. McLEAN: Yes.
MR. HANLEY: Yes.
COMMISSIONER BADO: And then he.
MR. GUERRA: Or he can pick his own
contractor.
MR. McLEAN: What is absolutely
essential, we have found, is that the property
owner be free to select his own contractor.
However, the contractors that are in our directory
are only licensed contractors. So they can't
bring in somebody that they found on the street.
They have to meet the requirements of state
licensure, and we make sure that they are licensed
before they start the work and at the conclusion
of the project so they can't let their license
expire. Most homeowners don't have that ability to
keep track of their contractors licenses or
building permits or inspections --
MR. HANLEY: Correct.
COMMISSIONER BADO: -- or insurance.
MR. McLEAN: Right.
CHAIRMAN SHINNICK: That's where you
are a resource.
COMMISSIONER BADO: But you will have a
vetted list, and the owner can select, but how
does he select? Does he ask each one of them to
submit a proposal?
MR. McLEAN: He could. He may have a
relationship with one of the contractors on the list. He's done business with him for years.
COMMISSIONER BADO: All right.
MR. McLEAN: As long as he's on the
list, and the customer is happy with the price and
we look at it and it looks reasonable,
reasonable -- I mean we're not going to -- We
can't tell him no you can't do that because it is
too expensive. We'll look at it and say we think
you might want to get another bid, and that's a
huge advantage for the property owner.
COMMISSIONER BADO: So you will review
the bids submitted.
MR. McLEAN: Right. That's correct.
He's free to get one or five. It doesn't matter.
It is his choice. Customers have insisted on this
throughout the country. They want the freedom to
have their own contractor. And we just say to
them that's fine, bring us your contractor and
we'll check his credentials. If he meets all of
the requirements we'll bring him into the program
and you can use him.
MR. NETCHERT: A last question, at least for me. What is the average nationwide amount of loan being used for this program?
MR. HANLEY: The average --
MR. NETCHERT: Residential and commercial.
MR. HANLEY: It is 17 to $20,000.
MR. ALINI: Residential is 17 to $20,000 and commercial is -- Well, the largest is 7 million and they run probably half a million to a million.
MR. NETCHERT: Could you just state your name.
MR. ALINI: Eric Alini from CounterPointe.
COMMISSIONER LORENZO: There is no down payment involved here?
MR. HANLEY: No.
MR. GUERRA: The purpose of the resolution is to designate the team who will then initiate the outreach program to the municipalities to see if there is an interest out there. That's step one.
COMMISSIONER DORAN: I have about thirty more questions on that.

MR. NETCHERT: It is the same questions that you guys have asked, and this is not the first time we're hearing it. The towns are going to ask those same questions. And John Peneda asked the standard question that any assessor would ask. That means you are asking me to do something, so what is it for me.
COMMISSIONER DORAN: I do think you are running into a - I think there is a slight problem just given the amount of time our town has spent having DCA oversight so far as doing tax sales and building tax sales and three months later buying them back and then back six months later. It is going to, and I'm thinking from their perspective, I know we hear a lot of it now about what a nightmare it is to keep going to these things.
MR. HANLEY: But it doesn't --
COMMISSIONER DORAN: I would guess that some of these folks would probably not need to apply anyway because they don't meet criteria one, two and three, and they probably tend to be behind in taxes and behind in their mortgage.
MR. HANLEY: And as I said, this is a 15 page pitch, but we're developing a 70 page handbook that goes through a lot of these details.

It is just a little unwieldy to give you a 70 page book to read.
COMMISSIONER BADO: Does the special assessment go on the county taxes?
MR. HANLEY: No.
COMMISSIONER BADO: It is based on assessed value.
MR. HANLEY: No, special assessment. It is just a line item. Your house, if it is assessed at $100,000 stays assessed at $100,000.
COMMISSIONER PENEDA: Like it was an improvement district. They have special assessments just for that alone.
CHAIRMAN SHINNICK: I think you're going to face harder questions at the town level.
COMMISSIONER DORAN: Do energy improvements, and I don't know if we have building folks in the room. Do energy --
MR. GUERRA: You have the chief code official her from Union City. That's why he asked all of the questions about licensing and --
COMMISSIONER DORAN: Energy improvements --
MR. GUERRA: Contracts.
COMMISSIONER DORAN: -- when you make them, and I know there is a lot of them that have to be approved by the local building officials, do they raise the assessment of your house?
COMMISSIONER PENEDA: Certain items do. As I was saying before, generators and solar panels don't, but an HVAC, for example, will.
COMMISSIONER DORAN: Do windows?
COMMISSIONER PENEDA: Windows can.
COMMISSIONER DORAN: Siding?
COMMISSIONER PENEDA: Yes. So yes. If someone gets an HVAC, for example, with this program, besides the special assessment they will also have a tax increase, an assessment increase.
COMMISSIONER MARTINETTI: Let's say for the windows, an assessor would not even realize that because technically a permit is not required unless they are large.
MR. NETCHERT: And that will happen whether this program exists or not.
COMMISSIONER MARTINETTI: You will not see that.
CHAIRMAN SHINNICK: A lot of people are going to say I'm not going into that program.
COMMISSIONER DORAN: It will happen in Secaucus, I'll tell you that.
CHAIRMAN SHINNICK: Nobody is going to go through that program.

COMMISSIONER BADO: I want to go to the municipal meetings.

CHAIRMAN SHINNICK: Well I don't see a down side to us being the conduit for this and you presenting it to the municipalities. Good luck.

MR. NETCHERT: I think the reason they are here rather than at the municipalities, it only makes sense to a team this size to be able to have the opportunity to do it in volume. And that's what we have done since we have been here.

CHAIRMAN SHINNICK: Right.

MR. NETCHERT: We have done things that allow things to happen for each of the individual municipalities.

CHAIRMAN SHINNICK: That's what we're here for.

COMMISSIONER DORAN: If Harrison calls me, I would probably be the first town that --

CHAIRMAN SHINNICK: We are always looking for ways to do programs like this.

Is there a motion on number six?

COMMISSIONER DORAN: Motion.

CHAIRMAN SHINNICK: Motion by Commissioner Peneda.

Thank you gentlemen by the way.

MS. RAMOS: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. RAMOS: Commissioner Doran.

COMMISSIONER DORAN: Yes.

MS. RAMOS: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. RAMOS: Commissioner Martinetti.

COMMISSIONER MARTINETTI: Yes.

MS. RAMOS: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. RAMOS: Chairman Shinnick.

CHAIRMAN SHINNICK: Yes.

MS. RAMOS: Resolution 9-2014-6 passes in the affirmative by six board members voting yes, three not present.

MR. GUERRA: Item seven is Resolution 9-2014-7 of the Hudson County Improvement Authority accepting the Calendar Year Audit for the period ended December 31, 2013 prepared by Donohue, Girdona & Doria in accordance with the provisions of N.J.S.A. 40A:5A-15 and N.J.S.A. 40A:5A-17.

The audit has been completed. Both Kurt and a representative from Donohue, Girdona & Doria are here, and Kurt will give you a quick overview of the audit.

MR. CHERRY: Thank you.

The audit this year reflects, from a financial results standpoint, income of approximately $3.9 million. That is probably the highest income that we have seen in recent years. That's basically it. I'm not going to bore you with a lot of stuff.

The audit does reflect some of the latest accounting announcements which have been issued by the Governmental Accounting Standard Board and, as a result of that, the financial statements for 2012 had to be restated. But this is technically as up to date as could be.

There is also no Corrective Action Plan again this year, and that is as a result of the work of the Finance Office and it doesn't happen in just one week, but it is throughout the whole year. And that's what the audit covers. So that's Jim Policastro, Joe Capazorii and Amina Ghoul.

MR. GUERRA: And Kurt Cherry.

MR. NETCHERT: The captain of the shift.

MR. CANTO: Hi. I'm Mauricio Carto. I actually supervise the audit for Donohue, Girdona & Doria. This is my third year supervising the audit and this year I'm presenting.

We're pleased to announce that there are no findings, as Kurt said, and I just want to say that this is something that doesn't happen very often. It is quite a reflection of the Hudson County Improvement Authority and the staff that they have. They might not have a lot of staff, but they really do have quality staff. I just wanted to announce that to the board of commissioners.

With regards to the restatement of the financial statements, the biggest part is that it is no longer called a Statement of Net Assets, which was a change from the balance sheet, the change from the Balance Statement of Net Assets, and now it is called a Statement of Net Position. There is a few kinks in it, but if anybody wants to discuss it, please let me know, but it is quite
complicated.

Does anybody have any questions?

CHAIRMAN SHINNICK: As with the audit
all the time pages 125, 126 and 127 are the
important pages.

MR. CANTO: Yes.

COMMISSIONER DORAN: When you say the
total income of 3.7 million, is that after
expenses?

MR. CANTO: That's actually like the
very net number at the end. The net change in net
position is around --

COMMISSIONER DORAN: That would be our
profit so to speak.

MR. CANTO: Yes, your profit so to
speak. And that's the highest its ever been.
That's part of very good planning on the part of
the administration because you're tonnage, if you
want to get into the operation, did go down a
little bit and it was properly planned to keep
those rates at those levels.

COMMISSIONER DORAN: Good. Good job
guys.

CHAIRMAN SHINNICK: Thank you, Kurt.

Is there a motion on Resolution seven?

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Country of Hudson to require apprenticeship
programs in the bidding of public work projects
with estimates of $500,000 or more.

The County has, by resolution of the
freeholders, passed this type of resolution
implementing this requirement. Again, whereby any
public works project, which is estimated to be
$500,000 or more, the contractor or his subs will
be required to actively participate in an
apprentice program. That program must be
registered and approved by the US Department of
Labor Bureau of Apprenticeship and Training
We're just mirroring what the County is doing.

COMMISSIONER BADO: I have a question.
If the contractor is $500,000, but the
subcontractor, like plumbing, is $100,000 --

MR. NETCHERT: It's the total contract
amount.

COMMISSIONER BADO: The total. So even
he would have to have an apprenticeship program.

MR. NETCHERT: We express no opinion on
it.

COMMISSIONER MARTINETTI: The whole
country is going in this direction more and more.

MR. NETCHERT: What's that?

COMMISSIONER MARTINETTI: The whole
country is gearing toward it. Obama is preaching
this right now, the apprenticeship.

MR. NETCHERT: Half a million dollars.

COMMISSIONER MARTINETTI: No. I'm
saying in general, the mind-set.

MR. NETCHERT: Right. This was at a
higher level at one point. I think it was a
million dollars. It has been recently lowered to
500. Check with me in a couple of months and
we'll see if it is going down again. I don't
know.

MR. GUERRA: We were asked to consider
this, being the County did adopt it. And
typically we sort of follow their lead on matte's
that relate to creating jobs and whatever.

CHAIRMAN SHINNICK: Concerning labor.
MR. GUERRA: Training.
MR. NETCHERT: Yes.

CHAIRMAN SHINNICK: On item eight is
there a motion?

COMMISSIONER PENDED: I'm make a
motion.

CHAIRMAN SHINNICK: By Commissioner
Peneda.

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motion.

CHAIRMAN SHINNICK: By Commissioner
Peneda.
CHAIRMAN SHINNICK: Is there a second?
COMMISSIONER LORENZO: Second.
CHAIRMAN SHINNICK: Seconded by Commissioner Lorenzo.
MS. RAMOS: Commissioner Bado.
COMMISSIONER BADO: Yes.
MS. RAMOS: Commissioner Doran.
COMMISSIONER DORAN: Yes.
MS. RAMOS: Commissioner Lorenzo.
COMMISSIONER LORENZO: Yes.
MS. RAMOS: Commissioner Martinetti.
COMMISSIONER MARTINETTI: Yes.
MS. RAMOS: Commissioner Peneda.
COMMISSIONER PENEDA: Yes.
MS. RAMOS: Chairmman Shinnick.
CHAIRMAN SHINNICK: Yes.
MS. RAMOS: Resolution 9-2014-8 passes in the affirmative with six board members voting yes, three not present.
MR. GUERRA: Item number nine is Resolution 9-2014-9 of the Hudson County Improvement Authority authorizing an amendment to the Hudson County Improvement Authority Employee Handbook.
You will remember back in 2010 we updated our handbook and we also developed at that time an Employee Assistance Program. As the agency continues to grow I felt that it was time to also implement a substance abuse program.
Although the policy which I'm recommending is somewhat detailed and kind of mirrors the policy that I know another city entity had and I believe continues to use, and that's the Jersey City Incinerator Authority. We had adopted this way back then and they had great success with it. Unfortunately Oren is not with us, but I know they have continued to use that today.
I shared the initial draft with Care Counselling, who is our employee assistance provider, who reviewed and recommended some additions to it.
Now just to give you a quick overview.
Employees who work in safety sensitive positions who drive our vehicles will be subject to periodic random testing.
Also, where there is reasonable suspicion that an employee may be under the influence of either alcohol or drugs, that employee will be required to testing. And by reasonable suspicion, if a supervisor then contacts the administrator, say Kurt, myself, the three of us would discuss it, and if we feel that individual is under the influence he or she will be required for the testing. Then if they did test positive, they would be offered a rehabilitation program.
The rehabilitation program, once they come out, they would have to sign a waiver. If they should again go back to alcohol or drugs, then at that point their employment would be terminated if they test positive after going through the process going through the out-programs or inpatient programs.
CHAIRMAN SHINNICK: So they get one chance at rehab.
MR. GUERRA: One chance at rehab.
COMMISSIONER BADO: Is that off-site?
MR. GUERRA: The next step is getting quotes from a contractor who can come here. And then if you look at the policy, I think I attached it, I'm not sure, but it tells you all of the steps, how the testing goes, chain of custody, everything. And it is going to be the contractor who is licensed to do that. It is their responsibility. And then there is a second round.
When I say testing, when it goes to the lab they run another test to make sure it was done correctly the first time in the lab. So it is pretty detailed if you read it. The policy -- CHAIRMAN SHINNICK: The health insurance is -- Are we in the State Health Benefits Program?
MR. GUERRA: Yes.
CHAIRMAN SHINNICK: So they are covered by it. It used to be Magellan, but it is now Horizon.
MR. GUERRA: It covers a good portion of it.
CHAIRMAN SHINNICK: So they would be able to go to an off-site rehab?
MR. GUERRA: Yes.
CHAIRMAN SHINNICK: And it is reasonable to assume they would be able to do that?
MR. GUERRA: Yes.
COMMISSIONER DORAN: Does the policy cover employees who might sell refer and cone forward?
MR. GUERRA: Sure. Absolutely.
COMMISSIONER DORAN: Okay.
MR. GUERRA: Then we probably send them directly to Care Counseling and then they would take it from that step and try to get them enrolled if there was a need to do the in-house or some maybe just outpatient counseling. It depends.
CHAIRMAN SHINNICK: So again, if it is not affecting their employment, good question, and they come forward and they say I need to go to a rehab --
MR. GUERRA: I don't believe --
CHAIRMAN SHINNICK: -- is that your one time?
COMMISSIONER DORAN: No. That was why I was asking that. That would not be imputed.
CHAIRMAN SHINNICK: That's what I mean. It is not punitive if you come forward.
COMMISSIONER DORAN: Right.
MR. GUERRA: No.
And if this policy is adopted then all of the employees would sign that they acknowledge that this policy is in place. So they will be signing a form stating that they have received it, understand it, and it is in place. I think it is something, as we continue to grow, it is something that we should be doing there and it benefits the employees like you just suggested if someone comes to us in advance of that random testing.
CHAIRMAN SHINNICK: Is there a motion on nine.
COMMISSIONER DORAN: Motion.
CHAIRMAN SHINNICK: By Commissioner Doran.
COMMISSIONER PENEDA: Second.
CHAIRMAN SHINNICK: Seconded by Commissioner Peneda.
MS. RAMOS: Commissioner Bado.
COMMISSIONER BADO: Yes.
MS. RAMOS: Commissioner Doran.
COMMISSIONER DORAN: Yes.
MS. RAMOS: Commissioner Lorenzo.
COMMISSIONER LORENZO: Yes.
MS. RAMOS: Commissioner Martineetti.
COMMISSIONER MARTINETTI: Yes.
MS. RAMOS: Commissioner Peneda.
COMMISSIONER PENEDA: Yes.
MS. RAMOS: Chairman Shinnick.
CHAIRMAN SHINNICK: Yes.
MS. RAMOS: Resolution 9-2014-9 passes in the affirmative with six board members voting yes, three not present.
MR. GUERRA: Item ten is Resolution 9-2014-10 of the Hudson County Improvement Authority authorizing the funding of a payroll account for grow-in period at Lincoln Park West.
As you are aware, Kemper Sports is managing the grow-in periods for the golf worse.
A budget had been structured for the grow-in period and we actually fund the budget and Kemper administers it.
Kemper has begun to hire personnel.
They are actually cutting some of the grass. It is actually on a number of fairways growing.
We thought to streamline the funding.
For the remaining year of 2014 the labor budget amounts to $105,000. What Kurt does is monthly he makes a transfer into that account and Kemper draws from it. So to simplify and streamline the funding process we thought we would get approval for the 105,000 and then Kurt automatically every month would just transfer that to the payroll for those that are part of the grow-in period.
I don't have any pictures to show you tonight, but I will for the next meeting because the grass is growing, the cart paths are in, a lot of the landscaping is done, we have two or three more fairways to finish. It is really shaping up.
It is really looking like a golf course now. We just had The Hudson Reporter out there taking pictures and walking him through and they're going to do a story on it.
CHAIRMAN SHINNICK: Good.
Is there a motion on ten?
COMMISSIONER PENEDA: I'll make the motion.
CHAIRMAN SHINNICK: Motion by Commissioner Peneda.
COMMISSIONER DORAN: Second.
CHAIRMAN SHINNICK: And seconded by Commissioner Doran.
MS. RAMOS: Commissioner Bado.
COMMISSIONER BADO: Yes.
MS. RAMOS: Commissioner Doran.
COMMISSIONER DORAN: Yes.
MS. RAMOS: Commissioner Lorenzo.
COMMISSIONER LORENZO: Yes.
MS. RAMOS: Commissioner Martineetti.
COMMISSIONER MARTINETTI: Yes.
MS. RAMOS: Commissioner Peneda.
COMMISSIONER PENEDA: Yes.
COMMISSIONER PENEDA: Yes.
MS. RAMOS: Chairman Shinnick.
CHAIRMAN SHINNICK: Yes.
MS. RAMOS: Resolution 9-2014-10 passes in the affirmative with six board members voting yes, three not present.
MR. GUERRA: Also with us is Mary-Ellen from our Recycling Division and Jay from the TMA. I don't know if Jay or Mary-Ellen have anything or the commissioners have any questions of either of their programs.
COMMISSIONER DORAN: When are you in Kearny for shredding?
MS. GILPIN: October 4th is shredding in Kearny. This week is Bayonne. We’re in the middle or halfway through the shredding. Household hazardous waste is October 5th and 18th. And for Jersey City we’ll be at the new Jersey City Municipal Services Complex on Linden Avenue. So that’s going to be a challenge. After 21 years of being at the Incinerator Authority on Route 440 we’ll be at a new location.

COMMISSIONER LORENZO: What is the date on that?
MS. GILPIN: Excuse me.
COMMISSIONER LORENZO: The date in Jersey City.
MS. GILPIN: That one is the 18th.
MR. GUERRA: I co have one other item.
It is a personnel matter that I think we should go into closed session for. It is only going to take a few minutes.
CHAIRMAN SHINNICK: We'll go into closed session and then continue the meeting.
MR. NETCHERT: There will be no action.
CHAIRMAN SHINNICK: It is just to inform the commissioners.
MR. NETCHERT: We need to vote.
CHAIRMAN SHINNICK: We need a vote. Is there a motion?
COMMISSIONER MARTINETTI: Motion to go into closed session.
COMMISSIONER DORAN: Second.
CHAIRMAN SHINNICK: Motion by Commissioner Martinetti and seconded by Commissioner Doran.
COMMISSIONER LORENZO: Aye.
COMMISSIONER MARTINETTI: Aye.
COMMISSIONER PENEDA: Aye.
CHAIRMAN SHINNICK: Aye.
MR. NETCHERT: Now we need a motion to adjourn the meeting.
CHAIRMAN SHINNICK: Is there a motion?
COMMISSIONER MARTINETTI: Motion.
COMMISSIONER PENEDA: Second.
CHAIRMAN SHINNICK: All in favor?
COMMISSIONER RADO: Aye.
COMMISSIONER DORAN: Aye.
COMMISSIONER LORENZO: Aye.
COMMISSIONER MARTINETTI: Aye.
COMMISSIONER PENEDA: Aye.
CHAIRMAN SHINNICK: Aye.

(Whereupon the meeting is concluded)

CERTIFICATION

I, Sharon Palmer, C.S.R., License Number X100796, a Certified Court Reporter of the State of New Jersey, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of the within proceedings to the best of my knowledge and ability.

[Signature]

Sharon Palmer, C.C.R.

Dated: September 26, 2014