HUDSON COUNTY IMPROVEMENT AUTHORITY

IN THE MATTER OF:

THE REGULAR MONTHLY MEETING:

----------------------------------

WEDNESDAY JULY 22, 2015

BOARD MEMBERS:

FRANK PESTANA, CHAIRMAN
JAMES DORAN, VICE CHAIRMAN
STEPHEN J. GALLO, TREASURER
FRANK LORENZO, SECRETARY
MARTIN J. MARTINETTI, COMMISSIONER
FRED M. BADO, COMMISSIONER
OREN K. DABNEY, COMMISSIONER
JOHN PENEDA, COMMISSIONER
NICHOLAS GOLDSACK, COMMISSIONER

APPEARANCES:

NORMAN M. GUERRA, CHIEF EXECUTIVE OFFICER

KURT CHERRY, EXECUTIVE DIRECTOR/CFO
WILLIAM J. NETCHERT, ESQ.
GENERAL COUNSEL TO THE BOARD

CARMEN LOZANO, EXECUTIVE ASSISTANT/ASSISTANT SECRETARY TO THE BOARD

R.J. O'CONNELL ASSOCIATES, INC.
P.O. BOX 277
CEDAR GROVE, NEW JERSEY 07009
(973) 239-7252
ALSO PRESENT:
ELLEN GILPIN, HCIA
ELIZABETH RAMOS, EXECUTIVE ASSISTANT
MICHAEL P. COHEN, P.E., PS&S
DAVID J. MAIRO, ESQ.
CHIESA, SHAHINIAN & GIANTOMASILPC

R.J. O'CONNELL ASSOCIATES, INC.
P.O. BOX 277
CEDAR GROVE, NEW JERSEY 07009
(973) 239-7252

MS. LOZANO: We have a quorum by seven board members present, two not present.

CHAIRMAN PESTANA: Mr. Netchert?

MR. NETCHERT: Yes, Mr. Chairman, this is a public meeting. Notice of tonight's board meeting was forwarded to the Star-Ledger and the Jersey Journal for publication in those two papers on February 22, 2015. Notice was also forwarded to the Clerk of the County of Hudson and the Clerk of the Hudson County Board of Freeholders and posted on respective bulletin boards and notice was posted on the bulletin boards outside of this meeting hall as well as on the authority's website. These notices are all in compliance with the requirements of the Open Public Meetings Act.

CHAIRMAN PESTANA: Thank you. At this time do we have a motion for approval of the minutes of the June 24th meeting?

COMMISSIONER GALLO: I'll move it.

COMMISSIONER LORENZO: Second.

MS. LOZANO: Commissioner Doran?

COMMISSIONER DORAN: Yes.

MS. LOZANO: Commissioner Gallo?

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack?

CHAIRMAN PESTANA: Call the meeting to order. Rise to pledge allegiance.

(Whereupon the Pledge of Allegiance is recited by all in attendance)

CHAIRMAN PESTANA: Carmen, roll call, please.

MS. LOZANO: Commissioner Bado is not present. Commissioner Daebney is not present.

MS. LOZANO: Commissioner Doran?

COMMISSIONER DORAN: Here.

MS. LOZANO: Commissioner Gallo?

COMMISSIONER GALLO: Here.

MS. LOZANO: Commissioner Goldsack?

COMMISSIONER GOLDSACK: Here.

MS. LOZANO: Commissioner Lorenzo?

COMMISSIONER LORENZO: Here.

MS. LOZANO: Commissioner Martinetti?

COMMISSIONER MARTINETTI: Here.

MS. LOZANO: Commissioner Peneda?

COMMISSIONER PENEDA: Here.

MS. LOZANO: Chairman Pestana?

CHAIRMAN PESTANA: Here.

COMMISSIONER GOLDSACK: Abstain.

MS. LOZANO: Commissioner Lorenzo?

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Martinetti?

COMMISSIONER MARTINETTI: Abstain.

MS. LOZANO: Commissioner Peneda?

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana?

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Minutes of June 24, 2015 passes by five board members voting yes, two abstentions, two not present.

CHAIRMAN PESTANA: At this time we will take comments from the public on anything on the agenda. Seeing none, the public portion is now closed.

MR. GUERRA: Item number four, resolution number 7-4-2015 of the Hudson County Improvement Authority authorizing payment of certain costs and expenses of the Authority for the month of July, 2015.

CHAIRMAN PESTANA: Motion?

COMMISSIONER DORAN: Motion.

COMMISSIONER GOLDSACK: Second.

MS. LOZANO: Commissioner Doran?
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<td>1</td>
<td>MS. LOZANO: Commissioner Lorenzo?</td>
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<td>COMMISSIONER LORENZO: Yes.</td>
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<td>MS. LOZANO: Commissioner Martiretti?</td>
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<td>COMMISSIONER MARTINETTI: Yes.</td>
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<td>MS. LOZANO: Commissioner Peneda?</td>
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<td>COMMISSIONER PENEDA: Yes.</td>
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<td>MS. LOZANO: Chairperson Pestana?</td>
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<td>CHAIRMAN PESTANA: Yes.</td>
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<td>MS. LOZANO: Resolution 7-2015-5</td>
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<td>passes by seven board members voting yes, two board members not present.</td>
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<td>MR. GUERRA: Item No. 6, resolution number 7-2015-6 of the Hudson County Improvement Authority authorizing execution of Release of Cross Default Provision. Back in 2004 Baldwin asked that any Authority entering into a redevelopment agreement which was subject to the Jersey City Medical Center Redevelopment Plans, that is where the Beacon and the other buildings are, that whole redevelopment area, in 2011 that agreement had been amended by the Jersey City Redevelopment Agency and other various entities who were successors of Baldwin's assets. There are provisions in that agreement which I'll ask Bill just to summarize.</td>
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<td>1</td>
<td>Sedita, Campisano &amp; Campisano. Dave has left the firm.</td>
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<td>Dave has been providing services related to the Lincoln Park West project and Dave is also currently working on the closing out of the Persistent Construction Co. contracts for the Lincoln Park West project and Dave has worked on the agreement for the public walkway that we are doing in Secaucus and I feel it is in the Authority's best interests to transfer from the firm he had previously been with to this firm to keep the continuity in working with the contracts that he has been doing and everything relating to the golf course and also the closing out of the contract and now the public walkway.</td>
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<td>CHAIRMAN PESTANA: Good idea. Any motion?</td>
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<td>COMMISSIONER GALLO: Motion.</td>
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<td>COMMISSIONER PENEDA: Second.</td>
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<td>MS. LOZANO: Commissioner Doran?</td>
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<td>COMMISSIONER DORAN: Yes.</td>
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<td>MS. LOZANO: Commissioner Gallo?</td>
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<td>COMMISSIONER GALLO: Yes.</td>
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<td>10</td>
<td>MS. LOZANO: Commissioner Goldsack?</td>
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<td>11</td>
<td>COMMISSIONER GOLDSACK: Yes.</td>
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3 (Pages 6 to 9) 905b17ad-e817-4ca9-9288-35b44db149fe
Margaret Hague Hospital is now ready to be redeveloped. Mortgage financing is in place but in order to close the mortgage financing, the bank was insisting for the release of the Cross Default be executed. The execution, there is probably authority for The Chief Executive Officer to do this without additional board action but when I had Norman sign it I represented to the developer's attorney that we would bring it back to the board for formal ratification and authorization and confirmation of the execution and release. So basically, the release has been signed already by Norman and this is simply the board's ratification and confirmation of the authority to execute that release. So Margaret Hague Hospital will no longer be the hospital that most of us were born in, it will be something else two years from now.

COMMISSIONER LORENZO: Wasn't that sold before?
MR. NETCHERT: It was sold in 2003.
CHAIRMAN PESTANA: Anybody have any questions on it? Motion?

COMMISSIONER GOLDSACK: Motion.
COMMISSIONER LORENZO: Second.
MS. LOZANO: Commissioner Doran?
COMMISSIONER DORAN: Yes.
MS. LOZANO: Commissioner Gallo?
COMMISSIONER GALLO: Yes.
MS. LOZANO: Commissioner Goldsack?
COMMISSIONER GOLDSDACK: Yes.
MS. LOZANO: Commissioner Lorenzo?
COMMISSIONER LORENZO: Yes.
MS. LOZANO: Commissioner Martinetti?
COMMISSIONER MARTINETTI: Yes.
MS. LOZANO: Commissioner Peneda?
COMMISSIONER PENEDA: Yes.
MS. LOZANO: Chairman Pestana?
CHAIRMAN PESTANA: Yes.
MS. LOZANO: Resolution 7-2015-6 passes in the affirmative by seven board members voting yes, two not present.
MR. GUERRA: Item No. 7, Resolution 7-2015-7 of the Hudson County Improvement Authority recommending an Amendment to the Hudson County District Solid Waste Management Plan to include PACE Glass Recycling, in Jersey City, New Jersey into the Hudson County District Solid Waste Management Plan as a Class A Recycling Facility.
Mr. Guerra has located on Bishop Street in Jersey City for many years. They had submitted a plan for a major modification to their plant. They are proposing to accept post-consumer glass and to process that into a state of the art sorting system. The post-consumer glass does not come from the municipality's collection program, it actually comes from facility recovery and it is pure glass that comes into that facility and they do other things with that glass.
They have been there for many years.
Marry Ellen has conducted a SWAC meeting, that is the County Solid Waste Advisory Council that consists of members of all the municipalities. I'm not sure how many attended but the company came in and our engineer was there to review the application and the next step is, once this board approves it, then the process continues where we make a submission to the Board of Freeholders and there's two hearings, two meetings, public hearing and then once that is done, it goes down to the state for certification.
So it is a long process but this is the first step in the process.
program, the authority is looking to update the fleet. Recently we had auctioned off a number of the older vehicles and we are considering also acquiring at this time two new transit vehicles, one for recycling and one for DNA, as you know they do a lot of environmental favors and they do a lot of transit favors and they do a lot of the school programs and so whenever they go they would load these two vehicles and in addition we are also replacing, we had auctioned off a couple of our enforcement vehicles. So this resolution just has a cap on the amount. The contract is the amount noted here, may not be expended but that is what we are allocating in our 2015 budget and again they will be purchased under state contract so this actually authorizes us to spend up to $250,000 which I don’t see it coming close to that.

CHAIRMAN PESTANA: Any questions?

COMMISSIONER LORENZO: Motion.

COMMISSIONER DORAN: Second.

MS. LOZANO: Commissioner Doran?

COMMISSIONER DORAN: Yes.

MS. LOZANO: Commissioner Gallo?

COMMISSIONER GALLO: Yes.

that, the Lincoln Park West project was the golf course, it was the last phase and then the capping of the golf course itself. But at the start of the project it started with the creation of a sand dewatering facility which Persistent was the bidder and awarded the contract to construct, maintain and operate that dewatering facility and manage the sand.

And the second contract then was the Earthwork Services, where approximately a million yards of silt came in and that contract called for Persistent to do a lot of the deep water drainage, to build a pond and a lot of other infrastructure work that went into the project, including that rough shaping, and then the transition/public walkway, that is the area that had to be created between the wetlands restoration and the golf course itself, and that also included the public walkway, so there were three contracts.

Early on with the sand, some of you may recall at a meeting, I guess a few months ago, where we settled that claim, because at that time the sand delivery started coming in and then I think it was the BP oil spill down in the Gulf where the government redirected all the dredge vessels to go down to the oil spill. And Great Lakes through the Army Corps and Port Authority had agreements with us to put sand in there and we worked out an agreement where they would cover the costs up to $300,000 for any time delays.

At that time Persistent felt they incurred more than the $300,000. We felt it was less than the $300,000. We settled with Great Lakes for approximately $220,000. So, that other claim by Persistent to us, of course, they were looking for the difference. With all that said, I'm going to turn it over to Mike Cohen, because we ended up negotiating a final number with Persistent, where at some point we owed him some money for services, he owed us for money still coming into the site and then there's a credit and the settlement of the claim.

And Mike, I'll flip it over to you and Dave, also, for the resolution, I was just trying to give a little background.

MR. COHEN: Thank you, Mr. Guerra.

Following up on that again, the containment and dewatering projects, the first project for the golf course that was awarded in 2009 and went through in 2010. As Mr. Guerra said, the
involvement of the water facility where we had
delivered sand and the dredged sand into the base
of the golf course, that ended up capping the
landfill.

Again, as mentioned, there were some
delays due to the BP spill as well as just the
general problem of having barges coming to the
site 24 hours a day and this contract for
Persistent was responsible to accept the sand, dry
it out and move it.

So he was there, in effect, 24 hours a
day. So the basic contract for that job started
out as, I believe it was about three million five,
and there were $671,000 in extra fees on that.

So the final contract for the
dewatering job itself was about four million, one
hundred thousand, again, as Mr. Guerra mentioned,
the claim was for that job. And after discussing
this with Persistent, we agreed on a number.

Originally, they were asking for in
excess of $500,000, we have agreed to a
$324,000 number, of which Great Lakes paid
$222,000 so the net of all of that for the
Earthworks Services contract for the containment
job the difference in those two numbers, the

settles the claim.

So, taking note, all of this is in the
resolution, this is the net for all three jobs,
the pluses and the minuses and the 195 is their
final payment to be paid to closing the job.

CHAIRMAN PESTANA: Any questions?

COMMISSIONER GOLDSACK: What was the
$700,000 number again?

MR. COHEN: The transition area job.

MR. GUERRA: It is like a buffer
between the wetlands restoration and the golf
course and then there is the public walkway that
fronts the perimeter of the side.

COMMISSIONER GOLDSACK: And the dollar
amount that was owed back to us was?

MR. COHEN: Well, there was a $50,000
credit, so the final contract ended up being
$713,000. You know, of these jobs, they haven’t
all been paid up. The authority still owes
$30,000 to Persistent, all their final invoices
haven’t been paid, we were waiting to do this as a
whole, rather than pay three different jobs.
Persistent owes the Authority for fill, the
authority owes Persistent --

COMMISSIONER GOLDSACK: And that is

what is outlined in the resolution?

MR. COHEN: Yes.

MR. GUERRA: Right, and we didn’t want
to close this out until we knew that with Great
Lakes, and the claim, even though that claim, we
knew we had an agreement with the Port Authority,
which brought Great Lakes into the picture, and it
was Great Lakes’ doing, not Persistent.

So Persistent did a lot of homework and
presented this big claim and spent a fortune on it
and Great Lakes kept saying no way, and we knew it
couldn’t reach $300,000 and so we settled for the
222 and he didn’t feel that way, there was a
difference, but rather than end up in mediation
with an arbitrator, we sort of settled that.

COMMISSIONER DORAN: But when all is
said and done, though, with the credits and the
195,000, what are they getting?

MR. COHEN: Well, the only check that
is being written is the 195, that closes it out.

COMMISSIONER DORAN: But they have a
credit on two other jobs?

MR. MAIRO: The whole concept is
Persistent has an existing agreement with the
authority, and Earthworks and the transition area
and in addition to that, they also have the delay
claim associated with the delays because of the
Great Lakes situation.
So the whole purpose of what we are
trying to do with Persistent right now is to
resolve them all in one and when it is all said
and done, the Authority, when you add up the
credits and what Persistent owes the Authority and
the Authority owes Persistent, plus the
settlement, the Authority will be paying
Persistent $195,000 and that would close all three
jobs as well as settle their claim.

COMMISSIONER DORAN: So how much of the
195 is their claim and how much of it is the three
jobs that are closing?

MR. COHEN: It doesn't really break
out like that. It is all credited within each
job. So that is just the net, the 195 is the net,
if you will. Let me put it this way --
CHAIRMAN PESTANA: Let me ask a
question. Is this all within the $4.1 million or
in addition to?
MR. COHEN: No, no, it is not in
addition to.
CHAIRMAN PESTANA: So it is within the
contract and the modifications?

MR. MAIRO: Correct, so the contract
amount I read to you is 4.1, the 713 for
transition and I didn't give you this, the final
on the Earthwork Services was, in effect, a minus
$2.8 million and if you add those three up, it's
4.1 plus $700,000, minus 2.8. That would be the
total that the authority has paid out, if that is
what you are asking. That would be the total of
all three jobs and the claim.

MR. MAIRO: And, Commissioner, it is a
great question, and the way Persistent kept
approaching it was, they wanted to talk about
everything in total. They never really wanted to
talk about each individual project necessarily.
And at the end of the day, what they were willing
to accept for closing all three jobs and settling
the claim was $195,000.

And they said we are good with that and
we are done. And the Authority was comfortable
with that as well and that is what we are seeking
to get authorization for, to then enter into a
final settlement release agreement with Persistent
so they can't come back and say we still have any
open-ended ended issues.

COMMISSIONER DORAN: My concern was how
much on the three jobs was the credit? When all
is said and done, they owed us money and we owed
them money. There had to be a net on each one of
those, so I'm saying how much of that is a
settlement and how much of it was for what they
owed us and we owed them?

MR. COHEN: Okay. I think I know what
you are asking.

COMMISSIONER GOLDSACK: Because the
resolution, the addition and subtraction, if you go
by the resolution, it doesn't add up to that. We
see who owes Persistent and who owes the Authority
and so the 195,000 seems to be a number that you
have on your paper there but seems to be somewhat
confusing to myself.

MR. COHEN: Tell me if this is not in
the resolution on the -- it is in the resolution
on the CDF, the authority owes $31,899, that means
of all the bills they submitted to us, that is
basically the retainage the Authority owes.

On the transition area job, again, the
final payment to them, the retainage and the last
few things, $116,125 owed by the authority to
Persistent.

On the Earthwork Services job,
Persistent owes to the authority $277,350 and the
last piece on the claim is the authority owes to
Persistent for the claim 324,335, and of that,
understand that of that 324, 222,000 has already
been paid by Great Lakes, so you might be asking
what did we pay on the claim, the difference
between 224 and 300.

COMMISSIONER DORAN: Wasn't the
agreement capped at 300?

MR. GUERRA: Initially the agreement
with Great Lakes and the Port Authority was that
they would be responsible up to 300,000, but they
agreed, they being Great Lakes, that they would
pay us 222, because they never really felt there
was enough to justify them paying us the $300,000.

MR. NETCHERT: The answer, Jimmy, was
the cap was between us and Great Lakes and not
between us and Persistent or Great Lakes, so that
we began believing that the max claim that we
would be responsible for would be $300,000 and we
thought that Great Lakes -- Great Lakes had agreed
to pay up to $300,000.

MR. COHEN: To clarify a little, but
Persistent Construction Co.'s claim in excess of
1. $500,000 wasn't totally on the gulf spill part.
2. The gulf spill part was the larger part of it and
3. it was $330,000. Their claim on the gulf part,
4. the balance is made up, the 500 I mentioned was
5. actually on delays prior to the gulf, so there
6. were two pieces to it.
7. The prior piece, as I mentioned before,
8. barges coming in on Sunday, coming in after
9. midnight, things breaking down, things that
10. couldn't be anticipated. So Persistent would gear
11. up to do work and barges just can't show up, so
12. there were a number of claims. The 330 was their
13. claim on the Great Lakes piece and about another
14. 170 directed to the Authority.
15. But, again, we are looking at a claim
16. on the whole but it was made up of two pieces.
17. CHAIRMAN PESTANA: Any questions? Do
18. we have a motion on this.
19. COMMISSIONER GALLO: I'll move it.
20. COMMISSIONER LORENZO: Second.
21. MS. LOZANO: Commissioner Doran?
22. COMMISSIONER DORAN: Yes.
23. MS. LOZANO: Commissioner Gallo?
24. COMMISSIONER GALLO: Yes.
25. MS. LOZANO: Commissioner Goldsack?

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1. COMMISSIONER GOLDSACK: Yes.
2. MS. LOZANO: Commissioner Lorenzo?
3. COMMISSIONER LORENZO: Yes.
4. MS. LOZANO: Commissioner Martinetti?
5. COMMISSIONER MARTINETTI: Yes.
6. MS. LOZANO: Commissioner Peneda?
7. COMMISSIONER PENEDA: Yes.
8. MS. LOZANO: Chairman Pestana?
9. CHAIRMAN PESTANA: Yes.
10. MS. LOZANO: Resolution 7-2015-9
11. passes in the affirmative with seven board members
12. voting yes, two not present.
13. MR. GUERRA: The only other item is
14. what I had discussed with you before, because I
15. don't think in February or March we
16. actually selected the committees and we need to do
17. that.
18. CHAIRMAN PESTANA: Okay, read it into
19. the record?
20. MR. GUERRA: Yes, I think that is the
21. best way.
22. CHAIRMAN PESTANA: We reorganized the
23. committees because we have new members, so we
24. wanted to let everybody know.
25. The Executive Committee is myself, Pete

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1. Gallo, James Doran and Frank Lorenzo.
2. The Finance Committee is myself as the
3. chair, Steve Gallo, Nick Goldsack and John Peneda.
4. The Personnel Committee is Fred Bado as
5. the chair, Frank Lorenzo, Frank Pestana and James
6. Doran.
7. The Marketing Committee is Frank
8. Pestana, James Doran and John Peneda.
9. And the Technical Facilities Committee.
10. the chair is Marty Martinetti, James Doran and
11. Oren Dabney. Are you guys okay with that?
12. MR. GUERRA: Mr. Chairman, I have
13. nothing else. Mary Ellen?
15. CHAIRMAN PESTANA: Do we have a motion
16. to adjourn?
17. COMMISSIONER LORENZO: Motion.
18. COMMISSIONER DORAN: Second.
19. (Whereupon there was a unanimous aye
20. vote)

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1. C E R T I F I C A T E
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5. I, ROBERT J. O’CONNELL, a Certified
6. Court Reporter of the State of New Jersey, do
7. hereby state that the foregoing is a true and
8. accurate transcript of my stenographic notes of
9. the within proceedings, to the best of my ability.
10. 11
12. ROBERT J. O’CONNELL, C.S.R.
13. NOTARY PUBLIC OF THE STATE
14. OF NEW JERSEY
15. LICENSE NO. X101304
16. 17
18. 19