HUDSON COUNTY IMPROVEMENT AUTHORITY

IN THE MATTER OF : TRANSCRIPT OF
THE REGULAR MONTHLY MEETING : PROCEEDINGS

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WEDNESDAY, OCTOBER 28, 2015
830 BERGEN AVENUE, 9TH FLOOR
JERSEY CITY, NEW JERSEY 07306
COMMENCING AT 5:50 P.M.

BOARD MEMBERS:

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

SHARON PALMER
CERTIFIED SHORTHAND REPORTER
R.J. O'CONNELL ASSOCIATES,
P.O. BOX 277
CEDAR GROVE, NEW JERSEY 07009
(973) 239-7252
ALSO PRESENT:

JENNIFER L. CREDIDIO, ESQ. (McMANIMON SCOTLAND & BAUMANN)
MARY-ELLEN GILPIN, HClA
ELIZABETH RAMEOS, EXECUTIVE ASSISTANT
JAY DADOMENICO, TMA
PAUL SWINNSKI, VISION MEDIA
JUAN ESCOBAR, VISION MEDIA

CHAIRMAN PESTANA: Welcome to the Hudson County Improvement Authority meeting.
Please rise for the Salute to the Flag.
(At this time all present recite the Pledge of Allegiance.)
CHAIRMAN PESTANA: Carmen, would you call the roll please.
MS. LOZANO: Commissioner Bado. Not present.
COMMISIONER GALLO: Here.
MS. LOZANO: Commissioner Goldsack.
COMMISIONER GOLDSACK: Here.
MS. LOZANO: Commissioner Lorenzo.
COMMISIONER LORENZO: Here.
MS. LOZANO: Commissioner Martinetti.
COMMISIONER MARTINETTI: Here.
MS. LOZANO: Commissioner Peneda.
COMMISIONER PENEDA: Here.
MS. LOZANO: Chairman Pestana.
CHAIRMAN PESTANA: Here.
MS. LOZANO: We have a quorum with six board members present, three not present.

Chairman Pestana.

MS. LOZANO: Commissioner Gallo.
COMMISIONER GALLO: Yes.
MS. LOZANO: Commissioner Goldsack.
COMMISIONER GOLDSACK: Yes.
MS. LOZANO: Commissioner Lorenzo.
COMMISIONER LORENZO: Yes.
MS. LOZANO: Commissioner Martinetti.
COMMISIONER MARTINETTI: Abstain.
MS. LOZANO: Commissioner Peneda.
COMMISIONER PENEDA: Yes.
MS. LOZANO: Chairman Pestana.
CHAIRMAN PESTANA: Yes.
MS. LOZANO: The minutes of September 23rd, 2015 are approval by five board members voting yes, one abstention, and three not present.
CHAIRMAN PESTANA: Are there any comments from the public on anything pertaining to the agenda today?
Hearing none, the public portion is now closed.
Norman.
MR. GUERRA: Item five, Resolution 10-2015-5 of the Hudson County Improvement
Authority authorizing the purchase of property and casualty insurance through the Scirocco Group Insurance Company.

MR. NETCHERT: You skipped four.

MR. GUERRA: Oh, I'm sorry. I'm sorry.

Item four: Resolution of the Hudson County Improvement Authority authorizing payment of certain costs and expenses of the Authority for the month of October 2015.

CHAIRMAN PESTANA: Can I have a motion on this?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESTANA: Motion by Commissioner Goldsack.

COMMISSIONER GALLO: Second.

CHAIRMAN PESTANA: Second by Commissioner Gallo.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Martinetti.

COMMISSIONER MARTINETTI: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2015-4 passes in the affirmative, as amended, by six board members voting yes, three not present.

MR. GUERRA: Item five is Resolution 10-2015-5 of the Hudson County Improvement Authority authorizing the purchase of property and casualty insurance through the Scirocco Group Insurance Company.

This resolution authorizes the purchase of the property casualty insurance program through October 2016. Our broker, Scirocco, had sought quotes from various underwriters who either could not meet our needs or were not competitive with their terms.

The incumbent underwriter did submit a quote, which is slightly higher than the expiring contract. It's a little, the public entity portion, is about $2,000 over last year's, which is an increase of just about one percent, a little less than one percent, and the umbrella is actually $243 lower. This also includes - we included the option of what is known as rental reimbursement for an additional $1,200. If one of our vehicles, and those are basically the enforcement vehicles, are in an accident, and while that vehicle is being repaired, it would actually pay for the rental of another vehicle while it's being repaired. So for an additional $1,200, if you use it once it would have paid for itself. So the broker felt it would be good doing that. So the total, including that, is $277,491.95.

CHAIRMAN PESTANA: Does anybody have any questions?

(No response)

CHAIRMAN PESTANA: Do we have any motions?

COMMISSIONER PENEDA: I'll make a motion.

CHAIRMAN PESTANA: Motion by Commissioner Peneda.

COMMISSIONER LORENZO: Second.

CHAIRMAN PESTANA: Second by Commissioner Lorenzo.

MS. LOZANO: Commissioner Gallo.
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$35,188,726 for solid waste operations. That totals $269,222,222. This represents an increase of $7,214,997 over last year. The increase is in debt service payments. We did have some increased participation in the Pooled Note Program, and those pooled notes will be paid back during 2016.

If I adjusted out that increase it would total $7,404,374. And what that would result in is a reduction in operating appropriations of $189,376, and that's less than 10 percent on our Budget. That's what it comes out to.

This Budget is not expected to have any impact on the local economy. And we're utilizing $593,233 in unrestricted net position for the administrative operating funds to balance the Budget.

The current rate that's being charged for solid waste anticipated in this Budget is the same as last year at $97.54.

This is basically a flat budget, it's on the negative side, but a flat one.

With that I would open it up to any questions that you may have.

COMMISSIONER GOLDSACK: What's our surplus position after utilization?

MR. CHERRY: It is approximately $400,000. But I can tell you that this year we're going to replenish that. This Budget is being presented to you in 2015, so we haven't finished out 2015 yet, and it is for 2016. I know that we're going to replenish at least $3 million of that. So we will more than cover it.

COMMISSIONER GOLDSACK: Thank you.

CHAIRMAN PESTANA: Are there any other questions?

(No response)

CHAIRMAN PESTANA: Good job, Kurt.

MR. CHERRY: Thank you.

CHAIRMAN PESTANA: Are there any motions?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESTANA: Motion by Commissioner Goldsack.

COMMISSIONER GALLO: Second.

CHAIRMAN PESTANA: Second by Commissioner Gallo.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

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COMMISSIONER GOLDSACK: 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 10-2015-6 passes in the affirmative by six board members voting yes, three not present.

MR. GUERRA: Item number seven is Resolution 10-2015-7 of the Hudson County Improvement Authority acknowledging the conclusion of the Field Station Dinosaur, LLC leasehold.

As you know, the dinosaurs have left Secaucus. They left Laurel Hill Park. As you know, a section of that park or a section where the dinosaurs were located is going to be the home for the new Schools of Technology. They have operated successfully for about four seasons.

They had employed over a hundred Hudson County residents. They had thousands visit the site.

They had a lot of local and national media coverage. So it was kind of a win/win for everybody including the County.

They had been served the notice of termination by us back in December of 2014. So they cleared the site and turned over the keys.

They left the fence up, which is good for us, so we secured the site.

The company has agreed to credit their initial deposit, which was $50,000, toward any remaining lease payments due. So that had worked out. And what this resolution provides is the authorization for that to happen. So that $50,000 will come right towards the one or two, I guess, last lease payments that are due.

CHAIRMAN PESTANA: Do you know if they will be opening up anywhere else?

MR. GUERRA: I heard some talk about utilizing in the interim a section of the Science Center. They are in talks with them. They were talking to West Milford, who had an interest. You may have heard Kansas. I don't think that Kansas is really on their radar screen.

MR. NETCHEL: Dorothy couldn't get there.

CHAIRMAN PESTANA: Do we have a motion
COMMISSIONER PENEDA: I'll make a motion.

CHAIRMAN PESETANA: Motion by Commissioner Peneda.

COMMISSIONER GALLO: Second.

CHAIRMAN PESETANA: Second by Commissioner Gallo.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: 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 Peetana.

CHAIRMAN PESETANA: Yes.

MS. LOZANO: Resolution 10-2015-7 passes in the affirmative by six board members voting yes, three not present.

MR. GUERRA: Item number eight is Resolution 10-2015-8 of the Hudson County.

Improvement Authority authorizing the acknowledgement of that certain Third Amendment to the Parking License Agreement by and between CIUFP II Harrison Holdings, LLC and Harrison Redevelopment Agency. This amendment actually relates to the surface parking lots which are adjacent to our parking deck. Those lots were always under the control and owned by the developer. As you know, the deck is pretty much full every day, so we have been using the overflow. We have been utilizing those lots. And a couple of previous amendments, one was where the developer, under the scenario as it sits today, the cars that are parked there, we have LAZ operating it, all of the expenses are paid. The Authority is paid a management fee, the Town receives their parking tax, and then the balance of that money goes to the developer because he's letting them use it. He's ready to develop a section of what's known as Lot A. So what he wants to do is a little swap. He has another section there where we can park the cars while he develops Lot A. This Agreement touches upon that and the structure of it.

With us is Jennifer Credidio from McManimon & Scotland who had worked on the Third Amendment, is what this is. And if you have any questions, I'm sure she'll be happy to answer them.

CHAIRMAN PESETANA: Does anyone have any questions?

MR. GUERRA: It's pretty cut and dry.

It's just a matter of swapping the land for the most part.

CHAIRMAN PESETANA: No questions?

(No response)

CHAIRMAN PESETANA: Do we have any motions?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESETANA: Motion by Commissioner Goldsack.

COMMISSIONER PENEDA: Second.

CHAIRMAN PESETANA: Second by Commissioner Peneda.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Resolution 10-2015-8 passes in the affirmative by six board members voting yes, three not present.

MR. GUERRA: Item number nine is Resolution 10-2015-9 of the Hudson County Improvement Authority authorizing the acknowledgement of the Supplemental Pledge and Assignment Agreement by and between the Town of Harrison and the Hudson County Improvement Authority in connection with the issuance by the Authority of its Town of Harrison-Guaranteed Redevelopment Area Bonds, Series 2009, (Harrison Advance Infrastructure Project). I'm going to turn this over to Jennifer. Jennifer has been working on this for sometime, and I'll sure she'll be able to explain it a lot better than I can.
MS. CREDIDIO: Thank you.
In 2009 the Authority issued just under
$17 million of revenue bonds that were Town of
Harrison guaranteed in order to finance certain
environmental infrastructure trust improvements in
what they call the South of Guyon area, several
blocks and lots of property there. Advance is the
master developer.
The pilots are going to be generated
under the financial agreement for that property
and were pledged to the repayment of the bonds.
And that financial agreement contemplated that as
the different parcels were developed by different
developers the financial agreement would be split
out into separate financial agreements. So the
Town has been working through that with Advance,
who has now brought in a new partner and
development is going to get started on several of
those blocks. And they, the Town, has authorized
and entered into amended and received financial
agreements with each of those parcels.
They made a couple of changes to the
financial agreement including previously it was
escalated by a floating escalator. Now there is a
fixed three percent annual escalator beginning
receiving from another property.
The resolution before you tonight is to
allow your Chairman, Vice Chairman, Executive
Director, Chief Executive Officer to execute the
Supplemental Pledge Agreement, and we can provide
that to the trustee.
COMMISSIONER GOLDSACK: If I may.
CHAIRMAN PESTANA: Yes.
COMMISSIONER GOLDSACK: All of the
pilots will be going towards the debt service?
MS. CREDIDIO: The way that the
financial agreement is structured is once the
bonds were issued there was a percentage that was
calculated of the total pilots compared to the
total amount of debt service because originally it
was authorized up to $47 million in bonds and you
only issued just under 17. So it's a very
unwieldy 17.51 percent of the pilots are pledged
over to the trustee. The remainder remains with
the Town.
COMMISSIONER GOLDSACK: Thank you.
CHAIRMAN PESTANA: Are there any other
questions?
(No response)
CHAIRMAN PESTANA: Thank you, Jen.

even before the pilots kick in. So there is much
more certainty on the increase. And also there is
a deficiency payment that was previously made as a
pilot, now to be made as a special assessment,
which adds a better ability for the town to be
able to enforce it in a scenario where the project
is not yet built.
The other thing that the Town wanted to
do was pledge additional revenue from its
Panasonic project. They received pilot revenue
from the Panasonic project, which also benefits
due to the area from these environmental
infrastructure company improvements.
So in the same proportion of the pilots
that they're pledging for the existing property,
they now are adding a pledge of pilots from other
properties increasing the security for the bonds.
So the Pledge Agreement, Supplemental
Pledge Agreement that the Town has authorized and
executed basically would pledge over all of the
new special assessment to the payment of the bonds
in the event there is a special assessment
payment. Also pledges over the increase in the
pilots over what was previously pledged. And also
pledges a portion of this revenue that it is

MR. GUERRA: Thank you, Jennifer.
CHAIRMAN PESTANA: Are there any
motions?
COMMISSIONER GOLDSACK: Motion.
CHAIRMAN PESTANA: Motion by
Commissioner Goldsack.
COMMISSIONER GALLO: Second.
CHAIRMAN PESTANA: Second by
Commissioner Gallo.
MS. LOZANO: Commissioner Gallo.
COMMISSIONER GALLO: Yes.
MS. LOZANO: Commissioner Goldsack.
COMMISSIONER GOLDSACK: 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 Pestaña.
CHAIRMAN PESTANA: Yes.
MS. LOZANO: Resolution 10-2015-9
passes in the affirmative by six board members
voting yes, three not present.
MR. GUERRA: Mary-Ellen do you have
anything?

MS. GILPIN: We have finished all of our fall outreach.

The shredding was a big success. We increased over last year by over a third of participants.

With household hazardous waste we are continuing to go down in the number of participants that have been coming to the event.

E-waste is about flat from last year taking into consideration everything that has been happening with E-waste. The E-waste bill has gone, has passed through the Senate last week, so there should be some changes there and that will affect 2016’s program hopefully very little.

MR. GUERRA: Thank you.

MS. GILPIN: And other than that I’m very happy that all of the fail stuff is done and everything seemed to be a big success.

CHAIRMAN PESTANA: Thank you.

MR. GUERRA: Jay, anything from the TMA?

MR. DeDOMENICO: I have been doing a lot of work, more work with employers than we had last year. There have been a lot more relocations of companies that are moving into Hudson County.

They are mostly Jersey City from Manhattan, from northern west New Jersey. So we help prepare the employees and give consultation on how they will commute, try to get them not to take a car. Right now there is 40,000 cars a day coming into Jersey City. So it’s like insane.

We have had a lot of success now assisting City Bike, which is a bike share program. A lot of our staff became City Bike ambassadors, being able to instruct people and help them, encouraging them to use the bike sharing, which has 35 stations, 350 bikes all throughout Jersey City.

And October is winding down. We have completed about 14 school programs, which is a record number for us as well, getting the children to get their family members to walk more often. And it’s part of our health program as well.

Thank you.

MR. GUERRA: Thank you, Jay.

CHAIRMAN PESTANA: Thank you.

MR. GUERRA: Chairman, I just have one last item, and commissioners, for your information.

CHAIRMAN PESTANA: Yes.

MR. GUERRA: The New Jersey Association of Conservation Districts has presented an award to the Authority. It’s the 2015 Award For Outstanding Developer presented to the Hudson County Improvement Authority for the Skyway Golf Course at Lincoln Park West. This was done yesterday. I know Kurt and Mike Cohen and a few others from his office had attended, and we had received it, and they had nothing but praise for the Authority, for the County. And I just wanted the commissioners to be aware of that.

COMMISSIONER GOLDSACK: It’s a job well done.

MR. GUERRA: Other than that I have nothing else unless you want take a few more photos before you leave.

CHAIRMAN PESTANA: If there is nothing else do we have a motion to adjourn?

COMMISSIONER GALLO: Yes. I would move it.

CHAIRMAN PESTANA: Motion by Commissioner Gallo.

COMMISSIONER LORENZO: Second.

CHAIRMAN PESTANA: Second by Commissioner Lorenzo.

All in favor?

COMMISSIONER GALLO: Aye.

COMMISSIONER GOLDSACK: Aye.

COMMISSIONER LORENZO: Aye.

COMMISSIONER MARTINETTI: Aye.

COMMISSIONER PENEDEL: Aye.

CHAIRMAN PESTANA: Aye.

Thank you.

(Whereupon the meeting is concluded)
CERTIFICATION

I, Sharon Palmer, C.C.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.

Sharon Palmer, C.C.R.

Dated: October 29, 2015