HUDSON COUNTY IMPROVEMENT AUTHORITY

IN THE MATTER OF : TRANSCRIPT OF

THE REGULAR MONTHLY MEETING : PROCEEDINGS

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WEDNESDAY, AUGUST 8, 2018
830 BERGEN AVENUE, 9TH FLOOR
JERSEY CITY, NEW JERSEY 07306
COMMENCING AT 5:40 P.M.

BOARD MEMBERS:

FRANK PESTANA, CHAIRMAN
JAMES DORAN, VICE CHAIRMAN (NOT PRESENT)
NICHOLAS GOLDSACK, TREASURER
FRANK LORENZO, SECRETARY
FRED M. BADO, COMMISSIONER
BRIAN DELLABELLA, COMMISSIONER
JEFFREY DUBLIN, COMMISSIONER
MARTIN T. MARTINETTI, COMMISSIONER
JOHN PENEDA, COMMISSIONER

APPEARANCES:

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

SHARON PALMER LYNCH
CERTIFIED SHORTHAND REPORTER

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

R.J. O'CONNELL ASSOCIATES, INC. (973) 239-7252
ALSO PRESENT:

MARY-ELLEN GILPIN, HCIA
ELIZABETH RAMOS, EXECUTIVE ASSISTANT
JAMES POLICASTRO, HCIA
MICHAEL O'CONNOR, HCIA
JEFF LANIGAN
MICHAEL COMBA, HOBOKEN STRATEGY GROUP
MAURICIO CANTO, (DONOHUE, GIRONDA, DORIA & TOMPINS)
CHAIRMAN PESTANA: Everyone welcome to the Hudson County Improvement Authority meeting.

Please rise to salute the flag.

(At this time the Pledge of Allegiance is recited.)

CHAIRMAN PESTANA: Mr. Netchert.

MR. NETCHERT: Yes, Mr. Chairman.

As you all know, this is a public meeting.

Notice of tonight’s meeting was forwarded to both the Jersey Journal and Star-Ledger for publication in the respective newspapers on February 15th, 2018. Notice of the meeting was also forwarded to the Clerk of the County of Hudson and the Clerk of the Hudson County board of Chosen Freeholders for posting on their respective bulletin boards as well, and finally notice was posted on the bulletin board outside of this meeting room and on the Authority’s website.

These notices are all in compliance with the requirements of the Open Public Meetings Act.

CHAIRMAN PESTANA: Thank you, Mr. Netchert.

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Carmen, Would you now please call the roll.

MS. LOZANO: Commissioner Bado.
COMMISSIONER BADO: Here.
MS. LOZANO: Commissioner Dellabella.
COMMISSIONER DELABELLA: Present.
MS. LOZANO: Commissioner Doran. Not present.
Commissioner Dublin.
COMMISSIONER DUBLIN: Here.
MS. LOZANO: Commissioner Goldsack.
COMMISSIONER GOLDSACK: Here.
MS. LOZANO: Commissioner Lorenzo.
COMMISSIONER LORENZO: Here.
MS. LOZANO: Commissioner Martinetti.
Not present.
Commissioner Peneda.
COMMISSIONER PENEDA: Here.
MS. LOZANO: Chairman Pestana.
CHAIRMAN PESTANA: Here.
MS. LOZANO: Chairman, we have a quorum with seven board members being present, two not present.
CHAIRMAN PESTANA: Thank you.

At this time I would call for the approval of the minutes from the June 13th meeting.

COMMISSIONER GOLDSACK: Motion.
CHAIRMAN PESTANA: Motion by Commissioner Goldsack.
COMMISSIONER DUBLIN: Second.
CHAIRMAN PESTANA: Seconded by Commissioner Dublin.
MS. LOZANO: Commissioner Bado.
COMMISSIONER BADO: Yes.
MS. LOZANO: Commissioner Dellabella.
COMMISSIONER DELABELLA: Yes.
MS. LOZANO: Commissioner Dublin.
COMMISSIONER DUBLIN: Yes.
MS. LOZANO: Commissioner Goldsack.
COMMISSIONER GOLDSACK: Yes.
MS. LOZANO: Commissioner Lorenzo.
COMMISSIONER LORENZO: Yes.
MS. LOZANO: Commissioner Peneda.
COMMISSIONER PENEDA: Abstain.
MS. LOZANO: Chairman Pestana.
CHAIRMAN PESTANA: Yes.
MS. LOZANO: The minutes of June 13th, 2018 pass in the affirmative by six board members voting yes, one abstention, and two not present.

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CHAIRMAN PESTANA: At this time we’ll take comments from the public on anything relating to the agenda.

Seeing none, the public portion is now closed.

MR. GUERRA: Item Four is Resolution 8-2018-4 of the Hudson County Improvement Authority ratifying payment of certain costs and expenses of the Authority for the month of July 2018.

CHAIRMAN PESTANA: Can we do both of them?

MR. GUERRA: You want to do both?
CHAIRMAN PESTANA: Yes.
MR. GUERRA: Resolution 8-2018-5 of the Hudson County Improvement Authority authorizing payment of certain costs and expenses of the Authority for the month of August 2018.

CHAIRMAN PESTANA: Do we have a motion on Resolutions Four and Five to pay the bills?
COMMISSIONER GOLDSACK: Motion.
CHAIRMAN PESTANA: Motion by Commissioner Goldsack.
COMMISSIONER DELABELLA: Second.
CHAIRMAN PESTANA: Seconded by

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COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 8-2018-6 passes yes, two not present.

MR. GUERRA: Item seven, Resolution 8-2018-7 of the Hudson County Improvement Authority authorizing execution of an agreement with Cavaliere Environmental Compliance Services, Inc. for materials recovery services to accept and recycle solid waste generated within Hudson County in accordance with the Hudson County District Solid Waste Management Plan.

Cavaliere Recycling is a small materials recovery facility located in Sparta, New Jersey and currently licensed by the TEP to accept about 400 tons per day of 13C waste, which is construction material.

In order to accept Hudson waste at their facility they need to be in our plan.

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approximately $22,520 less than the expiring policy. That's about a ten percent reduction in it. The renewal took affect July 7th, 2018 and it expires on July 7, 2019.

The annual premium for this policy is $204,778.

The resolution before you authorizes the renewal of the package.

CHAIRMAN PESTANA: Any questions? (No response)

CHAIRMAN PESTANA: Any motions?

COMMISSIONER PENEDA: I'll make a motion.

CHAIRMAN PESTANA: Motion by Commissioner Peneda.

COMMISSIONER DELABELLA: Second.

CHAIRMAN PESTANA: Seconded by Commissioner Dellabella.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dellabella.

COMMISSIONER DELABELLA: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Goldsack.

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1 authorizes us to include them in our County Solid Waste Management Plan.
2
3 CHAIRMAN PESTANA: Any questions or motions?
4
5 COMMISSIONER GOLDSACK: Motion.
6 COMMISSIONER PENEDA: Second.
7 COMMISSIONER MARTINETTI: Let the record reflect that I'm present.
8 MR. GUERRA: Sorry about that.
9 MR. NETCHERT: Did the record reflect the vote?
10 MS. LOZANO: Commissioner Peneda is the one who --
11 CHAIRMAN PESTANA: Motion by Commissioner Goldsack.
12 Do we have a second?
13 COMMISSIONER PENEDA: I'll second it.
14 CHAIRMAN PESTANA: Seconded by Commissioner Peneda.
15 MR. NETCHERT: The record will reflect that Commissioner Martinetti, who was present in the middle of that motion, that caused that confusion.
16 COMMISSIONER MARTINETTI: Sorry about that.

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1 MR. NETCHERT: Nothing to apologize for.
2
3 MS. LOZANO: Commissioner Bado.
4 COMMISSIONER BADO: Yes.
5 MS. LOZANO: Commissioner Dellabella.
6 COMMISSIONER DELLABELLA: Yes.
7 MS. LOZANO: Commissioner Dublin.
8 COMMISSIONER DUBLIN: Yes.
9 MS. LOZANO: Commissioner Goldsack.
10 COMMISSIONER GOLDSACK: Yes.
11 MS. LOZANO: Commissioner Lorenzo.
12 COMMISSIONER LORENZO: Yes.
13 MS. LOZANO: Commissioner Martinetti.
14 COMMISSIONER MARTINETTI: Yes.
15 MS. LOZANO: Commissioner Peneda.
16 COMMISSIONER PENEDA: Yes.
17 MS. LOZANO: Chairman Pestana.
18 CHAIRMAN PESTANA: Yes.
19 MS. LOZANO: Resolution 8-2018-7 passes in the affirmative by eight board members voting yes, one not present.
20 MR. GUERRA: Now stay with me on this one.
21 Resolution 8-2018-8 of the Hudson County Improvement Authority authorizing a
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-- 13 --

1 Professional Service Contract (Non-Fair and Open)
2 with Van Dalen Brower, LLC - removal of sunken vessels.
3
4 Under New Jersey 12:4-5 and 6 the City of Hoboken passed a resolution requesting the removal of such vessels and, under that statute, Hudson County would be obligated to remove those vessels.
5
6 The vessels are located in that Weehawken cove area of the Hudson River. There is about five sunken - most of them are sailboats.
7 Under the law if nine Hoboken residents, and in this situation it was nine counsel people in Hoboken, passed a resolution requiring the County to investigate the ownership of the vessels and, if need be, remove the vessels.
8 If, after the investigation, the vessels are found to be an obstruction to navigation, or likely to become one, notice must be given to the owners and then the vessels have to be removed.
9 If the owner can not be identified then the County would be responsible to remove them if they interfere with the navigable waterways. It is estimated that the cost to remove them is about $100,000.
10 With that said, the County has requested that we look at it, and we started doing that process in an attempt to locate the vessels.
11 Based on the preliminary investigation there is no way of identifying the owners unless you pull them up because they are actually sunk in the mud. And even at low tide you see is the mast sticking up. And based on the current locations we don't believe they are any obstruction.
12 Although it's our position and the administration's position that we leave them there or let Hoboken deal with them, we want to retain, and the County would like us to do the same, a legal expert on waterways and he would research the case law. It's an old law, and I'm going to have Mike O'Connor comment on that. We'll see if we're really obligated to remove them, determine ownership of who owns the Weehawken cove. That could have been transferred to the State or somebody else.
13 So the resolution before you provides authorization with an amount not to exceed $5,000.

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And this law dates back to -- where is
Mr. O'Connor.

MR. O'CONNOR: It was last amended in 1877. It hasn't been utilized, to the best of our knowledge, since then. It's unclear whether it's actually in full force and effect and enforceable.

The fellow that we found, the fellow who is the former deputy attorney general responsible for the tidelands, he's basically the expert in New Jersey on tidal waterways, which the Hudson River is. He's going to go and research and give his opinion regarding the statute.

It's quite likely it's possible that the statute is no longer valid. And even then it's quite likely that we get an opinion that the County is not obligated under this statute to take any action.

MR. GUERRA: And the County's concern is if we just go ahead and do it you will be setting a precedent of anything that's washed up along that shoreline that some people are unhappy looking at, old barges. At low tide you see a lot of that in the river there. A lot of it goes back to Sandy. And these vessels, God knows how long they have been sitting there. So there are some pictures that we can circulate.

COMMISSIONER MARTINETTI: And it can also cause a fuel spill. You don't know if they have any --

MR. GUERRA: If there is fuel in there it might be a gas can, a five-gallon can, when you pull them up.

We actually got an estimate from a company with a barge, with the crane. They send a diver down, they strap them, pull them up, place them on a barge, and then take them to yard, and then they sit there as we try to identify the owner. You got to look at the registration. One had a registration, but it had just -- actually the boat came out of New York. It washed up along the side. And it's very difficult to find the owners. These are right next to that Hudson Tea building, so if you live in the Hudson Tea building and you're looking out the window, there they are.

MR. NETCHERT: It's likely that these vessels have been there longer than us. They have been there longer than us. They have been where they have been and they are all along this coastline, both this and the Secaucus site.

I think probably what happened is more

and more development has taken place on the water and more and more people have spent more and more dollars, so when they look out the windows they would prefer not to see these there any more. Someone ingeniously has found a statute that at least implicates the County as like a culprit for removal. And the County, as they are prone to do, said this is a job for the Improvement Authority, and so we got it. And to Norman and Mike's credit we said well wait a minute. Before we say okay, we'll come right up and take out your vessels, let's look at this a little more.

It's clear that it has to impact navigable waters, and it is what it is. Fred, you used to probably throw rocks at them when you were small enough. They probably had been there --

COMMISSIONER BADO: Well, I think from the pictures these are more recent. I think they resulted from Sandy.

MR. GUERRA: Yes.

COMMISSIONER BADO: Because I have been working and on the walkway down there about ten years ago and those vessels weren't there.
1 do this, this is the legal reason why as well as a
2 practical reason.
3  3 MR. GUERRA: So this is right near that
4  park, that Weehawken little park that's like a
5  pocket park that they built there. They have a
6  little boat launch.
7  4 COMMISSIONER GOLDSACK: So if the
8  statute is not --
9  5 MR. NETCHERT: Then we're not doing it.
10  6 COMMISSIONER GOLDSACK: -- valid, then
11  7 we're not --
12  8 MR. O'CONNOR: Whether the statute is
13  9 currently valid or not, it's on the books - it's
14  10 there. Maybe something superseded it and there
15  11 may be case law related to it that we can't -
16  12 that's not obvious, but in the end it would appear
17  13 to us that the statute limits the obligation of
18  14 the County to $1,000 per vessel, which is no
19  15 longer anywhere near what it would cost to remove.
20  16 It's also so ancient that, and I'll
21  17 read it, it really says that I think it's seven
22  18 freeholders of the County must petition the
23  19 County. Now in that sense freeholders means
24  20 landowners without - landowners, not lessees, but
25  21 landowners within the County, meaning you have to

22 be somebody that owns land in order to make that
23 petition, and they haven't used that term in New
24 Jersey in about a hundred years.
25  3 COMMISSIONER GOLDSACK: Is the petition
1 valid because of the council people in Hoboken?
2  4 MR. GUERRA: Residents.
3  5 MR. O'CONNOR: It's pursuant to the
4  6 statute, which says nine freeholders or eight,
5  7 seven freeholders, which means landowners. So
6  8 presumably they had that. That's gonna all be
7  9 hashed out with the retainer that we --
8  10 MR. GUERRA: It's the reason to have
9  11 this.
10  12 MR. NETCHERT: It is our sincere hope
11  13 that we will not be coming to you in the near
12  14 future with a plan to establish a division of
13  15 marine vessel removal and demolition and vessel
14  16 recovery.
15  17 MR. NETCHERT: That's gonna be
18  somewhere up in North Hudson, we think maybe Union
19  City or something like that. They will be in
20  charge of that, not us.
21  23 MR. GUERRA: Our waterfront in Union
22  24 City.
23  25 MR. NETCHERT: We don't want anything

24  1 to do with it.
2  2 COMMISSIONER MARTINETTI: West New
3  3 York.
4  4 MR. NETCHERT: West New York.
5  5 COMMISSIONER DUBLIN: Are there pirate
6  6 boats in there?
7  7 MR. NETCHERT: We don't know --
8  8 MR. GUERRA: We really don't know
9  9 what's in there.
10  10 MR. NETCHERT: Look, we may have a boat
11  11 for each of you. Draw numbers and go get them
12  12 yourself. Whatever is on them is yours.
13  13 So that's what we're doing.
14  14 COMMISSIONER LORENZO: Just two things.
15  15 Number one, if Norman says that there is no
16  16 obstruction, number one, why even pursue it and,
17  17 two, why don't we let Hoboken pay the 5,000?
18  18 MR. NETCHERT: That's a decision higher
19  19 than ours to make.
20  20 We have been asked by the County to --
21  21 while we were initially asked to look into doing
22  22 this because the County freeholder asked us to do
23  23 it because the County freeholder was asked by the
24  24 council in Hoboken to ask the County to do it, the
25  25 County asked us to do it. We finally said well

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COMMISSIONER PENEDA: I'll make the motion.

CHAIRMAN PESTANA: Motion by Commissioner Peneda.

COMMISSIONER GOLDSACK: And I'll second it.

CHAIRMAN PESTANA: Seconded by Commissioner Goldsack.

MS. LOZANO: Commissioner Bado.
COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dellabella.
COMMISSIONER DELABELLA: Yes.

MS. LOZANO: Commissioner Dublin.
COMMISSIONER DUBLIN: 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 Pestana.
COMMISSIONER PENEDA: Yes.

MS. LOZANO: Resolution 8-2018-8 passes.

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24

in the affirmative by eight board members voting
yes, one not present.

MR. GUERRA: Resolution 8-2018-9 of the
Hudson County Improvement Authority making
application to the Local Finance Board pursuant to

The resolution before you provides the
necessary authorization to make application, and
this project financing is on behalf of the
following towns: City of Union City in the amount
of $16,090,000; the Town of Weehawken, $8,620,000;
the Town of West New York $10,938,000; the City of
Bayonne, $6,175,000; and all those are tax exempt.
The total there is $41,823,000.

Weehawken Parking Authority, which is
taxable, is $13,500,000.

And we also believe, and that would be
added to this, they are not sure yet, but Union
City may be seeking an additional $8 million in
new money.

That's it.

CHAIRMAN PESTANA: Are there any
questions?

(No response)

CHAIRMAN PESTANA: Are there any

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had over $750 in federal grants mainly for the TMA
or Transportation Management Agency. Because of
that you were required to have a single audit and
that specific grant was audited as a major
program. There was no findings either for that or
no question costs of findings or comments in
regard to single audit or the financial
statements.

Besides that, I would like to go over
the debt income or the statement of revenues and
expenses where the Authority -- if you would like,
I'll go over the page. It's Exhibit B, which is
on page 26. The change in net position, which is
the third line from the bottom, the Authority
actually had a change in net position, which is
basically your net income, of $9.3 million. So it
was a good year where you did take a chunk out of
the deficit that the Authority has had for many
years going all the way back to 1998 when that
project was written off.

MR. GUERRA: And that was the Koppers
site.

MR. CANTO: Yes.

Are there any questions on the report?

COMMISSIONER GOLDSACK: Not on the

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1. don't know of any program that's administered by
2. an Improvement Authority that had no findings if
3. we had to do an audit on it.

I have been in municipal and county
government for like over 20 years and I have never
heard of any other agency that came up with no
findings. So you guys in finance are doing a
great job of maintaining all of these funds that
come in here that are spent properly and in
accordance with a myriad of regulations of how you
spend money and account for it.

That's all I have to say.

MR. CANTO: And I could attest to that
sir, commissioner. I do several municipal
authorities and board of educations and almost all
of them have findings in them. It is actually
very refreshing. And also because of the
complexity of this agency and the finance, the
public sector finance deals that they do, it has
to be that way, that they have to run a very tight
ship, and they do.

COMMISSIONER GOLDSACK: My compliments
to you and your staff, Kurt.

MR. CHERRY: Thank you.

MR. GOLDSACK: Job well done.

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1. How many years have we not had any
findings?

MR. CANTO: I would say for about the
eight years that I have been on this audit that
there have not been any findings, and that's
actually a very good representation of the
business office. I mean they usually start off
that way, but in the end the business office is
very well staffed. They have a comptroller, a
CFO, and a few accountants underneath them, and
they run a very good finance department.

MR. GUERRA: And if I may, I would like
to commend not only the firm, but Mr. Cherry,
Mr. Policastro, Mr. Cappazzoli, who is not with us
tonight, because they do a great job keeping all
of this together.

COMMISSIONER GOLDSACK: Yes,

absolutely.

COMMISSIONER BADO: I don't have a
question, I have a comment. I have been on the
board for many years, and I do remember in the
beginning when I started here probably over ten
years ago, that there were findings, but in the
recent past there have been no findings. And I

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1 Fund, and so what we intend to do is to pay down
2 17 million of the 54 million of bonds and thereby
3 it reduces the interest costs, it reduces the
4 Letter of Credit costs, and some of the other
5 costs associated with the Fund.
6 At some point before the end of the
7 year I would hope that we're going to basically
8 fix out the whole thing so that it is all fixed
9 rate financing, which will be actually cheaper for
10 the participants than if we had stayed with the
11 variable rate. So its time has come. There was
12 eight years left for this Fund. It has been a
13 very, very good venture for a lot of the
14 participants who were able to take advantage of
15 the lower interest rates on their loans.
16 This is the first step. This is to
17 take down the Letter of Credit as well as the
18 outstanding bonds. There will be more actions
19 that are going to be proposed for you to act on.
20 So this is just the beginning.
21 COMMISSIONER GOLDSACK: Question.
22 MR. CHERRY: Yes.
23 COMMISSIONER GOLDSACK: What is the
24 grade change on the variables? Is it annually?
25 MR. CHERRY: Weekly.

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Regulations were put in place that would require
you to rebate interest earned in excess of what
the bond borrowing interest was.
This is a very unique fund. It's still
in effect. I believe it was almost $300,000 at
one point, which was used to fund the County
Affordable Housing Trust. Over the years that has
come down, and I think at the present it is at
$54 million.

MR. NETCHERT: It was 300 million.
MR. CHERRY: That's correct, $300
million.
MR. NETCHERT: Not 300,000.
MR. CHERRY: So now we're at $54
million, and that's because loans have been paid
off, or at least this has been paid off.

At this point the problem that we're
going to have is that there is not enough
outstanding bonds to spread over the costs of
maintaining that fund. So at this point we're
looking to basically take variable rate interest
bonds that are outstanding that funds this program
and convert them to fixed rate bonds. So that's
what this resolution is the beginning of.

There is excess cash in the Pool Loan

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Commissioner Lorenzo.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dellabella.

COMMISSIONER DELLABELLA: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: 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 Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 8-2018-11 passes in the affirmative by eight board members voting yes, one not present.

MR. GUERRA: Item twelve, Resolution 8-2018-12 of the Hudson County Improvement Authority authorizing an emergency award of a contract with E&D Professional Services, fire and burglar alarm, at Casino in the Park.

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As you know, we were tasked by the County to advertise and seek proposals for those interested in renovating, repairing and operating the facility known as The Casino-In-The-Park, which everyone knows is in Lincoln Park. The facility has been vacated and we're in the process of securing the facility while we continue to seek an operator.

To date we have removed all of the bulk waste that was left behind. We arranged for the exterminator to bait the facility. We had a roofer make some emergency repairs due to the water, the rainwater that was pouring in in certain parts of the facility.

Now we are seeking to upgrade the alarm system. The current system is no longer suitable or it's not even monitored any more.

We have obtained a proposal from E&D Professional Services to install a system while the facility is vacant. The initial cost to upgrade the system is $4,725 with a monthly fee of $110. So the annual cost all in for 12 months of the maintenance is $6,045. The resolution before you authorizes us to engage them to upgrade the system as soon as possible for the amount of $6,045.

Again, all of the costs incurred by us is being reimbursed from the County.

COMMISSIONER BADO: I have a question.

Who owns The Casino?

MR. GUERRA: The County. The County owns the building.

COMMISSIONER BADO: Hudson County.

MR. GUERRA: Right.

We're looking for a new operator. We started a process and then there wasn't much interest.

The County is revisiting how to go about making some capital improvements to it. The roof, the whole entire roof has to be replaced, the HVAC has to be replaced, and there is no fire - no sprinkler system. There's nothing in there.

COMMISSIONER BADO: The County --

MR. GUERRA: The County leased it.

COMMISSIONER BADO: -- chose the Improvement authority to carry out this interim plan?

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MR. GUERRA: Yes. That was a while ago when we were tasked with doing that, and they entered into a lease agreement with us.

MR. NETCHERT: As you may have noticed, every now and then the County asks the Improvement Authority to do something. And it's more now than then, but yes.

The County has asked the Improvement Authority to take on the responsibility of attempting to find a new operator. In doing so, as Norman said, we found out that that may be more difficult to do than expected based upon the condition of the premises. Right now they are totally unprotected. This is an emergency decision by Norman to at least put an alarm, a burglar and fire alarm in there while nobody is in it.

Long term I don't know what's going to be done. I think more has to be done to it by the County, as the owner, before they will get anybody to come in and operate it because - or they have to make a decision to demolish it and try to get an operator to build and operate, but it needs help.

MR. GUERRA: Right now they are leaning...
make it a country club for the golf course?

MR. NETCHERT: We thought about making
it the clubhouse and doing a shuttle from the
course, but Norman just put in new showers and
things down at the course.

MR. GUERRA: You see that.

COMMISSIONER BADO: So who pays for
this?

MR. GUERRA: The County.

MR. NETCHERT: The County.

COMMISSIONER BADO: So they reimburse
us?

MR. NETCHERT: Yes.

There is a general resolution that was
done, rather than do one piecemeal at a time, that
allows the County every now and then to ask the
Improvement Authority to do things. We're on the
now part of the now and then agreement.

COMMISSIONER DUBLIN: Norman, I think
that before, and I hear you, if the building is
that worse off, even before putting a roof in and
investing in an air conditioning system, we should
realistically look at it and say is it worth
putting that money in or is it worth just knocking
the building down or, like you said before, seeing
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if there is potential persons or a company that
might come in there and rebuild a nice restaurant.

MR. GUERRA: I hear what you're saying,
and I had also echoed that to the administration,
but that is actually the County's call --

COMMISSIONER DUBLIN: Right.

MR. GUERRA: -- as the owner of the
property. So that was put on the table also.

MR. NETCHERT: One of the problems,
Jeff, is that there is a lot of Green Acres
funding involved, so it limits what you can do if
you knock it down --

COMMISSIONER DUBLIN: Right.

MR. NETCHERT: -- in terms of the
footprint. I think you can do it. You're
suggesting that as long as you stay within the
footprint that Green Acres recognizes as
the restaurant --

COMMISSIONER DUBLIN: Right.

MR. NETCHERT: -- to keep two walls up.

COMMISSIONER DUBLIN: Right.

MR. NETCHERT: It may be a decision to
just keep two walls up and knock the rest of the
building down.

MR. GUERRA: The Christmas tree is gone
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that was there for 50 years.

1. COMMISSIONER DUBLIN: The second thing
2. is how is this thing advertised?
3. MR. GUERRA: For the operator?
4. COMMISSIONER DUBLIN: Yeah, the
5. operator.
6. MR. GUERRA: It was pretty extensive.
7. It was in the newspapers.
8. COMMISSIONER DUBLIN: It was in the
9. newspapers?
10. MR. O'CONNOR: It was in The
11. Star-Ledger and The Jersey Journal. It got
12. editorial coverage in NJ Biz and The Jersey
13. Journal and in another periodical that was like a
14. restaurant periodical.
15. MR. NETCHERT: Every freeholder called
16. at least two operators.
17. COMMISSIONER DUBLIN: That's what I'm
18. saying.
19. MR. NETCHERT: They called at least two
20. operators.
21. COMMISSIONER DUBLIN: I mean I would
22. like to know the process because I had a couple of
23. people approach me, the people that own Liberty

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1. MR. GUERRA: They supposedly showed an
2. interest and they never came back.
3. MR. NETCHERT: They didn't bid.
4. MR. GUERRA: We did a walk-through with
5. some restaurant people, a Liberty House fellow was
6. there with his team.
7. MR. O'CONNOR: There were some --
8. MR. GUERRA: The only response we got
9. was the manager of the bar.
10. MR. O'CONNOR: There were problems.
11. COMMISSIONER DUBLIN: Which bar?
12. MR. GUERRA: Of the Casino.
13. MR. O'CONNOR: There was probably, I
14. would say there were probably 30 legitimate
15. recognizable restaurant catering operators that
16. you would know locally or regionally that
17. downloaded the documents. There were at least six
18. or seven of them that walked through the building,
19. and basically we found after that the approach that the County originally had taken,
20. which is to offer a long-term lease without
21. significant capital improvements to the building,
22. among other reasons, nobody would step forward to
23. make a proposal.
24. The other thing about the building is

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too much in the request for proposal. We were
2. asking the respondents to assume too much
3. responsibility. We were still asking them to pay
4. a reasonable rent. So we were asking a lot. I
5. mean if you want a new building, then give them
6. the land for a hundred dollars a month and make
7. them spend $10 million to build the building. But
8. you can't have everything and --
9. COMMISSIONER DUBLIN: I agree.
10. MR. NETCHERT: -- give them something
11. that's leaking.
12. COMMISSIONER DUBLIN: I agree.
13. COMMISSIONER LORENZO: You said you put
14. out some bids. Do you have one that was
15. interested?
16. MR. GUERRA: We only got one actual
17. submission.
18. COMMISSIONER LORENZO: Was he willing
19. to put up the money?
20. MR. NETCHERT: He said yes, and then he
21. gave us what he proposed to be what was needed
22. and, for instance, just by way of example, not --
23. $46,000 he believed should be the budget for the
24. roof.
25. MR. GUERRA: The roof and some
equipment, kitchen equipment included --
MR. NETCHERT: So it wasn't realistic.
It was never --
MR. GUERRA: He would have not lasted
and he would have lost all of --
MR. NETCHERT: He would have lost his
personal --
COMMISSIONER DUBLIN: Why don't the
community college open the restaurant.
MR. NETCHERT: If the County would do
it over, that would be a great idea because the
students could get experience, and that would put
a lot of money in for kitchens. It's a big
investment.
COMMISSIONER DUBLIN: Yes.
MR. NETCHERT: It's a big investment.
MR. O'CONNOR: Everything has to be
done. We went through a long process with the
Green Acres because the original facility predates
the Green Acres program by decades. So the
building itself, and the immediate area around it,
is not much land. That's in the leasehold that is
outside of Green Acres. We resolved that with
Green Acres. You can't really go beyond the
footprint of the building. The parking is not
part of that, so the parking is basically what is
in the park and open to the public. So some
segregated parking for the facility.
And there is an interior building that
was original from 1930. It has some stone,
flagstone kind of things, and that doesn't have a
historic designation, but it's likely to be
something that would have to be saved as part of
any redevelopment of the property.
COMMISSIONER GOLDSACK: Does Green
Acres have to get involved other than the
footprint?
MR. O'CONNOR: We resolved -- we
actually went, and it was a complicated process,
but both the National Parks Service, which
provided money to the park in 1975 in Green Acres,
which dated from 1975, something that you know, a
lot of you know, it's very hard to get them to do.
It was -- we got them to agree to carve out what
is the leasehold around the building, and it's
just really the building footprint and the land in
back between the back of the building and the
houses next to Lincoln Park. That's the leasehold
and it's carved out. So it can be used for that
purpose. If it's ever demolished and/or not

Mr. Netchert: rebuilt, it would have to be put back to park use.
Mr. Netchert: And one last bit of
information, for some of the older people sitting
around the table, worth knowing is that when Mike
was doing the research necessary to convince Green
Acres of how long the building had been there and
what it had been used for, he was able to find a
definition advertisement that Bernie Sweeney had
put out that offered a - was it a pint of Scotch?
Mr. O'Connor: It was New Years Eve in
1968 I think, and you got your dinner and a show
and a pint of scotch or rye. And that was per
couple by the way.
Commissioner Goldsack: This is in the
sixties or in the twenties on Prohibition?
Mr. O'Connor: In the sixties.
Commissioner Dublin: I was going to
say in 1930 he signed the deed to the property.
Mr. O'Connor: I'm not that old,
despite my gray hair and my growing bald spot.
Commissioner Lorenzo: Norman, it's not
being used now, right?
Mr. Guerra: It is empty. They took
just about everything. They left some stuff
behind.
(No response)

CHAIRMAN PESTANA: Are there any motions?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESTANA: Motion by Commissioner Goldsack.

COMMISSIONER LORENZO: Second.

CHAIRMAN PESTANA: Seconded by Commissioner Lorenzo.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dellabella.

COMMISSIONER DELABELLA: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: 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 Pestana.

CHAIRMAN PESTANA: Yes.

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CERTIFICATION

I, Sharon Palmer Lynch, 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 Lynch, C.C.R.

Dated: August 10, 2018

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