

ESSEX COUNTY IMPROVEMENT AUTHORITY
ESSEX COUNTY, NEW JERSEY

REGULAR BOARD MEETING) TRANSCRIPT OF
) PROCEEDINGS
- - - - - * **(Via telephone)**

27 Wright Way
Fairfield, New Jersey

Tuesday, April 26, 2022
Commencing at 4:00 p.m.

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

- COMMISSIONER STEVEN H. KLINGHOFFER, CHAIRMAN
- COMMISSIONER RONALD J. BROWN, VICE CHAIRMAN
- COMMISSIONER GERARD M. SPIESBACH, TREASURER
- COMMISSIONER CARLA A. STANZIALE, SECRETARY **(Absent)**
- COMMISSIONER JACQUELINE YUSTEIN **(Absent)**
- COMMISSIONER CLIFFORD ROSS
- COMMISSIONER MARK S. DUNEC **(Absent)**

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

NIA H. GILL, ESQ. General Counsel
LUCY SAPINSKI, Director of Operations
BETSY WILLIAMSON, Administrative Assistant **(Absent)**
JOSEPH CALI, Airport Operations Manager
STEVEN C. ROTHER, Executive Director

GERARD STANKIEWICZ, Samuel Klein and Company
JOSEPH FACONE, Samuel Klein and Company

1 CHAIRMAN KLINGHOFFER: Notice was duly
2 given by regular mail and electronic mail and
3 facsimile to the Essex County Executive, the Essex
4 County Clerk, and the Clerk of the Board of County
5 Commissioners, County Commissioner President
6 Richardson, the News Editor of The Herald News,
7 the News Editor of The Star-Ledger and notice was
8 posted on the bulletin board in the Office of
9 Essex County Improvement Authority stating the
10 time, date, and location of this Regular Meeting.

11 Roll call, please.

12
13 (Roll call was taken, all Commissioners
14 present respond in the affirmative)

15
16 **PUBLIC COMMENTS:**

17
18 CHAIRMAN KLINGHOFFER: Do we have any
19 members of the public present who would like to
20 comment?

21 MS. SAPINSKI: Nobody's here.

22 CHAIRMAN KLINGHOFFER: Hearing none, we'll
23 move onto Acceptance of Minutes.

24
25 **ACCEPTANCE OF MINUTES**

1 CHAIRMAN KLINGHOFFER: Would someone like
2 to move to accept the minutes of the regular board
3 meeting of March 29, 2022?

4 COMMISSIONER ROSS: I'll move it.

5 COMMISSIONER BROWN: Second.

6
7 (Roll call was taken, all Commissioners
8 present respond in the affirmative)

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

12
13 **RESOLUTIONS**

14 **ADMINISTRATIVE**

15
16 1. #022-051 Resolution authorizing acceptance of the
17 Authority's Report of Audit for the year ended December
18 31, 2020.

19
20 CHAIRMAN KLINGHOFFER: First order of
21 business, let's take item 1 separately and that is
22 a resolution authorizing acceptance of the
23 Authority's Report of Audit for the year ended
24 December 31st, 2020.

25 Do we have our auditor's present?

1 MS. SAPINSKI: Yes.

2 CHAIRMAN KLINGHOFFER: Okay. Would
3 someone like to move and second and then we'll
4 have discussion and then we can vote.

5 COMMISSIONER BROWN: I'll move.

6 COMMISSIONER ROSS: Second.

7 MS. SAPINSKI: Thank you.

8 CHAIRMAN KLINGHOFFER: We're not going to
9 vote yet.

10 MS. SAPINSKI: Okay.

11 CHAIRMAN KLINGHOFFER: Slow down. We're
12 going to have discussion.

13 We have our auditor's present.

14 Could you identify yourself, please, so we
15 know who's there?

16 MR. STANKIEWICZ: Yes, we are from the
17 firm of Samuel Klein and Company. My name is
18 Jerry Stein and our senior managing partner,
19 Joseph Facone is also on the call.

20 CHAIRMAN KLINGHOFFER: Thank you. It's
21 good to hear your voice again this year.
22 Hopefully, we'll see you in future years.

23 MR. STANKIEWICZ: Right. Let's hope so.

24 CHAIRMAN KLINGHOFFER: Let's hope so.

25 Does anybody have any questions?

1 This is a serious matter and I hope
2 everybody's had a chance to review the audit
3 report. I know I have one question, but I'd like
4 to hear if anybody else has any questions.

5 Let me ask a question in the meantime. On
6 page 131 of the report there's a reference to
7 inter funds.

8 MR. STANKIEWICZ: Yes.

9 CHAIRMAN KLINGHOFFER: And it says there's
10 one that's greater than one year old that relates
11 to the PGLP cash requirements.

12 MR. STANKIEWICZ: Yes.

13 CHAIRMAN KLINGHOFFER: Can you, first of
14 all, explain exactly what the inter funds are and
15 then what the significance of this old one is.

16 MR. STANKIEWICZ: Okay. The significance
17 of the old one was several years ago, if some of
18 the commissioners who were there recall, there was
19 some type of a cash flow problem within the PGLP
20 1986 pool of money for a thousand bucks and the
21 Development Assistance Fund found it necessary to
22 advance two of the PGLP funds, I guess to secure a
23 capital call or a cash call or something like
24 that, to secure it we had to advance funds over
25 there and it has, over the years it's been

1 required that if we start to pay it back so that
2 we have sufficient funds in that particular PGLP
3 fund to let's say provide for the ultimate
4 repayment of the 1986 bonds which would occur I
5 believe on August 1st of 2026.

6 So there, I believe, is a \$25,000 amount
7 or -- let me see. There's an inter fund of
8 \$25,000 that is due from PGLP Development
9 Assistance Fund. Development Assistance Fund, as
10 you're aware, is the Authority's really network,
11 net position account. So \$25,000 is what's
12 remaining at 12/31/20 for the money that was
13 advanced from Development Assistance over to PGLP.
14 PGLP had to raise the money to its participants,
15 raise cash in order to pay us back. Okay.

16 So that's basically what that significance
17 of that inter fund is. And my understanding is,
18 if I can recall, at 12/31/21, that number has been
19 paid off and is resolved at this point.

20 MS. SAPINSKI: That is correct, yes.

21 MR. STANKIEWICZ: So the Authority, their
22 pay back occurred quite aggressively. You didn't
23 want to let that particular number linger until,
24 you know, July of '26 because then you'd have a
25 heck of a time coming up with the cash. So it's

1 all been paid back. It's been billed out and back
2 to the participants who have paid their fair share
3 of that particular cash advance, let's say, from
4 Development Assistance to PGLP. So that's what
5 that is.

6 CHAIRMAN KLINGHOFFER: Okay. I just want
7 to clarify that the audit we're talking is
8 December 31, 2020.

9 MR. STANKIEWICZ: That's correct.

10 CHAIRMAN KLINGHOFFER: Is it typical to
11 run audits this long after the fiscal year?

12 MR. STANKIEWICZ: It's not, actually. The
13 actual due date of the audit for any given
14 calendar year for authorities is April 30th of the
15 next subsequent year. The problem that the entire
16 industry ran into was because we're required to
17 follow the principles for government entities,
18 they're required to book our long-term pension
19 liability as well as our long-term health benefits
20 liability. Okay. The pension information was
21 released last June, which we followed. But the
22 health benefits information was not released until
23 late January of 2022. The bulk of our audit work,
24 in fact, all of our audit work was done probably
25 by July of last year and we didn't find any

1 problems. We did have preliminary financial
2 statements that were needed to be filed with the
3 investment rating agencies and with our trustees.
4 So we were basically done nine months ago. We
5 were just waiting for the health benefits number
6 to be released.

7 So, no, it is not typical. Unfortunately,
8 it's become an industry problem in New Jersey.
9 These firms, these big CPA firms that they hire to
10 do the audit reports and consolidate the actuarial
11 information, for whatever reason and I believe it
12 has all to do with COVID, they were about a year
13 behind in terms of filing that information.

14 So to answer your question, no, it is not
15 typical and right now a lot of firms, you'll see
16 there's a lot of firms finishing up and cleaning
17 up things from 12/31/20 and it all falls back on
18 health benefits.

19 CHAIRMAN KLINGHOFFER: What's likely to
20 happen then with the next audit for the year
21 that's just passed?

22 MR. STANKIEWICZ: Well, you know what, in
23 another week or so we're going to get hot and
24 heavy with the auditing procedures with regard to
25 ECIA. We don't know nor can anyone ever tell us

1 when that health benefit or pension data will be
2 released that has to be in here. It differs from
3 municipalities, because municipalities aren't
4 required to follow DAF. But authorities, fire
5 districts, and school districts are. So they were
6 all late. Everything was late other than
7 municipalities, which kind of twisted the arm of
8 the DCA to allow them to use the prior year's data
9 in the notes to financial.

10 The difference too is the authorities we
11 have to book, for report purposes, we have to book
12 the entries and the amounts, okay, and
13 municipalities they don't. In municipalities they
14 merely need to disclose it in their notes. For us
15 we put it in our notes as well as book it. It
16 supposedly gives the readers of the financials a
17 better feel for what the long range liabilities of
18 the Authority are.

19 So we have no idea what they're going to
20 do. I know members of our profession are trying
21 to constantly contact the state, but they can't
22 really give you a straight answer because they
23 don't really know.

24 CHAIRMAN KLINGHOFFER: Thank you. That
25 was very helpful.

1 Do we have any questions from other
2 commissioners?

3 Hearing none -- I'm sorry.

4 MR. STANKIEWICZ: I'm sorry, for the
5 record, our audit expresses an unmodified opinion.
6 The old days it was called an unqualified and in
7 reality it's really a clean opinion. The records
8 were presented to us in proper fashion. Most of
9 all, our audit tests had all good results with
10 regard to payroll, with regards to expenditures,
11 and with regards to revenues. Okay. And this
12 year we had exceeded the level for our federal
13 expenditures that required a single audit. Why
14 they call it a single audit, I don't know. But we
15 found, as we always do, we find your grant records
16 to be in proper order and by that I mean, there's
17 a file. Here's the information. You go through
18 it. There's no verbal interaction required, which
19 is the way it's supposed to be. Okay. So we were
20 very happy with the single audit results. We're
21 happy with the payroll results from our testing
22 and our expenditures. We're also pleased to say
23 that the cash on the bank reconciliations, and
24 it's getting technical, agreed to the general
25 ledgers that were presented, which probably is the

1 most important thing.

2 So the accounting presentation to us, the
3 way it works is management presents the
4 information and our job is to audit it and give an
5 opinion. So it all worked out very nicely.
6 Unfortunately --

7 CHAIRMAN KLINGHOFFER: Sounds like our
8 staff is doing a great job, hopefully --

9 MR. STANKIEWICZ: They are.

10 CHAIRMAN KLINGHOFFER: -- in making your
11 job easier.

12 COMMISSIONER ROSS: I wanted to say is
13 that you bet our staff is doing an excellent,
14 excellent job.

15 CHAIRMAN KLINGHOFFER: Thanks to our stuff
16 in addition to our auditors.

17 MR. STANKIEWICZ: Also, while we
18 appreciate the help of the staff, they're
19 cooperative. I think they're interested in doing
20 a good job and interested in feedback as well to
21 help move things better. I think in the last many
22 years, I know since I took the job over in the mid
23 2006 or '07 thereabouts, record keeping has just
24 gotten really good, real good. And we're happy
25 with the auditing results, which is why we have an

1 unmodified opinion and we have no comments and no
2 recommendations that require the Board of
3 Commissioners to prepare a plan of action, so
4 that's a good thing.

5 CHAIRMAN KLINGHOFFER: Great. Thank you.

6 Anybody else have anything? Any
7 questions? Any comments?

8 Lucy, can we take a roll call?

9 MS. SAPINSKI: Yes.

10

11 (Roll call was taken, all Commissioners
12 present respond in the affirmative)

13

14 CHAIRMAN KLINGHOFFER: Would someone like
15 move Administrative Resolutions 2 and 3.

16 COMMISSIONER ROSS: Move it.

17 COMMISSIONER SPIESBACH: Second.

18 MS. SAPINSKI: Thank you.

19

20 (Roll call was taken, all Commissioners
21 present respond in the affirmative)

22

23 Whereupon, the Board discussed and took
24 action on the following items:

25

1 2. #022-052 Resolution ratifying payment to Lynann
2 Dragone, Certified Court Reporter tor transcript of Board
3 Meeting on 3-29-22.

4 3. #022-053 Resolution ratifying payment of recurring
5 bills (Bill List).

6
7 Whereupon, the Board discussed and took
8 action on the following items:

9
10 **CORRECTIONAL FACILITY/CELANESE/ENVIRONMENTAL EXPOSURE:**

11
12 4. #022-054 Resolution authorizing payment in the amount
13 of \$89,303.20 to Buchanan, Ingersoll & Rooney, PC for
14 legal services rendered in March)

15
16 CHAIRMAN KLINGHOFFER: Next we have the
17 resolution dealing with the environmental
18 litigation. That's number 4.

19 Would someone like to move that?

20 COMMISSIONER SPIESBACH: I'll second.

21 MS. SAPINSKI: Commissioner Ross was that
22 you that moved it.

23 COMMISSIONER ROSS: Yes.

24 MS. SAPINSKI: Okay. Thank you.
25

1 (Roll call was taken, all Commissioners
2 present respond in the affirmative)

3
4 Whereupon, the Board discussed and took
5 action on the following items:

6
7 **PARKING FACILITIES**

8
9 CHAIRMAN KLINGHOFFER: Next we have
10 Parking Facilities Resolutions 5 and 6.

11 Someone would like to move them?

12 COMMISSIONER ROSS: Move it.

13 COMMISSIONER SPIESBACH: Second.

14 MS. SAPINSKI: Thank you.

15
16 (Roll call was taken, all Commissioners
17 present respond in the affirmative)

18
19 Whereupon, the Board discussed and took
20 action on the following items:

21
22 **AIRPORT**

23
24 7. #022-057 Resolution authorizing payment in the amount
25 of \$275.00 to S.J. Carney for roof repairs at

1 Hangar/Building M.

2 8. #022-058 Resolution authorizing payment in the amount
3 of \$311.46 to Air Power, Inc. for electric repairs I.

4 9. #022-059 Resolution authorizing payment in the amount
5 of \$1,196.61 to Gary Kubiak & Electric for Airport runway
6 lights and signs repairs.

7 10. #022-060 Resolution authorizing payment in the amount
8 of \$4,740.00 to Aurora for fuel farm repairs.

9 11. #022-61 Resolution accepting payment a Proposal from
10 Mohawk Lift in the amount of \$22,729.75 for TP-16-3SA 16
11 lbs CAP-2 Post 3 stage arms truck/equipment lift (ESCNJ
12 co-op)

13
14 REHABILITATION OF APRON B. PROJECT

15 (CONSTRUCTION) Project Funded: FAA, NJDOT AND
16 ECIA/AIRPORT 2019 Bond

17
18 12. #21-062 Resolution authorizing Disposition of Bids
19 For Rehabilitation of Apron B.

20 *Award of a Contract to Paving Materials & Contracting,
21 LLC in the total amount of \$1,615,004.52 (Base Bid
22 \$1,518,049.52 and Add-On #1 \$96,955.00)

23 13. #21-063 Resolution authorizing payment to McFarland
24 Johnson in the amount of \$2,000.00 for IFE evaluation of
25 C&S Engineers Agreement as per FAA requirements

1 14. #21-064 #022-057 Resolution authorizing an Agreement
2 with C&S Engineers, Inc. in the amount of \$302,500.00 for
3 construction Observation & Administration services.
4

5 CHAIRMAN KLINGHOFFER: We next have the
6 Airport Resolutions. But, Mr. Rother, would you
7 like to address the issue, I understand we had an
8 unfortunate incident at the airport, certainly
9 since the last meeting. I don't recall whether it
10 was two weeks ago or three weeks ago.

11 MR. ROTHER: No, it was last week.

12 CHAIRMAN KLINGHOFFER: Oh, it was last
13 week, oh wow.

14 MR. ROTHER: That was a faulty landing by
15 a twin engine jet plane.

16 Is Joe Cali on the call here?

17 MR. CALI: Yes, I'm on.

18 MR. ROTHER: You're the best one to
19 explain how that happened and the consequences of
20 it.

21 MR. CALI: Yeah. So right now everything
22 is still under investigation with the FAA and
23 MGSB.

24 But on Easter Sunday we had a jet aircraft
25 that landed wrong on Runway 22 and it went off the

1 runway and kind of landed into the brook that is
2 right south of the airport. But, thankfully,
3 everybody got out and was safe. We had the fire
4 department here and the police department here.

5 We had to get a crane in to lift the
6 aircraft and remove it, but now everything is
7 secured out at one of the locations and it's
8 currently under investigation by the FAA.

9 But like I said, everybody was safe and
10 the operation went very smooth considering it was
11 on Easter Sunday. Everybody responded well and
12 was able to get out here and effectively do the
13 job.

14 MR. ROTHER: Would you please comment
15 briefly on the environmental consequences in the
16 brook?

17 MR. CALI: Yeah. So we did have the fire
18 department and Nutley Haz-Mat here because when it
19 did land in the brook there was leaking some jet
20 fuel, but the Haz-Mat team got here quickly. The
21 tow truck company that took care of lifting the
22 aircraft, they are also an environmental cleanup
23 company and they work together. So there was a, I
24 guess a DEP site investigation done and then it
25 was cleared on that Wednesday that all the

1 particles were cleaned up. We're just going to
2 keep an eye on it. We have the case number here
3 and if anything comes of it, we'll keep an eye on
4 it.

5 CHAIRMAN KLINGHOFFER: I presume we were
6 shut down for some period of time?

7 MR. CALI: Yeah, we closed it up until
8 about 11:00. At that time we opened up the other
9 runway and opened up our main runway 7:00 in the
10 morning the next morning once daylight hours came
11 and then we could do a good visual inspection on
12 the runway just to make sure there wasn't any
13 debris or anything. Yeah, we opened up at 11:00
14 and the following morning at 7:00 we opened up
15 that runway.

16 CHAIRMAN KLINGHOFFER: I'm glad everybody
17 was safe. Did we have a loss in revenue as a
18 result of this shutdown?

19 MR. CALI: I don't believe so because that
20 day, I'm talking to the Operations guys that were
21 on staff, I think that was actually one of the
22 only aircraft that landed that day. I talked to
23 the FDO, they had nothing else scheduled the rest
24 of the day. I'm sure there were a couple of maybe
25 operations that were affected, but nothing of

1 concern I don't think.

2 CHAIRMAN KLINGHOFFER: Anybody else have
3 any questions about this?

4 Thank you for doing a great job getting
5 this straightened out and, fortunately, there was
6 nobody hurt, that's most important.

7 MR. CALI: Absolutely.

8 CHAIRMAN KLINGHOFFER: Would someone like
9 to move Airport Resolutions 7-14?

10 COMMISSIONER ROSS: I'll move it.

11 CHAIRMAN KLINGHOFFER: Spiesbach will
12 second.

13 MS. SAPINSKI: Thank you.

14

15 (Roll call was taken, all Commissioners
16 present respond in the affirmative)

17

18 Whereupon, the Board discussed and took
19 action on the following items:

20

21 **FINANCE**

22

23 15. #022-065 Resolution ratifying payment of charges and
24 expenses of the Authority's \$150,000,000.00 Pooled
25 Government Loan Program, Series 1986.

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Payments for PGLP Services

Galleros-Koh, LLP \$2,000.00
Program Administrator
April 2022

BNY Mellon \$4,000.00
Trustee Fee
4/01/2022 - 6/30/2022

Wells Fargo \$4,300.00
Remarketing Fee
1/1/2022 - 3/31/2022

CHAIRMAN KLINGHOFFER: The next matter,
the final matter, is number 15, Resolution
ratifying payment of charges to our PGLP Program,
which we talked about earlier.

Would someone like to move it?

COMMISSIONER BROWN: Move it.

MS. SAPINSKI: Okay. Commissioner Brown
moved.

Commissioner Ross seconded it.

Thank you.

(Roll call was taken, all Commissioners
present respond in the affirmative)

6. EXECUTIVE SESSION

CHAIRMAN KLINGHOFFER: Mr. Rother, is

1 there any reason to have execution session today?

2 MR. ROTHER: No.

3

4 ADJOURNMENT

5

6 CHAIRMAN KLINGHOFFER: Okay. In that
7 event, I'm going to ask for a motion to adjourn
8 and I'm going to ask Mr. Rother and Lucy just to
9 stay on for one moment for a quick matter after we
10 adjourn.

11 Would someone like to move to adjourn?

12 COMMISSIONER BROWN: I'll move it.

13 COMMISSIONER ROSS: I'll second.

14 MS. SAPINSKI: Commissioner Brown moved
15 it.

16 Commissioner Ross, second.

17 Thank you.

18

19 (Roll call was taken, all Commissioners
20 present respond in the affirmative)

21

22 CHAIRMAN KLINGHOFFER: Hopefully we'll see
23 everybody on May 31st.

24 (Whereupon, the proceedings concluded at
25 4:20 p.m.)

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C E R T I F I C A T E

I, LYNANN DRAGONE, License No. XI01388, a Certified Court Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the hearing at the time and the date hereinbefore set forth.

I further certify that I am neither attorney nor Counsel for, nor employed by any of the parties to the action in which this hearing was taken.

I further certify that I am not an employee of anyone employed in this case, nor am I financially interested in this action.

Lynann Dragone
LYNANN DRAGONE, CCR
Certified Court Reporter