

ESSEX COUNTY IMPROVEMENT AUTHORITY
ESSEX COUNTY, NEW JERSEY

REGULAR BOARD MEETING) TRANSCRIPT OF
) PROCEEDINGS
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27 Wright Way
Fairfield, New Jersey

Tuesday, May 30, 2023
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 JACQUELINE YUSTEIN, SECRETARY
- COMMISSIONER CLIFFORD ROSS
- COMMISSIONER ANTHONY S. NARDONE

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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
STEVEN C. ROTHER, Executive Director
JOSEPH CALI, Airport Manager

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 ws
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 respond in the affirmative)

15
16 **PUBLIC COMMENTS**

17
18 CHAIRMAN KLINGHOFFER: Are there any
19 members of the public on the phone who would like
20 to comment?

21
22 **ACCEPTANCE OF MINUTES**

23
24 CHAIRMAN KLINGHOFFER: Seeing none
25 present, we'll move onto Acceptance of Minutes.

1 Is there a motion to accept the minutes of the
2 Regular Board Meeting of April 25 and Special
3 Board Meeting May 11.

4 COMMISSIONER SPIESBACH: Move to accept.

5 COMMISSIONER YUSTEIN: Second.

6 MS. SAPINSKI: Commissioner Yustein was
7 first.

8 Thank you.

9
10 (Roll call was taken, all Commissioners
11 respond in the affirmative)

12

13 **EXECUTIVE SESSION**

14

15 CHAIRMAN KLINGHOFFER: Mr. Rother, do you
16 have a need for Executive Session?

17 MR. ROTHER: Yes, we do. It's contract
18 negotiation and litigation in a sense.

19 CHAIRMAN KLINGHOFFER: Is there a motion
20 to go into Executive Session?

21 COMMISSIONER SPIESBACH: Move to
22 Executive.

23 COMMISSIONER YUSTEIN: Second.

24

25 (Roll call was taken, all Commissioners

1 respond in the affirmative)

2

3 (Whereupon, the Board went into Executive
4 Session)

5

6 (Whereupon, Open Session resumes)

7

8 MR. STANKIEWICZ: For the record, my name
9 is Jerry Stankiewicz. I'm here with Joe Faccone.
10 We're partners in the public accounting firm of
11 Samuel Klein and Company. We are the auditors of
12 record for the fiscal year ended December 31st of
13 '21, which is ancient.

14 Now, why did that happen? We were
15 awaiting information relative to the pensions,
16 which we got some time in the summer of '22 and
17 the more important thing that held the audit up
18 was the lack of information from the State of New
19 Jersey Department of Treasury Division of Pension
20 Benefits with regards to health benefits. Okay.
21 We have a couple of employees who are receiving
22 health benefits who are retired. Okay. And
23 there's other health benefit information because I
24 believe upon retirement from here you get health
25 benefits as well.

1 MR. ROTHER: And when we were before the
2 Local Finance Board recently we were criticized
3 for your having produced these documents so late.

4 MR. STANKIEWICZ: Really?

5 MR. ROTHER: And I had to tell them it's
6 because you're not producing the information we
7 need in order to do that.

8 MR. STANKIEWICZ: The director, now she
9 knows though.

10 MR. FACCONI: They give you the option.

11 MR. ROTHER: Lucy joined me and confirmed
12 it and she backed off.

13 MR. STANKIEWICZ: She should know that
14 probably.

15 Okay. So what we have here today is a
16 report was issued about two weeks ago. Okay.
17 Because the benefits data wasn't released until
18 some time in February, so it took us a little time
19 to catch up on all clients to get these records
20 lined up.

21 I will say this, a year ago we did the
22 audit work, and, again, there was two pieces to
23 this job. There's the accounting work, which we
24 get from internal sources, Nora Galleros's firm.
25 I think she does all the internal accounting work,

1 right. So we got that information a year ago and
2 we started going through it. Also, there's the
3 auditing piece where we do the audit work.

4 The audit work was done I think by the
5 middle of June last year. Okay. And the
6 accounting work got done shortly thereafter. But
7 we had to get the accounting work done even if it
8 was unaudited because there was no audit opinion
9 attached to it yet because we had an August 15th
10 deadline to file information under our continuing
11 disclosure secondary mark disclosures. We issued
12 an unaudited report to them, which by the way, the
13 numbers turned out to be the same amount, same
14 dollars that the audit was issued, so the only
15 thing different was the independent auditor's
16 opinion, which we held up because we didn't have
17 the health benefits down.

18 So last year we did our audit work in the
19 area of payroll. Okay. We run a sample of
20 payroll transactions. It's not a big entity, so
21 the payroll is quite simple to audit and what we
22 check for is to make sure that everyone got paid
23 in accordance with the Commissioners'
24 authorization and anymore contracts, we make sure
25 that the payroll taxes are paid timely. Okay.

1 And the proper supporting documentation was there
2 as a minimum for any hourly or overtime work that
3 gets paid and also there's all kinds of documents
4 that have to be on file. Okay. In accordance
5 with IRS regulations and INS regulations. There's
6 an I-9 which has to do with your citizenship.
7 There's W-4s. There's direct deposit
8 authorizations. Things that we make to sure that
9 that's all in the files. So that was very, very
10 well done.

11 CHAIRMAN KLINGHOFFER: How big is the
12 sample size actually checking the --

13 MR. STANKIEWICZ: Well, you know what, you
14 don't have -- our sample size, I think we ran 30
15 people, 30 transactions. But we do it based on a
16 random number in the system. You get the first
17 check number of the year or transaction number of
18 the year.

19 CHAIRMAN KLINGHOFFER: So it's by
20 transaction, not by employee.

21 MR. STANKIEWICZ: It's by transaction.
22 Although, I do say we do check the employees.
23 Let's say Steve Rother's name didn't come up in
24 the sample, we check him anyway because he's the
25 CEO and we also check what we call the CFO. So we

1 check them anyway if they don't come up in the
2 sample because, quite frankly, it would be
3 embarrassing if we were sitting here and somebody
4 said, you know, Steve got paid five grand more and
5 you never caught it. We don't want that to
6 happen.

7 CHAIRMAN KLINGHOFFER: Did he?

8 MR. STANKIEWICZ: So you're aware of the
9 last two years, and we were good, our records are
10 good, but the last few years I think they were
11 picking on the Middlesex County Improvement
12 Authority and the Union County one. Okay. They
13 have all kinds of things going on and they got
14 pretty well beat up and it may have been purely
15 political, but some of the stuff that they got
16 written up for was kind of true. Okay. Giving
17 bonuses out and having no written criteria for
18 bonuses. I can't live with that. But that's
19 okay.

20 MR. ROTHER: Are you talking those county
21 ECIAAs?

22 MR. STANKIEWICZ: No, Middlesex IA and I
23 think one was Union. They got beat pretty well up
24 by the Local Finance Board and I don't know if the
25 State Controller, I think there was the Local

1 Finance Board and State Controller.

2 What the Local Finance Board does now is,
3 when you go in front of them for an issue, they
4 say, oh, by the way, did you take care of all
5 these auditor's recommendations and if you say no,
6 they say, well, come back in a month. Oh, yeah,
7 they kind of got smart. They got you now. They
8 got you one on one.

9 So payroll worked out nicely. We also
10 checked expenditures. The main thing with
11 expenditures are really very simple. We're in
12 compliance with the public contracts law. Okay.
13 We're in compliance with proper coding of the
14 bills and expense accounts. We're also in
15 compliance with cutting the bills off properly.
16 For example, bills paid in January of '22,
17 chargeable to '21, we're charged against '21.
18 They were just sitting in accounts payable.

19 The other item was coding.

20 Contracts law.

21 Oh, documentation. That's key. We could
22 sit here and talk fancy auditing, but the bottom
23 line is, it's basic nuts and bolts. The four
24 items that really matter. So we have no big
25 violations. Okay. So expenditures we were happy

1 with.

2 Revenues. So the revenues from the
3 restricted to the unrestricted, easily auditable,
4 there was a nice trail.

5 Okay. Parking revenues. We spent some
6 time looking at parking. We look at some of the
7 stubs and we look at the controls over there. We
8 check that all out.

9 The airport. That's you. Right?

10 There's good underlying supporting
11 documentation for the revenues between gasoline,
12 diesel or whatever it is that they use and the
13 rentals. Okay. And the other fees, the tie down
14 fees, I lost track. So the revenues were all
15 good. Okay.

16 What else was there?

17 Single audit. There is no single audit
18 this year. You do get federal monies. There was
19 wasn't one because you didn't spend in '21 more
20 than \$750,000.00 of federal money or \$750,000.00
21 of state money. If that had been the case, every
22 other year we have a single audit. But I will say
23 this, the records are in a nice little box kept in
24 little folders and any federal auditor that walks
25 in here, it's a matter of Lucy saying: Here you

1 go; here's the files; don't bother me; it's all
2 good. I mean that. I don't know who set that up,
3 but it's like, you know, because audits are
4 supposed to be, here you go, do the audit.
5 They're not supposed to be verbal representation
6 involved and that's because if somebody God forbid
7 there's turnover, okay, it just all stands on its
8 own. Why didn't you do this. Well, if you didn't
9 do it and let's say you're worried, put a memo,
10 attach it to the bill. We couldn't get quotes
11 because it was 130 degrees on Friday night we
12 needed to fix the air conditioners. Stuff like
13 that. That's stuff that should be on the
14 document.

15 So documentation was all good on the
16 payroll, revenues, and expenditures. Okay.

17 We also go through the restricted funds
18 and found them to be properly accounted for. I
19 know there was some big deals that were done in
20 either '20 or 21 with the NJIT and some of the
21 charter schools. That money is still... It's all
22 properly accounted for on our end.

23 We're not really responsible for, like
24 whatever we spend it on, we just get the bills
25 and, in fact, the trustee gets those. They really

1 don't filter through here because it's being held
2 in trust.

3 Our biggest concern is that we have the
4 bonds payable properly stated and that the
5 receivable from the participants, as we call them,
6 is properly stated. Okay. And that it's received
7 because we don't have the cash. If somebody's
8 late, we don't have the cash to make the payment.
9 They have to pay us and then we pay the DDC,
10 depository trust, so we have to make sure that's
11 all proper.

12 So the document we have in front of us
13 here that we issued has an opinion and that
14 opinion is based on the audit work that we did.
15 So how it really works is we get appointed by the
16 Board to do the audit. Management, which is
17 Steve, Lucy, Nora and everybody else in this
18 building, presents us with the records. Okay.

19 And, again, we've been involved with other
20 clients. We have audit journal entries.

21 We don't have audit journal entries,
22 meaning, the records are presented pretty much
23 what we call tick mark fashion. We don't have to
24 go through, let's change this and let's change
25 that. That doesn't exist here, which is ideal.

1 Okay. We might make what's called a report
2 re-class just so that it can be shown properly
3 here. It's not an internal adjustment that we
4 make.

5 So the records were presented properly.
6 Okay. So how it works is, again, you appoint us
7 to do the audit. Management presents us with the
8 documents and then our job is to give you an
9 opinion on those documents.

10 So, again, our opinion is in the old days
11 it used to be a qualified opinion, a clean
12 opinion. The terminology now is a modified
13 opinion. Okay. And also the opinion is
14 different. Every couple of years the profession
15 finds it necessary to reinvent itself because,
16 well, the way we used to do really didn't address
17 the issue. Well, they've been changing these
18 things every year since I've been doing this since
19 1980. Every other year they change it.

20 But the bottom line is, records are
21 presented properly and you got an unmodified
22 opinion. Anything short of that, we might have
23 been here sooner and say, hey, listen, we've got a
24 problem. And what could it be. There could be --
25 well, that's a different problem. Documents

1 missing, that's an internal control problem. It
2 could be that there's something on here that we
3 don't agree with that you were presented with.
4 Okay. But that's not the case. And the ultimate
5 most important thing is is that all the general
6 ledgers, which we get a bunch of them for every
7 restricted fund and then within each restricted
8 fund every deal might have been three components.
9 They all have general ledgers. Your unrestricted
10 funds, which is the sportsplex, the juror parking,
11 the airport and the development assisted fund, all
12 those general ledgers, okay, the cash on the
13 balance sheet and it's technical, but you got to
14 know it, you got to hear it, is that they agreed
15 to the bank reconciliations. That being the case,
16 okay, it seems simplistic and you don't have to
17 know how to do it, but when the records are
18 presented in that fashion, they become what's
19 called reliable. Okay. You can rely on the
20 general ledger. Just like receivable balances are
21 all correct, payable balances are all correct.
22 Interfund, sometimes one fund has to loan money to
23 the other or in the case of juror parking, the
24 juror parking income accrues to the county, a
25 piece of it accrues to our development system,

1 that all worked as presented. We didn't have to
2 make adjustments to it and that's ideal
3 circumstances.

4 So our independent auditor's opinion,
5 okay, is unmodified. There's also what's called
6 MD&A, Management Discussion & Analysis, which is
7 kind of a result, believe it or not, of the Enron.
8 Every audit done has to have an MD&A, especially,
9 under what we follow which is Generally Accepted
10 Accounting Principles for government entities.
11 Municipalities don't have to because they don't
12 follow a GAAP. So this is really just some
13 information that kind of converts into a little
14 more readable form for the user. It talks about
15 things like, well, how many parking spots do we
16 have. How many airplane hangars. Talks a little
17 bit more about the entity that you would know if
18 it was under the old format. Okay. They know a
19 little bit more about what ECIA is all about.

20 So we have all that information in here.
21 There's notes to financial which talk about all
22 the various accounting requirements that we're
23 supposed to follow. Some of it, in all honesty,
24 is pretty boring information. Okay. But we talk
25 about each restricted fund participant, what they

1 owe us and then what we in turn owe back to the
2 banks.

3 Same thing with unrestricted. We have all
4 that information in here, okay, and it all works
5 okay and we try to, at least I do, it might be
6 overkill, I want to make sure that we have covered
7 every piece of information that a reader would
8 need so I go a little bit extra, just because I
9 want, here we have this, we have this just so it
10 doesn't raise any questions. The answer to every
11 question is sitting inside here rather than
12 someone calling me up and saying, hey, what's
13 this. It's all here. Okay.

14 So what we have here, in the back there
15 are some enormous numbers that are shown as
16 liabilities, but they are theoretical in nature.
17 The pension numbers and the health benefits
18 numbers are actuarial based. They change with the
19 discount rate changing. In fact, they're a year
20 old and they don't matter. But the pension
21 accounting and health benefits is always a year
22 behind across the country it is. They can't
23 produce the numbers fast enough because there's a
24 lot behind the scenes involved. Like, for
25 example, the December 31st of '22 pension numbers

1 normally are out by now. They're not. Okay.
2 It's all actuarial based. They're all blaming it
3 on COVID. We get it. But that would be a reason
4 for the delay. Okay.

5 So there's big numbers in here. Like, for
6 example, the entity's, your health benefits long
7 range numbers, 5.2 million. That's at an assumed
8 interest rate of I believe 2.91 or 2.16. Okay.
9 Your pension long range liability -- and by the
10 way, those aren't bad numbers. We have some
11 places that the numbers are in the 80 billion
12 dollar range. It's good to know, because, you
13 know, it gives the opportunity for someone to say
14 what did it really cost to run the Authority this
15 year. Well, if you never previously had a
16 disclosed pension or health benefits, you would
17 never really know what it really cost to run the
18 Authority. That has to be factored in.

19 Just to give you more good news here,
20 let's see. Pension; our pension obligation.
21 Again, not so bad. It's 2.0878. Okay. And have
22 you not had to spend a lot of money on the
23 litigation, we would be in the positive even with
24 those large approvals, so.

25 The information is all in here. It's just

1 required information. We do disclose the
2 situation with litigation, we have to because of
3 the magnitude of it.

4 By the way, these numbers and this is all
5 a year old now. It may change drastically with
6 the December 31st, '22, because a lot of the facts
7 are out of the way from my understanding.

8 CHAIRMAN KLINGHOFFER: Are we obligated to
9 disclose this audit report to the public?

10 MR. STANKIEWICZ: Oh, this is a public
11 document.

12 MR. ROTHER: It is.

13 MR. STANKIEWICZ: It's already up.

14 CHAIRMAN KLINGHOFFER: It's on the
15 website?

16 MR. ROTHER: It's already up.

17 CHAIRMAN KLINGHOFFER: So if anybody wants
18 to bother.

19 MR. STANKIEWICZ: Oh, yeah, I always
20 recommend as soon as we drop it off put it up on
21 the website. Some places have a policy where they
22 want the council, we want them to approve it
23 before we put it up. Here's the problem with
24 that. We issue the report. It's already in
25 Trenton. Okay. And Standard & Poor's and Moody's

1 already have it. Those are important people with
2 regards to whether it be issued. So they have it.
3 So it's already out there. Okay.

4 We still have a note in here about Corona.
5 At the time everyone thought the COVID thing was
6 going to have a major adverse impact on entities
7 and it turned out it didn't. Some of the places
8 we worked on have more fund balance than before
9 COVID, you know, it's like, okay.

10 Also, what I want to point out one thing.
11 There is --

12 MR. ROTHER: They have all sorts of cash.

13 MR. STANKIEWICZ: Everybody, everybody.
14 Some of the school boards I have, they're sitting
15 on three times as much fund balance, okay, and
16 they know how to spend it, so.

17 MR. FACCONI: That's the problem now
18 because a lot of towns and other counties, even
19 the state hasn't spent it all and the federal
20 government is staying --

21 MR. ROTHER: Well, thank God the county is
22 just giving us 2 million.

23 MR. FACCONI: As a matter of fact, I had a
24 meeting with the budget officer in Newark this
25 morning and the mayor wants this, he wants this.

1 I said, well, why doesn't he call down the state,
2 the state supposedly has a pile of money that they
3 might have to give back so if you can get, you
4 know, several million dollars, 35 millions dollars
5 worth of projects that he wants to do. Can't
6 afford it in the budget.

7 MR. STANKIEWICZ: They're doling out money
8 for people who can't pay their utility bills and
9 three years in advance. One of the clients that
10 work with me, I said, look, you just got to keep
11 track of it because eventually an auditor, not me,
12 is going to get here. Okay. And so I just said
13 make sure you have all proper.

14 One of the things I want to point out and
15 I do this every year with every place. In the
16 airport we have capital assets of 27 million
17 dollars. It's the net book value of the assets
18 that we bought either between grant money and our
19 own money. It is not a pool of cash. That
20 question comes up, I know it does. Okay. Just so
21 you know, hey, I see you got 27, you don't. It's
22 a number.

23 MR. FACCONI: The thing that Jerry is
24 referring to is every once in a while a town will
25 say, oh, we need some money from our budget, we

1 got 27 million dollars and we don't have it.

2 MR. STANKIEWICZ: We don't, we don't.

3 MR. ROTHER: And besides, those funds
4 can't be used for anything other than airport and
5 hangars.

6 MR. FACCONI: They're restricted.

7 MR. STANKIEWICZ: These are dedicated
8 monies and they are primarily too because the
9 airport has bonds outstanding. Correct?

10 MR. ROTHER: Yes.

11 MR. STANKIEWICZ: And the revenues from
12 that airport are pledged against those bonds. So
13 even if someone said, look, you got this money in
14 airport, send me a few bucks.

15 MR. ROTHER: No once an airport gets
16 grants from the feds, all money has a stake.

17 MR. STANKIEWICZ: Yes.

18 CHAIRMAN KLINGHOFFER: Is there a
19 requirement if we ever sell the airport that we
20 have to reimburse?

21 MR. STANKIEWICZ: That's a good question.

22 MR. ROTHER: I can tell you stories about
23 selling it. It's very, very hard to sell it and
24 why you sell and to whom you sell it. That was an
25 issue that popped up and is continuously popping

1 up with regard to, you know, this Montclair (sic)
2 airport, so...

3 MR. STANKIEWICZ: Who owns it?

4 MR. ROTHER: Not Montclair, Morristown.
5 The Morristown Airport, because what happened was
6 Morristown, although they didn't sell it, they
7 gave a hundred year lease of it to a private
8 company, which is literally the equivalent of a
9 sale. So all sorts of issues have constantly
10 arisen about what they're doing with the funds
11 that they're making as a result of the one-hundred
12 year lease.

13 CHAIRMAN KLINGHOFFER: The reason I ask
14 about our airport, because a number of years ago
15 there was some very important discussion with the
16 Port Authority, they had some interest in our
17 airport.

18 MR. ROTHER: Oh, that could happen.

19 MR. STANKIEWICZ: That may be the only
20 obvious one.

21 MR. ROTHER: That could happen. If you're
22 talking about another public entity, yes. Yes,
23 especially one that's already functioning as an
24 airport, no problem. Of course, they were very,
25 very interested in this because they wanted to get

1 all sorts of private activity that was taking
2 place.

3 CHAIRMAN KLINGHOFFER: Well, exactly. The
4 neighbors wouldn't have been happy.

5 MR. ROTHER: You weren't told about that?

6 MR. CALI: No, no, no.

7 MR. STANKIEWICZ: I think you told me
8 about that, the Morristown one. Maybe the last
9 couple of years we had a conversation. I was
10 like, wow. I think you're right, though, the only
11 obvious potential new owner, whether it's sold or
12 not is a different story, is the Port Authority
13 and I don't know that they would have any, who
14 knows. They're big.

15 MR. ROTHER: There were all sorts of, we
16 had an issue here. We ground leased the property
17 out of here under those two office buildings which
18 was really a "violation". Not we.

19 MR. STANKIEWICZ: We know that.

20 MR. ROTHER: The former.

21 MR. STANKIEWICZ: So, again, we have no
22 audit recommendations. We have a verbal one.
23 Just make sure that we give the people inside here
24 the tools to make sure we don't have any glips in
25 our controls. That, you know, like, for example,

1 all our documentation is good. Okay. So that we
2 try, maybe some entities -- well, you got
3 everything properly staffed I think right now and
4 it shows in the audit results.

5 CHAIRMAN KLINGHOFFER: Let me stop you
6 there. Is there any indication that our staff
7 does not have the proper tools?

8 MR. STANKIEWICZ: No.

9 MR. ROTHER: They have no objections,
10 problems, whatever --

11 MR. STANKIEWICZ: By the way, they've been
12 all very cooperative. Remember, when it comes to
13 your building, it's not that big. Right. This is
14 not that big of an entity. How many employees do
15 you have 20?

16 MS. SAPINSKI: 28.

17 CHAIRMAN KLINGHOFFER: How many in the
18 parking?

19 MS. SAPINSKI: No, there's more at the
20 airport.

21 CHAIRMAN KLINGHOFFER: Really?

22 MS. SAPINSKI: Yes.

23 MR. ROTHER: So, sure. A lot more
24 actually.

25 MS. SAPINSKI: 14 in airport, admin is

1 five. So that's 19 and 10 parking.

2 MR. STANKIEWICZ: So most of them are on
3 base pay.

4 MS. SAPINSKI: Yes.

5 MR. STANKIEWICZ: Right. So it's hard to
6 mess up. It would very hard to mess up. You have
7 50 employees. 30 of them are on base pay and the
8 payroll clerk seems to consume 37 and a half hours
9 a week. I can't say what they did.

10 So in the end, we have a clean opinion,
11 unmodified opinion, with no audit recommendations
12 other than just make sure we keep everything
13 properly staffed and trained as well.

14 The only other thing that needs to be
15 done, I think, is you have to pass a resolution
16 accepting the audit and then there's some sign
17 offs that have to occur.

18 CHAIRMAN KLINGHOFFER: Is there anybody on
19 the phone or anybody here who has questions of our
20 auditors?

21 Gentlemen, thank you very much.

22 MR. STANKIEWICZ: Thank you.

23 MR. FACCONI: Thank you.

24 MR. STANKIEWICZ: Just remember, no
25 lifeguard don't go in the water. No joke. That

1 started already. We live down that way and the
2 water was rough all weekend. It was really rough
3 today too.

4 She can have proper numbers starting the
5 budget in '24 as well as this compliance.

6 CHAIRMAN KLINGHOFFER: Thank you, very
7 much.

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

10
11 **RESOLUTIONS**

12 **ADMINISTRATIVE**

13
14 1. #23-088 Resolution authorizing acceptance of the
15 Authority's Report of Audit for the year ended December
16 31, 2021

17
18 2. #23-089 Resolution ratifying payment to Lynann
19 Dragone, Certified Court Reporter for stenographic
20 transcript of ECIA Regular Board Meeting on 4-25-23 and
21 Special Board Meeting on 5-11-23

22
23 3. #23-090 Resolution ratifying payment of recurring
24 bills (Bill List)

25

1 4. #23-091 Resolution authorizing payment in the amount
2 of \$53,214.55 to Buchanan, Ingersoll & Rooney, PC for
3 legal services rendered in connection with occidental
4 litigation and environmental matters in the month of
5 April 2023

6
7 CHAIRMAN KLINGHOFFER: Would someone like
8 to move Administrative Resolutions 1 through 4?

9 COMMISSIONER SPIESBACH: I'll move.

10 CHAIRMAN KLINGHOFFER: Is there a second?

11 COMMISSIONER YUSTEIN: I'll second it.

12 MS. SAPINSKI: Thank you.

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

16
17 Whereupon, the Board discussed and took
18 action on the following items:

19
20 **PARKING FACILITY**

21
22 5. #23-092 Resolution authorizing payment to Arocho
23 Services, LLC in the amount of \$6,150.00 for elevators
24 and stairwells cleaning services and snow removal in
25 April 2023

1 6. #23-093 Resolution authorizing payment to Precision
2 Technology in the amount of \$2,777.00 for parking
3 equipment repairs and supplies
4

5 CHAIRMAN KLINGHOFFER: Would someone like
6 to move Parking Facility Resolutions 5 and 6?

7 COMMISSIONER ROSS: Move it.

8 COMMISSIONER YUSTEIN: I'll second it.

9 MS. SAPINSKI: Commissioner Ross was first
10 and Commissioner Yustein.

11 Thank you.

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

15
16 Whereupon, the Board discussed and took
17 action on the following items:

18
19 **AIRPORT**

20
21 7. #023-094 Resolution authorizing payment to Chiesa,
22 Shahinian, Giantomasi in the amount of \$2,449.00 for
23 legal services rendered in connection with Airport
24

25 8. #023-095 Resolution authorizing payment in the amount

1 of \$3,787.78 to Air Power for electric repairs at the
2 Airport

3
4 9. #023-096 Resolution authorizing payment to H2M
5 Associates Inc. in the amount of \$1,496.95 for
6 engineering services in connection with Vibra Screw
7 property

8
9 10. #023-097 Resolution authorizing payment to H2M
10 Associates Inc. in the amount of \$551.25 for engineering
11 services in connection with the Underground Storage Tank
12 compliance as per DEP regulations

13
14 11. #023-098 Resolution authorizing payment to H2M
15 Associates Inc. in the amount of \$1,566.50 for
16 engineering services, site remediation at Hanger 1 Area

17
18 **REHABILITATION OF APRON B PROJECT**

19 **Project Funded: FAA, NJDOT AND ECIA/AIRPORT 2019 BOND**

20
21 12. #023-099 Resolution authorizing payment to C & S
22 Engineers Inc. in the amount of \$1,157.00 for services
23 rendered in connection with the CO/CA of the Apron B
24 Rehabilitation Project

25

1 **REHABILITATION OF TAXILANES H & 11 AND APRON C PROJECT**
2 **Project Funded: FAA, NJDOT AND ECIA/AIRPORT 2019 BOND**

3 13. #23-100 Resolution authorizing Disposition of Bids
4 for Rehabilitation of Apron C and Taxilanes H & 11.

5 *Award of a Contract to Union Paving and
6 Construction Co., Inc. In the total amount of
7 \$1,651,765.00

8 (Base Bid \$1,343,570.00, Add-On #1 \$193,775.00,
9 Add-On #2 \$114,420.00)

10
11 14. #023-101 Resolution authorizing an Agreement with C &
12 S Engineers, Inc. in the amount of \$285,500.00 for CA/CO
13 services in connection with Rehabilitation of Apron C and
14 Taxilanes H & 11 Project

15
16 15. #023-102 Resolution authorizing payment to C & S
17 Engineers Inc. in the amount of \$16,000.00 for services
18 rendered in connection with the Design

19
20 **NEW FUEL FARM PROJECT**

21 **Project Funded: ECIA/AIRPORT 2019 BOND**

22
23 16. #023-103 Resolution authorizing Pay App#4 and Pay
24 App#5 to Herbert Lutz and Co., in the total amount of
25 \$569,703.24 for services rendered in connection with the

1 new Fuel Farm Project

2
3 17. #023-104 Resolution authorizing Change Order #4
4 through #6 to the Agreement with Herbert Lutz and Co.
5 Inc. in the total amount of \$132,992.43 in connection
6 with the new Fuel Farm Project

7
8 18. #023-105 Resolution authorizing Amendment #1 to the
9 Agreement with H2M Associates Inc. in the amount of
10 \$49,000.00 in connection with the new Fuel Farm Project

11
12 CHAIRMAN KLINGHOFFER: Would someone like
13 to move Airport Resolutions 7 through 18?

14 COMMISSIONER ROSS: Move it.

15 COMMISSIONER YUSTEIN: Second it.

16 MS. SAPINSKI: Thank you.

17
18 (Roll call was taken, all Commissioners
19 respond in the affirmative)

20
21 Whereupon, the Board discussed and took
22 action on the following items:

23
24 **FINANCE**

25 19. #23-106 Resolution authorizing payment of charges

1 and expenses of the Authority's \$150,000,000.00 Pooled
2 Government Loan Program, Series 1986

3
4 Payments due for PGLP Services

5 Galleros-Robinson CPAs, LLP \$2,000.00
6 Program Administrator
7 May 2023

8 BNY Mellon \$4,500.00
9 Trustee Fees
4/1/23 - 6/30/23

10 Wells Fargo Bank \$10,591.72
11 Letter of Credit
4/1/23 to 6/30/23

12 Wells Fargo Bank \$2,525.00
13 LOC Amendment Fee

14 Acacia Financial Group \$3,662.50
15 Financial Advisor

16 CHAIRMAN KLINGHOFFER: Before we move 19,
17 I have one question. I've never seen this before.
18 Wells Fargo Letter of Credit Amendment Fee.

19 MS. SAPINSKI: Yes, we have to do the last
20 amendment for the letter of credit to the end of
21 2026 and they charge a fee.

22 CHAIRMAN KLINGHOFFER: I'm sorry, what was
23 the amendment for?

24 MS. SAPINSKI: Extension of the letter of
25 credit to the end of the program, July 2026.

1 CHAIRMAN KLINGHOFFER: So this program is
2 over until July 2026?

3 MS. SAPINSKI: It's over now already since
4 last year, because for the last five years we did
5 not give any loans. But the balance is still
6 there. We paid the balance, but the program to
7 give the bond is now and the letter of credit
8 still is necessary for the next five years.

9 CHAIRMAN KLINGHOFFER: Okay. Thank you.
10 Would someone like to move number 19?

11 COMMISSIONER SPIESBACH: Move it.

12 COMMISSIONER YUSTEIN: I'll second it.

13 MS. SAPINSKI: Thank you.
14

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

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

21 **LATE STARTER**
22

23 1. #23-107 Resolution authorizing an Agreement with
24 Chiesa, Shahinian & Giantomasi, PC in the amount not to
25 exceed \$200,000.00 for legal services in connection with

1 environmental litigation matters

2

3

CHAIRMAN KLINGHOFFER: We have a Late Starter, Resolution authorizing the agreement with Chiesa, Shahinian & Giantomasi.

6

Would someone like to move that?

7

COMMISSIONER BROWN: I'll move it.

8

COMMISSIONER YUSTEIN: Second.

9

MS. SAPINSKI: Thank you.

10

11

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

12

13

14

COMMISSIONER YUSTEIN: Now, do we know that they will charge less?

15

16

MR. ROTHER: Yes.

17

COMMISSIONER YUSTEIN: The hourly rate is lower?

18

19

MS. SAPINSKI: The rate is 350.

20

COMMISSIONER YUSTEIN: And what we were paying?

21

22

MS. SAPINSKI: 750.

23

CHAIRMAN KLINGHOFFER: The hourly rate is somewhat deceptive. Let's see what the bills are.

24

25

MR. ROTHER: And we have to remember that

1 Mr. O'Toole was more deeply, deeply involved with
2 the EPA and spent many, many more hours in that
3 respect than the current counsel will be; very
4 deeply. That was nice, but... The one thing we
5 have to remember is that one out of a hundred,
6 actually more than a hundred counsel involved is
7 not going to have, you know, the multiple -- make
8 the decisions. It's not going to make the
9 decisions. It's going to be a group decision and
10 so all of his efforts that he made, they were
11 good. We learned a lot of information. He may
12 have helped others to make a decision, but in the
13 end he billed us a hell of a lot more than really
14 he had to and that was something I tried over the
15 years to get him to slow down.

16 CHAIRMAN KLINGHOFFER: Okay.

17
18 **ADJOURNMENT**

19
20 CHAIRMAN KLINGHOFFER: Did we miss
21 anything?

22 Okay. In that event, is there a motion to
23 adjourn?

24 MR. ROTHER: Did you see if there was
25 public?

1 CHAIRMAN KLINGHOFFER: Yes, we did that in
2 the beginning.

3 MR. ROTHER: Okay.

4 COMMISSIONER YUSTEIN: I'll make a motion
5 to adjourn.

6 COMMISSIONER SPIESBACH: Second.

7

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

10

11 CHAIRMAN KLINGHOFFER: Just to remind you,
12 I'm out of the country for the next meeting so I
13 will not be here. There's a seven-hour time
14 difference, so I can't call in.

15 MS. SAPINSKI: I know.

16

17 (Whereupon, the proceedings concluded at
18 4:54 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