

**MONMOUTH COUNTY IMPROVEMENT AUTHORITY
REGULAR MEETING MINUTES
DECEMBER 5, 2019**

Meeting called to order at 9:02 by Chairman Gatto.

PLEDGE OF ALLEGIANCE

OPENING STATEMENT

This meeting is being held in compliance with the provisions of Chapter 231, P.L. 1975 known as the Open Public Meetings Act. Notice of this meeting was furnished in the County newspaper and posted in the Hall of Records.

ROLL CALL

Commissioners Nicastro, Barham, Melnick, and Gatto were in attendance. Commissioner Buontempo was absent and excused. Also in attendance were John Draikiwicz, Dennis Collins, Douglas Bacher, Amanda DelBene, and Marion Masnick. Also in attendance was Craig Marshall, CFO, Adm. O'Connor, County Counsel Fitzgerald, Director Arnone and Chris Marion, Asst. Adm.

MISCELLANEOUS BILLS

Motion by Commissioner Nicastro, seconded by Commissioner Barham to adopt Resolution 19-67, "Payment of Miscellaneous Bills in the amount of \$2,772.00.

ROLL CALL

Commissioners Nicastro, Barham, Melnick, and Chmn. Gatto voted in the affirmative.

MEETING SCHEDULE

Motion by Commissioner Melnick, seconded by Commissioner Nicastro to accept the Meeting Schedule for 2020.

ROLL CALL

Commissioners Nicastro, Barham, Melnick, and Chmn. Gatto voted in the affirmative.

FMERA

Bruce Steadman from FMERA – No presentation this morning, I think we've provided the information asked of us and happy to answer any questions if there are any. Thank you very much.

Chairman Gatto – Any questions from board members? There were none.

Chairman Gatto – I have a question. I know we've had discussions since Monday and there are emails back and forth and I know the latest one came yesterday afternoon around 12:30. I guess the question – I've asked for a just a simple income statement and we really can't seem to get that so I guess I'll just give up on that and try to wade through this to resolve our issues. It would appear that it shows as of November 30 that you have an ending cash balance of \$2,130,640. If that's the case, in simplistic terms, why are you requesting a draw down at this time of the additional \$2.5 million?

Steadman – Mr. Chairman, I don't know what the concern is about our income statement. This is our monthly cash flows in accordance with what we were asked.

Chairman – I've given up on that. I already admitted to that. I've asked for it 4 or 5 times and it has not been forthcoming so we'll move. Based on the statement you gave us, is it a correct assumption that at the end of November 30th your net cash position is \$2.1 million plus?

Steadman – That's correct and in accordance with here, but if you look at January 2020 where the money flows in that's where we need it.

Chairman – OK, so what causes the money to change in 2020?

Steadman – Jennifer can I ask you.

Jennifer Lepore, CEO – Just from normal operating expenses, by the end of January we feel we're going to need the money for February.

Chairman – I'm trying to figure a polite way to phrase the question. You're thinking you need the money. It's \$2.5 million. If I asked you could I borrow \$2.5 million from you and you said why and I said I think I'm going to need the money – would you lend it to me?

Steadman – Take the word thin out. We need the money.

John Draikiwicz – Bruce , if I may to clarify. It just shows at the end of January you have \$4.15 million projected but if you take out the \$2.5 million of the loan you will still have a net positive cash balance of \$1.6 million. If you look at the numbers it would appear that would definitely need the EDA input by June of 2020 because at that point in time your cash position will be less than \$2.5 million. You're stating that you don't need the money perhaps but it seems like you don't need the draw down now and the further reason for that is (inaudible) how much less interest expense you have and it seems to be beneficial that you could wait as long as possible to draw down the money before occurring interest costs. So bottom line projected cash balance until it falls below \$2.5 it would seem as though you don't need the money until that time based upon the information presented.

Robert Tuteur, Counsel – If I may ask a question. Are you questioning the timing or the need as John said, because I think that the numbers projected over the rest of the year, which I understand are in this format as requested by the Authority or somebody on behalf of the Authority, demonstrate the need for the money. Is this a (inaudible) question or

Chairman – I have to disagree with you on 2 points. One, what we really asked for is and no disrespect and understanding the commentary that you've made prior as you team due to infrastructure and this and that is the projections are basically for this board for consideration almost worthless. None of the projections, at least over the last 2 years, have been obtained. Assuming no fault of your own and all good faith and good effort on your part let's blame the Army. So the question becomes going forward there has to be some accountability for the taxpayers, not for us, we're volunteers so there is no gain for us. We have a fiduciary responsibility, in my opinion, to the taxpayers. I guess I could rephrase the question in another way. If this board was so inclined to sign off on your second tranche now since you like to use the word projections, when are you projecting to be back or are you projecting to be back for additional requests at a later date or do you think once you get the \$2.5 with all your projections, you guys are good to go and this is not going to be an issue going forward?

Steadman – I believe the latter and I believe our team believes the latter.

Chairman – Why do you believe that?

Steadman – Because we have a number of closings that are lined up and even though several have been delayed to date our expectation and belief is that these several closings will come through in 2020 and by the end of the year with the sale of the Somerset parcel in Oceanport those short term cash issues will be resolved.

Chairman – So the project you mentioned, Somerset, let's just say in case it didn't come off, then it would be Plan B.

Steadman – Well, Plan B is already pushing it back several months to November. We believe it could close as early June or July.

Chairman – I'm saying if that didn't close – let's just say you found out there's a leaky pipe or there was ammunition

Steadman – There's no additional Plan B at this point. Plan B is that it won't close until November.

Chairman – is it a possibility Plan B will be back here to tell us you couldn't close and we need additional financing?

Steadman – I speculate Mr. Chairman.

Chairman – That's fine. Anything else from the professionals? Nothing. My recommendation at this time is that this matter be tabled to January so that we can try to get a better handle on these numbers and try to understand where we are going to be going forward. I would like to have a transparent, not have to try to drill the information, a transparent sharing of information even if it's confidential and make sure we're not back here in November, June, July – I know there was one projection that shows a huge closing in November. I don't know if that's timed with the next refi that's coming up but I don't see this as a continual process of subsidizing unless the Freeholders indicate that this board is going to subsidize it month to month expenses or cash for operating expenses or whatever term you want. I have no problem tabling this. We'll try to get the numbers tightened up for the next meeting but I will defer to my colleagues.

Commissioner Melnick – the one thing I would like to emphasize which Rich asked in the beginning which we don't seem to be able to get is an operating statement of salaries or whatever you're doing. An operating income statement or statement of expenses so we have an idea – say it's \$400,000/year, what is that comprised of – salaries, rent or whatever that might be. I think it's important for us to understand rather than just getting a number. I don't think it's asking for a lot because that's a pretty simple thing to create. We would appreciate that and that's what Rich has been asking for a number of times and I have been asking that to Rich and he has been passing that message on. We would appreciate that so that we have an understanding of what it takes to operate your business on an ongoing basis.

Chairman – to that point, leaving the email out of yesterday because I didn't have time to go through it, but the prior email with the projection – it appeared from those numbers that your representation and again in good faith, your monthly cash burn is \$400,000. There are some months where it looks like the cash burn is closer to \$500,000. Would you agree that occurs?

Voice in audience – correct

Chairman – so again we're using the term of \$400,000 but it some months it's \$500,000 or over. That's what we need to get a handle on. My background is an accountant so I have a problem with just – I just have a problem with that.

Commissioner Barham – One of the big outstanding numbers here is professional services of \$100,000/month. In November it was \$200,000 and you're projecting \$200,000 in December. What fees are those for?

Steadman – the majority of professional services is legal. We have the Attorney General's office and we have to pay for their legal services as well as outside counsel on each of the projects. By the way to this gentleman's question, I'm not sure how much more of a breakout you want but on the pro forma that starts November 19 and goes through December 20 you'll see the columns on the left are all broken out for instance under use of funds you have maintenance of land, buildings and infrastructure. In November it's \$260, Administration \$5, professional services \$200 and then each month. So I don't know much more a breakdown you'd want than that.

Chairman – I would suggest at that point what we'll do is I'll entertain comments from the public. We'll get back to you with an email today or tomorrow at the latest of the detail of exactly what we're looking for. I want to hear from the public first. We'll get back to you with an email.

Commissioner Nicastro – If I could just get some clarity on the issue on hand. I don't think there was a dispute whether it's needed or the timing – I think they're both the same in a sense, but I'm just curious. The \$2.5 they are asking for today is it because of a process of how long it takes before you get it or according to our professionals it doesn't look like it's needed until I think you said June. Can I just clarity on that.

Mr. Tuteur – I'd like to give you some clarity on that if I may. This board will remember that we were here in the summer and this issue came up and as a result of numerous discussions from representatives of the Authority and FMERA this provision was added in to the exiting documents for the purpose of coming back to you for your consent. It was my advice to my client that we initiate that as quickly as possible and they asked to be on the agenda for the month of December. The cash flow reports that you have show that they intend to draw that not in December but in January and presumably if the cash results were better than anticipated they might defer that to February or March or whenever they need the money. But the prerequisite is they have to need your consent as a matter of the contract between us. So we're here seeking your consent without regard necessarily to the exact timing of drawing the money. Hopefully that answers your question.

Nicastro – So in layman's terms what you're saying is we just want the money there. We're not going to use it now until the draw down is needed.

Tuteur – My client will correct me if I misstate it, but I don't believe there is any intention to draw this money before January.

Douglas Bacher – Could we just finish John's question. So that we or that I understand what I think I'm looking at here, is the projection actually you don't need the money until June or am I misreading what these number say?

Steadman – If all the closings happen exactly as planned which never happens, you're correct. So what Mr. Tuteur is exactly right is that we're trying to get through this hurdle so that we're prepared to draw the money down if and as needed.

Dennis Collins – Bruce, your projected closings are in December but we're not sure whether December of 19 which are your next closings.

Steadman – The one we are not sure of right now is the golf course. The next to us is over \$600,000. The other 2

Collins – I understand it's not closed until you get your cash.

Steadman – For instance, yesterday a closing we were supposed to have September 15 got bumped to December 5 which is today. The request came from their lawyers yesterday, can we do a dry closing because we don't have this, this and this done yet. We said no, we can't do that. It's

Draikiwicz – If I may, these are projections that we are trying to make decisions based upon.

Steadman – That's the best we can do John.

Chairman – Anything from the public?

Draikiwicz – Not related to the numbers, but one other question that we were wondering. We saw in the advertised a request for Financial Advisor. If we could take a moment to explain the purpose of that RFP and what you intend to utilize that Financial Advisor for.

Steadman – Sure. It's obvious and no disrespect intended you folks aren't comfortable being our partner. When this was laid out three years ago it was our anticipation that the County would be our partner through the MCIA. You're not comfortable with that situation obviously and so we're trying to find out if there is another way we can

Chairman – sorry to interrupt you but I want to be clear – I'm not getting territorial here we're an independent agency. There's the Freeholders that appoint us and if you want to lump both of us together please refer to the County. There's the Freeholders and the Improvement Authority. We are speaking only as the Improvement Authority and we take comments from the public, from the Freeholders, your team and then we try to do what's right. I want to be clear. I don't want to be lumped in with the Freeholders not that I have an objection to that, but please we are an independent authority. It would be like lumping you in with the EDA. You're FMERA. You're an independent authority.

Steadman – Understand your correction. To have another source of financial advice moving forward so that we can look at all the best options.

Commissioner Barham – I don't think that there's mistrust here between our group and your group. I think where the problem comes in is that we continually ask for information and one of the things is that we struggle to see how you spend \$500,000/month over there. That's one of our stumbling blocks. I think if we get a real bona fide breakdown of that and where that money goes and how it's spent that's one of our stumbling blocks. Number two I heard the last time we were all here that there are serious infrastructure problems that are still over there. I'd like to know how you're dealing with those infrastructure problems because in my last conversation that seems to be your stumbling block to making closes on time. That seems to be some of your problems that we would like to know the answers to and how you've dealt with infrastructure

problems and how that's going to affect sales moving forward. We look at ourselves as the bank and you are the client. We want to have a good relationship but it just seems that nothing of your projections seems to come true. It's pushed off. It's delayed. We can't get a handle on the expenses. I think if you can help us clear some of those stumbling blocks it'll make our relationship and skepticism go away and make our relationship a little better. Think that's what we are looking from you for us.

Commissioner Melnick – It's called transparency.

Steadman – One of the reasons we invited you back to the Fort a few months ago to have a tour, go through maps and things on the smart board was for that very purpose and that meeting got shortened and some people didn't stay for the tour and we didn't get to go through all the maps and such. But I think the best thing for us to do is to have another working meeting. There are no numbers on here that we don't have backup and aren't willing to share and are happy to share with you. Probably makes best sense if we could to do it at our office so that we can put all the maps up. We have maps of water and sewer systems that look like cans of spaghetti thrown against the wall because that's how the Army did things. I want to get from here to there. I don't care if there's gravity or not, 18 pump stations, you name it, we have to deal with it until we're in a position to replace it. We are replacing them item by item as we go forward but it's based on sales because we don't have any cash so we can't spend a dollar until we get a dollar.

Chairman – to follow up on Mr. Barham's question, in December you projected Phase I sales of \$7,340,402. I don't want you to give me the exact number but where does that number come from?

Lepore – It's from the sale of four parcels – the golf course, parcel C1 which partially closed this year with just a small portion held back.

Chairman – What is that number roughly for C1

Lepore - \$782,000. The golf course, marina and the fabrication shops.

Chairman – That's the total of the \$7.3? If you add those 4 projects together. Of those 4 you said they are going to close in December what are the closing dates? Are they all scheduled to close in December?

Steadman – I mentioned earlier that the golf course is a concern of ours.

Chairman – what's the golf course number?

Lepore - \$5 million

Chairman – So \$5 million of the \$7 is in question and you're asking us to consider these things when right now you have a question as to whether that revenue source will show up in December. It's unfathomable to me and I come from a different world that you could represent that if you know that there is a possibility of it not occurring. The answer can't be these are unforeseen uncertainties. If that's not a certainty why is it on in December. Why is it not being shown in January or February when it would be a certainty?

Tuteur – I just want to point out for the record these are projections and only that. Frankly and Mr. Steadman can speak to this, I think the question you just asked about the golf course and the potential delay is literally new news.

Chairman – No disrespect – the point is you're giving us a document that as of 12:30 yesterday and I read it at 1:30 last night to try to prepare for this meeting and then it turns out that the document that was sent here yesterday for us to consider there's an uncertainty 12 hours later. When did that happen.

Tuteur – Candidly sir there are uncertainties on the whole \$7 million because

Chairman – Why is it being shown in December then?

Tuteur – Because you asked for a projection which was provided and these were the dates that were scheduled for these closings. That's what was anticipated. It was a good faith effort to give you what you asked for. I can't speak to the fact that a settlement gets postponed for whatever reasons.

Commissioner Melnick – What's important here and I used the word transparency presented this and this morning you should have said look we have \$7 million here however of the \$7 million we're concerned with \$5 million. Then we would be informed and you would come up with that statement rather than us having to continue to question to find out that answer.

Chairman – And to that point we now take your representation here at 9:30 that \$5 million of that \$7 million – I think you just made the case that we need to draw that money in January because we're not going to have that closing.

Tuteur – Respectfully Mr. Steadman did say earlier that the \$5 million was questionable. He said that before somebody asked. And I asked this question before the meeting. If the \$5 million does not take place in December, the effect on the net cash position is \$600,000. This is not a \$500,000 amount of money to FMERA

Chairman – Because they don't have to pay the Army their portion.

Tuteur – Whatever the fact is (several people talking). The failure of that sale doesn't put us immediately in a negative cash position. That's something you should know.

Chairman – but we have to drag it out of you. There should be a better way to report it. Thank you.

Michael Fitzgerald, County Counsel – I just want to address two or three different things. One is as we know the public record like this records voices but it doesn't record head shakes. It doesn't necessarily record tone or does it necessarily reflect attitude or concerns. On behalf of Monmouth County I want to just first address Mr. Steadman's comment, and I sense frustration clearly and I want to make sure that's part of the record from my observation, that the frustration seems to be an expectation and in light of the Chairman's recommendation of a deferral of the consideration to January Mr. Steadman responded something along the lines of we're no longer received as willing partners which I want to make sure the record is clear that you as an autonomous agency, in fact an Authority with a particular standing under the law, separate and apart from the Freeholders and the Freeholders have been willing partners to the tune of \$23 million. So a tenfold expression of consideration and cooperation as compared to the \$2.5 million currently being discussed. On behalf of the County of Monmouth I want to make sure that it's clear that I can't imagine any more willing partner than someone who is willing to loan and afford the backing of the bond rating of the county at a tenfold measure of what is being requested at \$2.5 million. But with that I also want to ask a couple of questions. I want to make sure I'm understanding it so that I can obviously have a record to share with the Freeholders for their consideration when it's brought to their attention again. Mr. Chairman, as the proper protocols Mr. Collins will tell you the questions I cannot obviously address to FMERA but I can address them to you and in no particular order may be then can be addressed to FMERA for consideration today or consideration as part of your request for the future determination in January.

1. Is there a scheduled date for the \$7.3 million closing that is supposed to have happened today because obviously that's in their cash flow predictions for December and we are all considering the deference of the money under consideration with an assumption these financials of 2 closings in December by my read. Closing 1 is the \$7.3 million. There's a Phase II – may be that's one closing with a Phase I and Phase II

Chairman – Just so we're clear it's \$5 million the bulk of that \$7 million. \$4 million is the bulk of that \$7 million. There's 4 closings but the one that you referred to is \$5 million. I just want to be sure with your questions. If I can just rephrase your question and you can correct me. Of the bulk of that, we're talking about one sale of \$5 million when is that scheduled to close if it doesn't close in December.

Fitzgerald – right. All I've heard so far as the public record is it didn't close and that was today. Maybe that's an appropriate question cause the cash flow information that they have here certainly reflects that question. I'm also noting the footnotes. If you note in the month of December and I would have a grave concern both for you and for them in terms of what's here because a \$340,000 payment that's expected to the EDA which by my read is a deferred payment of the first quarter of 19 salary and fringe benefits. The question would be, again my read, is

between now and next November you have over \$2 million of monies that are owed back to EDA for salary and fringe benefits that would then compromise a significant portion of what the cash burn is in terms of what's going forward and maybe a better explanation in keeping with the chair's question if you had a better explanation of where everything was in terms of being behind because my concern is that you are paying the first quarter of 19 salary and fringes at the end of 19. We would need the next page of projections of 2021 because that's when they'll be paying salary and fringes for 20. If that's not the case that's fine. Again, we're not going to have a debate. This would have been stuff that would be on the income statement that had been requested. I want to make sure that we can properly have a discussion. So if that information was supplied to you for your January meeting that may be beneficial as well. That obviously would be on the income statement so that there will be some idea of what is all happening here. Because I also note that there is really another closing in March of 2020 and I think in response to some question there isn't a need for more money until June of 2020 but that does assume a closing in December and a closing in March. So if those are not going to happen that would completely confound the projections that are being presented in this point in time.

Mostly to correct the record but maybe to address some of those questions and I would ask Mr. Collins as that information is supplied to the Authority I would ask that it be supplied to my office so the information can be shared with the Freeholders.

Chairman – For clarity sake, if you could submit those questions to Mr. Collins. Unless something changes in the next few minutes I think we will be sending a request for additional information and I would be happy to include those comments.

Fitzgerald – To the Chair and also to FMERA, I barely got out of law school so I don't know what I'm talking about – I'm just phrasing the questions because these are questions that are going to be asked of me and I'll need to have those answers. With that I thank you.

Chairman – Thank you. They're good points. Briefly without putting anyone on the spot I guess the question becomes if the \$5 million closing doesn't occur in December which it sounds like it might not, is there a firm projected date. Yes or no. If no, please say no. I want you to answer my question first then I'll give you time

Steadman – Don't have a reschedule date.

Chairman – Thank you I appreciate that.

Steadman – Again, the net to FMERA is \$600,000. To correct what Mr. Fitzgerald said, the closing that I referred to that was today is Squire Hall which is a Phase II proceeds of \$323,000 under December. That's the one not the \$5 million. That wasn't scheduled for today. The \$323 was scheduled for today. Just want to clarify that.

Regular Meeting Minutes
Page 11 – Dec. 5, 2019

Chairman – As we stand here today Mr. Fitzgerald raises a good point. The closing that's projected for March, the \$1.5 million do you have any reason to believe that there is any question that they may or may not occur or is it just a projection.

Steadman – (Asks question of FMERA CFO)

Lepore – It's 2 sales. One is \$1.3 million and the other is \$200,000

Chairman – Let's just deal with the \$1.3. Do you want to identify it for the record.

Lepore – The bowling center.

Chairman – As you stand here today how did you come up with a projection that it will close in March.

Steadman – Based on negotiations and conversations with the prospective buyer.

Chairman – But is there a Contract of Sale?

Steadman – yes

Chairman – and the last point that Mr. Fitzgerald raises, again it may not be the appropriate forum – was his representation correct that you owe the EDA – borrowing from Peter to pay Paul to the extent that you owe the EDA \$2.4 million, you're going to borrow \$2.5 and you're going to give a portion back to them in layman's terms. I'm not trying to be judgmental just trying to get a handle.

Steadman – That's fine. We're all EDA employees and there was an agreement made between EDA and FMERA 10 years ago before we got here that any salaries associated with the Fort, FMERA would reimburse EDA for them. We've done that over the years. The last 2 years we've done it in a delayed fashion because of cash flow and closings. Just to clarify what Mr. Fitzgerald said – by the end of 2020 the projections are we have caught up on everything – 18, 19 and 20. There is no carrying forward into 21 of the reimbursement of the payroll.

Chairman - But the possibility exists if one of the projected sales don't occur that the payroll or some other expense will have to be carried over.

Steadman – Of course, the whole thing is based on that.

Chairman – Again, I understand you're not a public company or a business filing a tax return but do you think it's normal in your world that you're a year behind on salaries. In layman's terms – if this was a business you haven't been able to pay your salaries for a year.

Steadman - That's not entirely accurate. We are employees of EDA and our salaries are paid by EDA. On top of that there's an agreement between FMERA and EDA that FMERA reimburse for those salaries. It's not that we're not paid there's an additional agreement.

Chairman – Let me rephrase. Let's just say your payroll for 2 weeks – pick a number - \$100,000, the EDA cuts everyone's check and at some reasonable point you would then reimburse the EDA back and they are providing the HR services because there's no duplication of services. It's easier to reimburse them then to have your own HR. It's a tax savings. Everything goes through the EDA. Is that fair?

Lepore – Our general way of paying back has always been quarterly.

Chairman – The question arises but to Mr. Fitzgerald's point and to the point we have been trying to get you are 3 or 4 quarters behind/

Lepore – We are technically 2 quarters behind. We would pay the 3rd quarter end of December and we pay the 4th quarter in March.

Chairman – So you're 3 quarters behind. Do you think if this was a business that a business could survive being

Steadman – But, it's not a typical type of business. It's the redevelopment of 1100 acres which is the single most important redevelopment project ever in Monmouth County and maybe the 3rd most in the State of New Jersey. There isn't a book on how to do it. It's entirely different and every community across the country, half of which have gone bankrupt. This one won't go bankrupt because we have great real estate that's entirely desirable and at the end of the day there will be a \$10 to \$20 million proceed positive.

Chairman – Thank you. What is the feeling of the board. My feel is we refer this to January to get the follow up information we need. I'll ask again but it's probably useless, but I'd like to see some kind of income statement which shows actual revenues per month, and actual revenues through September 30th, actual expenses and the more detailed expenses are the quicker the process will go for us to release your request or consider your request for the \$2 million.

Steadman – My question is because I want to satisfy your request and answer the concerns that you have I believe the best way to do that is to have a working meeting, preferably at FMERA so that we can pull out all the maps for these gentlemen's points. We'll have all the expense records there. We can show you every single day, every single cost associated with infrastructure and everything else.

Chairman – That's not what we're asking for. I understand that's what you're offering. Mr. Collins is very eloquent and Mr. Draikiwicz is just as eloquent. They will provide an email to you which will define what we want. I'm not saying if the members want to come to the Fort and have a meeting at the Fort, I don't see that being connected with this issue. This is purely a

financial issue. It's like a bank if you were coming for a loan, we don't care what kind of furniture you're putting in your house. I want to know if the equity is in your house to lend you the money. I'm not saying it's not but I'm a poor communicator and I'm trying.

Tuteur – In this email if you would be good enough to indicate not only what you request but to whom you want it submitted so there is no issue about where it's going.

Chairman – I can tell you that right now. It should be submitted to Mr. Collins. Everything will be directed through Mr. Collins. There may be comments from our financial person but everybody will be on the chain and it will be transparent and hopefully we can get the information the day before. I know there's been communications back and forth and for some reason we cannot get to where we need to be.

Collins – Mr. Chairman the reason we want it to go through me is if there are concerns of confidentiality we (inaudible)

Tuteur – It's the right approach. We are perfectly happy to do it. I just wanted to clarify for the records so there is no issue about where we're sending it.

Chairman – I would like all the comments and email to go by Monday or Tuesday of next week. That was my motion

Secretary – You would like to table FMERA to January

Chairman – pending additional requests for information, yes.

Collins – Just to clarify that, it is a rescheduled meeting of January 9th.

Chairman – Someone want to second that?

Melnick – I'll second it.

Nicastro – Again, I want clarity. Being newer here my level of frustration isn't across the board and being in business I understand that projections and reality are two different worlds. So I just want to be clear. My understanding is \$2.5 not being given today is not going to be a detriment to FMERA. If we prolong this the money could be available once we make that decision within a few weeks. Is that the correct assumption?

Draikiwicz – This is my understanding and I could be corrected. The EDA loan of \$5 million is already provided and granted by EDA. The money has been approved and I believe it is just a drawn down request by FMERA that could be taken within 24 to 48 hours. The money is available except it has to be drawn down.

Nicastro – So the money is sitting in there it's just the formality of releasing it.

Draikiwicz – After January 9th, if it's approved at that time the money will be available within 2 or 3 business days for FMERA.

Nicastro – The take away from here today, again my level of frustration is not as high because I haven't been dealing with this. I have a business partner, I have several, if I ask my business partner what they ate for dinner they tell me. That's the relationship of a business partner. So I heard the comment that you felt, and I don't subscribe to the feeling that we don't want to be a good partner, for me when I have a good partner I share everything. I think it's reasonable. I'm not asking what you ate for dinner but it's a business transaction that I think partners need to be part of. In the past if that hasn't been received or been understood I want to make it perfectly clear for the commission a good partner provides the information that they want. I think moving forward that's going to be my level of expectation to be a good partner. With that I accept that motion.

Barham – Since I'm new to this board Bruce and not have met all of you other than from the other side of the dais, I would love to come over and go through what you want to show us if it would help give me a better understanding of what goes on over there and how it goes on over there and when it goes on over there. Maybe we can get some of the frustration out of the formula here.

Melnick – I'll join Bill with that because at the last time at my age it was too hot to do the physical tour and I'll admit it. I prefer cold weather so any time before May.

ROLL CALL

Commissioners Nicastro, Barham, Melnick and Chmn. Gatto voted in the affirmative.

GENERAL COUNSEL

No further report.

BOND COUNSEL

No further report.

FINANCIAL ADVISOR

Douglas Bacher said the pricing was done for the Pooled Loan this week and pricing went very well.

UNDERWRITER

Amanda DelBene discussed the pricing. \$128,575,000 with 13 participants. We received 2.127%. Total savings generated were \$4.3 million.

PUBLIC PORTION

None

ADJOURNMENT

Motion to adjourn at 9:52am by Commissioner Melnick, seconded by Commissioner Barham.
All in favor.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Marion Masnick".

Marion Masnick, Secretary