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Eric D. Brophy, Esq.
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, AUGUST 20, 2019**

The meeting was called to order at 10:03 a.m. by Chair Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 17, 2019, to The Star Ledger, The Times of Trenton and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Joshua Hodes, Chair
Ridgeley Hutchinson, Vice Chair
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by David Moore)
Louis Rodriguez
Zakiya Smith Ellis, Secretary of Higher Education (represented by Angela Bethea)

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

Eric D. Brophy, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Brian Sootkoos, Director of Finance-Controller
Zachary Barby, Communications/IT Coordinator
Rebecca Clark, Associate Project Manager
Matthew Curtis, Information Technology Manager

Jamie O'Donnell, Senior Communications Manager
Sheila Toles, Exec. Asst./Human Resources Manager

ALSO PRESENT:

George Loeser, Esq., Deputy Attorney General
Craig Ambrose, Esq., Governor's Authorities Unit

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of June 27, 2019

The minutes of the meeting of June 27, 2019 were delivered via United Parcel Service to Governor Philip Murphy under the date of June 28, 2019. Mr. Hutchinson moved the meeting minutes for approval as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

2. Executive Director's Report

Mr. Brophy provided the Executive Director's report for informational purposes only.

Mr. Brophy reported on various meetings attended by himself and/or Authority staff since the June Authority meeting.

Mr. Brophy reported that staff continued to discuss P3 regulations and had offered comments to the Department of Treasury prior to the due date of August 16, 2019 and anticipated bringing a Memorandum of Understanding (MOU) to the Members at the September Authority meeting. Mr. Brophy explained that the MOU would establish a framework for the Authority's work with Treasury on implementation of the P3 law, project review and approval, and project financing.

Mr. Brophy reported that staff was analyzing the proposed State Library grant regulations and planned to provide comments on regulations prior to the August 30, 2019 due date. He reported that staff also expected to present a MOU with the State Librarian and Thomas Edison State University to administer the grant program to the Members at the September meeting.

Mr. Brophy reported that the Authority had made several administrative amendments to the Employee Policy Manual. The amendments include an increase by the Internal Revenue Service to the Authority's Flexible Spending Plan. He reported that the pre-tax maximum had been increased from \$2,500 to \$2,700 annually; the Employment Termination policy was updated to clarify termination procedures; and the Business Travel Expenses policy had been amended to reflect an increase from 31 cents to 35 cents per mile pursuant to Circular 20-02-OMB.

Mr. Brophy announced that staff had selected an unpaid/credit-only intern for the Fall 2019 semester. He reported that staff was very excited to welcome Juan Carlos Belmonte. He reported that Mr. Belmonte would begin his internship on August 27th and that he had interned with the Office of the Secretary of Higher Education who spoke very highly of him.

Mr. Brophy reported that the Authority would be participating in the 2019 Garden State Minority, Women and Veteran-owned Business Summit sponsored by the State of New Jersey being held at the New Jersey Institute of Technology. He reported that Mr. Nelson had been invited to be a panelist at the conference.

3. **Legislative Update**

Ms. Stitt gave a legislative report, which included bills that were newly introduced or had seen legislative progress since the last report at the May 27th Authority meeting. She reported that three bills on the list had been recently signed by Governor Murphy and were administrative in nature and related to state employees and/or employment practices or benefits at state agencies.

Ms. Stitt reported that the fourth bill, signed by Acting Governor Oliver on July 30th required institutions of higher education to improve transparency of tuition and fees. She reported that the new law was consistent with the Secretary of Higher Education's new master plan for higher education which articulates that "every student in New Jersey should receive clear and comprehensible information explaining what college will actually cost for them and their families, including an estimate of likely loan debt, and information on post-graduate outcomes – such as earnings and job placement."

Ms. Stitt reported regulations for both the New Jersey Public Private Partnership (P3) program and the Library Construction Bond Act were posted on the New Jersey Register for public comment. She reported that the comment period for the Library Construction Bond Act would be open through August 30th and as reported by Mr. Brophy, the comment period for the P3 program expired on August 16th.

4. **Resolution of the New Jersey Educational Facilities Authority Authorizing the Issuance and Sale of NJEFA Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) and 2019 Series D (Federally Taxable) (Green Bonds)**

Mr. Nelson reported that the Authority sought the Members' approval and authorization for the issuance of NJEFA Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (tax-exempt) (Green Bonds) and 2019 Series D (federally taxable) (Green Bonds) in an amount not to exceed \$270,000,000.

Mr. Nelson reported that the professionals on the transaction were previously approved at the Authority's November 27, 2018 meeting. He reported that Barclays Capital, Inc. was serving as senior manager and co-managers included J.P. Morgan Securities, LLC; Ramirez & Co., Inc.; TD Securities, LLC; and Wells Fargo Securities. He reported that the Authority was being represented by its counsel McManimon, Scotland & Bauman, LLC.

Mr. Nelson reported that the 2019 tax-exempt and taxable issue would principally finance the construction of new student housing and a University Center project. He reported that the transaction would be historic because it would be the largest single project new money financing in the Authority's history and would also be the Authority's first Green Bond issuance. The Institute's Green Bond issuance is also one of the first for New Jersey higher education. Mr. Nelson explained that Green Bonds are traditional municipal bonds but that the proceeds are used for environmentally beneficial projects and are monitored and reported on in order to ensure proper green use of proceeds.

Mr. Nelson reported that the buildings comprising the Student Housing and University Center Project were expected to receive a LEED Silver certification from the U.S. Green Building Council and that since 2013, national Green Bond activity had exceeded \$42 billion, including \$1.8 billion issued for higher education institutions, including the University of Virginia, New York University and Columbia University, among others.

Louis Mayer, CFO and VP for Finance & Treasurer thanked the Authority and described the project.

Nicholas Concillio, Esq. of McManimon, Scotland & Bauman, LLC, bond counsel, described the resolution.

Mr. Moore moved the adoption of the following entitled resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS,
STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES
C (TAX-EXEMPT) (GREEN BONDS) AND REVENUE BONDS,
STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES
D (FEDERALLY TAXABLE) (GREEN BONDS)

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit I.

5. Resolution Authorizing Amendments to the Employee Policy Manual

Mr. Sootkoos reported on amendments to two sections of the Authority's Employee Policy Manual. He reported that the Authority's current Sick Leave Benefits policy sets forth six categories under which an employee may use sick leave benefits for absences and that one of the categories relates to the use of sick leave for a member of the employee's immediate family. He reported that on July 1, 2019, N.J.A.C. 4A:1-13 amended the definition of "Immediate Family" and that the resolution would approve a revision to the Authority's policy to conform to the amended definition.

Mr. Sootkoos reported that the Authority's current Donated Leave Program policy sets forth the procedures to follow for an employee to donate or receive sick or vacation leave to or from another employee. He reported that P.L. 2019, Chapter 129, was approved on June 21, 2019, and changed certain conditions and criteria for donated leave and that the resolution would approve a revision to the Authority's Donated Leave Program to conform to those requirements.

Mr. Hutchinson moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AUTHORIZING AMENDMENTS TO
THE EMPLOYEE POLICY MANUAL

The motion was seconded by Ms. Bethea and passed unanimously.

The adopted resolution is appended as Exhibit II.

6. Resolution of the New Jersey Educational Facilities Authority Approving the Appointment of an Arbitrage Compliance Service Provider

Mr. Sootkoos reported that the Authority retains rebate service providers to assist it on behalf of colleges and universities with monitoring investment earnings on bond proceeds, calculating arbitrage rebate liability and developing associated reports on outstanding bonds. He reported that the Authority's current contract with its rebate service providers expired on June 30, 2019 and that on July 18, 2019 the Authority distributed a Request for Proposals (RFP) for Arbitrage Compliance Services to a list of 13 firms and posted the RFP on the Authority's and the State's websites and advertised in the *Star-Ledger* and the *Trenton Times*. The RFP received two responses from firms seeking appointment.

Mr. Sootkoos reported that an evaluation committee consisting of the Authority's Director of Finance/Controller and Accounting Manager determined it was in the best interests of the Authority to accept the proposals and to appoint BLX Group, LLC and Hawkins Delafield & Wood, LLP under the terms and conditions set

forth in the resolution and the RFP to provide arbitrage compliance services for a period of three years, commencing on the effective date of the resolution, with two additional successive periods of 12 months each at the Authority's discretion unless terminated earlier in the sole discretion of the Authority. Mr. Sootkoos explained that the Authority was recommending the engagement of two firms in order to obtain a well-rounded, diverse set of professionals to provide advice and opinions on a variety of arbitrage and IRS compliance matters.

Mr. Moore moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF
AN ARBITRAGE COMPLIANCE SERVICE PROVIDER

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit III.

7. Report on Operating and Construction Fund Statements and Disbursements

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for June and July 2019.

Mr. Hutchinson moved that the reports be accepted as presented; the motion was seconded by Ms. Bethea and passed unanimously.

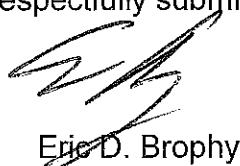
The reports are appended as Exhibit IV.

8. Next Meeting Date

Mr. Hodes reminded everyone that the next meeting was scheduled for Tuesday, September 24th at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 10:39 a.m. The motion was seconded by Ms. Bethea and passed unanimously.

Respectfully submitted,


Eric D. Brophy
Secretary