

MORRIS COUNTY IMPROVEMENT AUTHORITY

MINUTES of the Board Meeting held on July 21, 2010, at 6:00 p.m.,
Knox Conference Room #525, Morris County
Administration and Records Building, Morristown, New Jersey

At 6:00 p.m., John Bonanni, Chairman to the Morris County Improvement Authority called the meeting to order. The following persons were in attendance:

John Bonanni, Chairman
Frank T. Pinto, Commissioner
Christina Ramirez, Commissioner
Glenn Roe, Commissioner
Ellen Sandman, Commissioner
William Chegwidden, Freeholder Liaison
Stephen B. Pearlman, Esq. - DeCotiis, Fitzpatrick, Cole & Wisler, LLC
Jennifer Edwards, Acacia Financial Group
Doug Bacher, NW Financial Group
Joe Santaiti, Gabel Associates
Steven Gabel, Gabel Associates

Commissioner Bonanni asked for the reading of the public statement in accordance with the Open Public Meetings Act which was then read by recording secretary Cindy Rueter.

Commissioner Bonanni asked for "roll call" for the Authority. All five (5) Commissioners were in attendance, Ms. Christina Ramirez, Ms. Ellen Sandman, Mr. John Bonanni, Mr. Glenn Roe and Mr. Frank Pinto a quorum was established.

Approval of the June 16, 2010 minutes was considered. Commissioner Pinto made a motion to accept the minutes of the June 16th meeting. Commissioner Sandman seconded the motion. Commissioner Ramirez and Commissioner Bonanni abstain; all others were in favor to accept the minutes of June 16th.

The public portion of the meeting was opened. – No comment at this time.

No Executive Session needed at this time.

Agenda item 6a. was discussed – Resolution amending the By-Laws of Morris County Improvement Authority. In its present form the By-Laws only permits a resolution to be adopted by 4 members, or a super-majority of the Board. The amendment will allow for the adoption of resolutions by a simple majority of the members present at the time of the motion. Commissioner Roe made a motion to adopt this resolution, Commissioner Sandman seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution #10-29 "RESOLUTION AMENDING THE BY-LAWS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (No. 10-29) was adopted.

Agenda item 6b. was discussed – Resolution concerning the Review of Findings and Recommendations of the Local Finance Board. Commissioner Ramirez made a motion to adopt this resolution, Commissioner Sandman seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution #10-30 "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE RENEWAL OF THE AUTHORITY'S COUNTY GUARANTEED LEASING PROGRAM AND CERTAIN OTHER RELATED MATTERS" (No. 10-30) was adopted.

Agenda item 6c. was discussed - Resolution approving the payment of bills as listed on the Schedule of Warrants.. Commissioner Sandman made a motion to adopt this resolution; Commissioner Roe seconded the motion. Roll was

called. The resolution was approved unanimously. The motion carried and Resolution No. 10-31 "RESOLUTION APPROVING THE PAYMENT OF BILLS AS LISTED ON THE SCHEDULE OF WARRANTS" (No. 10-31) was adopted.

7a. Discussion: Status of Renewable Energy Program –Joe Santaiti, Gabel Associates, is providing monthly updates via e-mail and hard copy regarding the construction phase of the solar project. Any issues/problems are being addressed through frequent meetings.

7b. CGLP – Washington refunding is taking place on Tuesday, July 26th resulting in a savings of approximately \$30,000. Additionally, three (3) loans closed, four (4) pending, one (1) potential transaction in Rockaway for \$111,000. Transactions total approximately \$1.5 million.

7c. – Payment of Bills Between Meetings – Nothing at this time.

7d. Status of Other Inquiries and potential transactions – Nothing at this time.

7e. Other items – Verbal resolution adopted allowing Acacia Financial to solicit the local municipalities to put together a refunding transaction. Commissioner Roe made a motion to adopt this resolution; Commissioner Pinto seconded the motion. Roll was called. The resolution was approved unanimously.

Steven Gabel from Gabel Associates gave a presentation to the Improvement Authority regarding an Energy Savings Improvement Program (ESIP).

The August 18th meeting of the Morris County Improvement authority will be rescheduled to August 30, 2010 at 6:00 p.m. in the Knox Conference Room.

The July 21, 2010 meeting of the Morris County Improvement Authority was adjourned at 7:35 p.m. Commissioner Ramirez made a motion to adjourn and seconded by Commissioner Sandman.

Respectively Submitted,

Cynthia Rueter
Recording Secretary

RESOLUTION NO. 10-29

**RESOLUTION OF THE BOARD OF COMMISSIONERS
MORRIS COUNTY IMPROVEMENT AUTHORITY**

TITLE:

**RESOLUTION AMENDING THE BY-LAWS OF THE MORRIS COUNTY
IMPROVEMENT AUTHORITY**

WHEREAS, the Morris County Improvement Authority (the “Authority”) has been duly created by resolution of the County of Morris (the “County”), State of New Jersey (the “State”) and exists in good standing as a public body corporate and politic under and pursuant to all applicable law, including the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, as amended from time to time (codified at N.J.S.A. 40:37A-44 et seq., the “Act”);

WHEREAS, under applicable law, including the Act, the Authority is permitted, and the Authority has determined it to be in the best interests of the Authority to adopt a set of by-laws to govern all aspects of the operation and management of the Authority;

WHEREAS, on August 14, 2002, the Authority initially adopted by-laws of the Authority (the “Original By-laws”);

WHEREAS, on June 9, 2004, the Authority amended the Original By-laws to allow for the payment of bills in between meetings (as amended, the “2004 Amended By-laws”);

WHEREAS, on October 12, 2005, the Authority amended the 2004 Amended By-laws to allow to allow for the execution of all contracts, deeds, bonds, notes, other obligations, certificates and other instruments, authorized for execution by resolution of the Authority, by any officer of the Authority (as amended, the “2005 Amended By-laws”);

WHEREAS, Section 5.6 of the 2005 Amended By-laws, in its present form, only permits a resolution to be adopted by 4 members, or a super-majority, of the board;

WHEREAS, the Authority recognizes the need to periodically take action by a simple majority of the members present at the time of the motion, which would require a series of changes to, among other things, Section 5.6 of the 2005 Amended By-laws; and

WHEREAS, notice of these proposed By-law changes has been issued to the members of the Authority in the manner required by Section 7.1 of the By-laws.

NOW THEREFORE BE IT RESOLVED by at least four (4) members of the Board of Commissioners of the Authority as follows:

Section 1. The 2005 Amended By-Laws are hereby amended, in the form attached as Exhibit A hereto, to allow for the adoption of resolutions by a simple majority of the members present at the time of the motion under the terms and conditions set forth in the revised Section 5.6 therein.

Section 2. This resolution shall take effect immediately.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Bonanni				
Ramirez				
Roe				
Sandman				
Pinto				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 21 2010 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 21st day of July, 2010

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 21, 2010

By: _____

**Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority**

RESOLUTION NO. 10-30

**RESOLUTION OF THE BOARD OF COMMISSIONERS
MORRIS COUNTY IMPROVEMENT AUTHORITY**

TITLE:

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY
CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE
LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL
CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH
THE RENEWAL OF THE AUTHORITY'S COUNTY GUARANTEED LEASING
PROGRAM AND CERTAIN OTHER RELATED MATTERS**

WHEREAS, The Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Morris (the "County") in the State of New Jersey (the "State") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law;

WHEREAS, the Authority is authorized by the Act, including without limitation Section 11 thereof (N.J.S.A. 40:37A-54(a)), to purchase, lease or otherwise acquire public facilities, including capital equipment (the "Equipment") for the benefit of certain local governmental units located within the County, including (i) the County, (ii) municipalities within the County (collectively, the "Municipal Local Units"), (iii) school districts that provide service to one or more Municipal Local Units (the "School District Local Units") and (iv) other local governmental units that provide service to one or more Municipal Local Units, including County, municipal or regional authorities (the "Other Local Units" and together with the County, the Municipal Local Units and the School District Local Units, the "Local Units");

WHEREAS, the Authority created a county guaranteed leasing program (the "County Guaranteed Leasing Program", the "Program" or "CGLP") whereby a Local Unit can submit a request (the "Application") to the Authority to borrow funds from or on behalf of the Authority under the Authority's CGLP to finance or refinance the lease purchase of certain capital equipment and, if applicable, other personal property (the "Equipment;" the financing of the Equipment under the CGLP may be referred to herein as the "Project"), pursuant to which Program the Authority can provide a low cost, efficient means for financing Projects of the Local Unit;

WHEREAS, pursuant to the Act, specifically Section 34 thereof (N.J.S.A. 40:37A-77), a private lessor, including without limitation a leasing finance company procured through a competitive process (the “Finance Company”), may sell, lease, lend, grant or convey to the Authority or permit the Authority or its Local Unit lessees to use, maintain or operate any real or personal property, including without limitation the Equipment;

WHEREAS, pursuant to the Act, including without limitation Section 35 thereof (N.J.S.A. 40:37A-78), the Authority is authorized, without public bidding, to enter into and perform any lease, sublease or other agreement with, among others, a Local Unit, for the lease to or use by the Local Unit of all or any part of any public facility or facilities as determined in Section 11 of the Act (N.J.S.A. 40:37A-54(l)), including without limitation the Equipment;

WHEREAS, the Authority created the CGLP to provide low cost, timely and turnkey lease purchase financing to Local Units desiring to lease finance or refinance their Equipment needs;

WHEREAS, under the CGLP, from time to time, as Local Units express the desire to enter into the Program and take the required authorization actions (the “Local Unit Official Action”) therefore, the Lessor provides funds, at tax-exempt rates to the Local Units against purchase orders or other evidence of such Local Units’ Equipment needs within the hereinafter defined Overall Maximum Program Amount, whereupon the Equipment will be owned by the Finance Company, leased to the Authority under the Master Lease (defined below), and subleased by the Authority, as lessor, to the Local Unit, as lessee, which Local Unit will have the right to quiet use of and be obligated to maintain, the Equipment, all under a sublease purchase agreement (the “Sublease”) to be entered into by the Authority and each such Local Unit in accordance with all applicable law, including without limitation Section 35 of the Act (N.J.S.A. 40:37A-78);

WHEREAS, upon expiration of the Sublease, the Equipment will be sold by the Finance Company through the Authority to the Local Unit for nominal consideration, which Local Unit will thereafter possess clear title to the Equipment;

WHEREAS, under the Master Lease and the Sublease, (i) the County and the Municipal Local Units make general obligation Sublease payments directly to the Finance Company, as assignee under the Master Lease of such payments otherwise due the Authority under the Sublease, and (ii) the School District Local Units and the Other Local Units make contractually obligated, subject to appropriation, Sublease payments directly to the Finance Company, as assignee under the Master Lease of such payments otherwise due the Authority under the Sublease;

WHEREAS, under the CGLP and applicable law, including without limitation Section 34 of the Act (N.J.S.A. 40:37A-77), the Authority, as lessee, entered into a master lease purchase agreement (the “Original Master Lease”) with the Finance Company for the lease of Equipment to be determined in accordance with each Sublease (as hereinafter defined) entered into with Local Units under the Program, in an original maximum Program amount (until increased or renewed by the Authority, the County and the the Local Finance Board in the Division of Local

Government Services of the State Department Community of Affairs (the "Local Finance Board"), the "Original Maximum Program Amount") in an amount not to exceed \$10,000,000;

WHEREAS, the Authority issued to the Finance Company a performance bond (the "Original Bond") in a principal amount up to the Original Maximum Program Amount, which Original Bond was issued directly to the Finance Company as sole Bondholder, and which Bond will be payable to the Finance Company only upon a deficiency in Sublease payments due and owing by the respective Local Units, in which case the County will have fully, unconditionally and irrevocably guaranteed the payment of the principal of the Original Bond up to the Original Maximum Program Amount, plus interest thereon, through (i) the final adoption of a guaranty ordinance by the Board of Freeholders, (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of each bond and (iii) as may be required by any rating agency, Finance Company or other entity giving approval to the CGLP, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance, all in accordance with all applicable law, including Section 37 of the Act (N.J.S.A. 40:37A-80), (collectively, the "Original County Guaranty");

WHEREAS, the Original Bond was authorized by the Act, all other applicable law, and a bond resolution (the "Original Bond Resolution") of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, on June 14, 2006 the Authority obtained the approval of the Local Finance Board for (i) the extension of the Program until July 31, 2007 and (ii) an additional \$10,000,000 authorization thereby increasing the Original Maximum Program Amount (until further increased or renewed by the Authority, the County and the Local Finance Board, the "2006 Increased Program Amount") in an amount not to exceed \$20,000,000;

WHEREAS, the Authority, entered into an amendment No. 1 to Master Lease (the "Amendment No. 1 to Master Lease") with the Finance Company for the lease of Equipment to be determined in accordance with each Sublease entered into with Local Units under the Program, in the 2006 Increased Program Amount in an amount not to exceed \$20,000,000;

WHEREAS, the Authority issued to the Finance Company a performance bond (the "2006 Amended Bond") in a principal amount up to the 2006 Increased Program Amount, which 2006 Amended Bond was issued directly to the Finance Company as sole Bondholder, and which 2006 Amended Bond was payable to the Finance Company only upon a deficiency in Sublease payments due and owing by the respective Local Units, in which case the County will have fully, unconditionally and irrevocably guaranteed the payment of the principal of the Revised Bond up to the 2006 Increased Program Amount, plus interest thereon, through (i) the final adoption of an amendment to the original guaranty ordinance by the Board of Freeholders, and (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of the Amended Bond, all in accordance with all applicable law, including Section 37 of the Act (N.J.S.A. 40:37A-80), (collectively, the "2006 Amended County Guaranty");

WHEREAS, the 2006 Amended Bond was authorized by the Act, all other applicable law, and a supplemental bond resolution amended and supplementing the terms of the Original

Bond Resolution (the “2006 Supplemental Bond Resolution”) of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, on June 13, 2007 the Authority obtained the approval of the Local Finance Board for (i) the extension of the Program until July 31, 2008 and (ii) an additional \$10,000,000 authorization thereby increasing the Original Maximum Program Amount (until further increased or renewed by the Authority, the County and the Local Finance Board, the “Overall Maximum Program Amount”) in an amount not to exceed \$30,000,000;

WHEREAS, the Authority, entered into an amendment No. 2 to Master Lease (the “Amendment No. 2 to Master Lease”) with the Finance Company for the lease of Equipment to be determined in accordance with each Sublease entered into with Local Units under the Program, in the Overall Maximum Program Amount in an amount not to exceed \$30,000,000;

WHEREAS, the Authority issued to the Finance Company a performance bond (the “2007 Amended Bond”) in a principal amount up to the Overall Maximum Program Amount, which 2007 Amended Bond was issued directly to the Finance Company as sole Bondholder, and which 2007 Amended Bond was payable to the Finance Company only upon a deficiency in Sublease payments due and owing by the respective Local Units, in which case the County will have fully, unconditionally and irrevocably guaranteed the payment of the principal of the Revised Bond up to the Overall Maximum Program Amount, plus interest thereon, through (i) the final adoption of an amendment to the original guaranty ordinance by the Board of Freeholders and (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of the Amended Bond, all in accordance with all applicable law, including Section 37 of the Act (N.J.S.A. 40:37A-80), (collectively, the “2007 Amended County Guaranty”);

WHEREAS, the 2007 Amended Bond was authorized by the Act, all other applicable law, and a supplemental bond resolution amended and supplementing the terms of the Original Bond Resolution (the “2007 Supplemental Bond Resolution”) of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2009 (the “2008 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on June 9, 2008 did issue favorable Findings with respect to the 2008 Program Extension;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2010 (the “2009 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on August 12, 2009 did issue favorable Findings with respect to the 2009 Program Extension;

WHEREAS, the Program has been successful in lending the proceeds of a portion of the Overall Maximum Program Amount to Local Units;

WHEREAS, the Authority made an application for the renewal of the Program until July 31, 2011 (the “2010 Extension”) from the Local Finance Board based on a letter application of the

Authority (the "Local Finance Board Application") prepared by the Authority's counsel, The Law Office of Stephen B. Pearlman, Esq., and the Authority's financial advisor, Acacia Financial Group, Inc. (collectively, the "Consultants") and based on a hearing thereon to be held by the Local Finance Board,;

WHEREAS, the Local Finance Board at meetings held on June 9, 2010, did issue favorable findings (the "Findings") with respect to the Series 2010 Extension, a copy of which Findings are attached hereto as Exhibit A; and

WHEREAS, N.J.S.A. 40A:5A-7 requires, among other things, that the Commissioners of the Authority, within forty-five (45) days of receipt of the Findings, shall certify to the Local Finance Board by adoption of this resolution and by execution and delivery of that certain group affidavit attached hereto as Exhibit B and incorporated herein as if fully set forth at length (the "Group Affidavit") that such Commissioners have personally reviewed the Findings; and

WHEREAS, failure to comply with this requirement may subject the members of the Authority to the penalty provisions of N.J.S.A. 52:27BB-52.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. Each Commissioner of the Authority, having personally reviewed the Findings, is hereby authorized to execute the Group Affidavit to such effect set forth in Exhibit B attached hereto.

Section 2. After execution of the Group Affidavit, the Authority will have complied with the requirements of N.J.S.A. 40A:5A-7 with respect to the Findings; accordingly, the Authority does hereby severally authorize and direct the Secretary of the Authority or Inglesino, Pearlman, Wyciskala & Taylor, LLC, as successor to The Law Office of Stephen B. Pearlman, Esq., counsel to the Authority, to submit to the Local Finance Board a certified copy of this resolution and such fully authorized and executed Group Affidavit evidencing the Authority's compliance therewith.

Section 3. This resolution shall take effect immediately.

EXHIBIT A

COPY OF LOCAL FINANCE BOARD FINDINGS

EXHIBIT B

GROUP AFFIDAVIT

State of New Jersey :
County of Morris :

We, the members of **THE MORRIS COUNTY IMPROVEMENT AUTHORITY**, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We, the undersigned, are the duly appointed Commissioners of the Morris County Improvement Authority.

2. We, the undersigned, certify that, pursuant to N.J.S.A. 40A:5A-7, we have personally reviewed the findings and recommendations of the Local Finance Board issued pursuant to meetings and hearings of the Local Finance Board on June 9, 2010 with respect to the Series 2010 Extension and such other matters contemplated by the Authority's resolution adopted July 21, 2010 and entitled, "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE RENEWAL OF THE AUTHORITY'S COUNTY GUARANTEED LEASING PROGRAM AND CERTAIN OTHER RELATED MATTERS".

<u>Name</u>	<u>Signature</u>
John Bonanni	_____
Frank T. Pinto, Jr.	_____
Christina Ramirez	_____
Glenn Roe	_____
Ellen Sandman	_____

Sworn to and subscribed before me
this 21st day of July, 2010.

Notary Public
State of New Jersey

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution #10-30

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 21, 2010 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 21st day of July, 2010

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 21, 2010

By: _____

**Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority**