

## MORRIS COUNTY IMPROVEMENT AUTHORITY

MINUTES of the Board Meeting held on November 23, 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  
Christina Ramirez, Commissioner  
Frank T. Pinto, Commissioner  
Glenn Roe, Commissioner  
Gene Feyl, Freeholder Director  
William Chegwiddden, Freeholder Liaison  
Stephen B. Pearlman, Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC  
Doug Bacher, NW Financial Group  
Joe Santaiti, Gabel Associates  
Richard Preiss, Gabel Associates  
Steven Gabel, Gabel Associates  
Rich Lopatin, Acacia Financial

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. Four out of five Commissioners were in attendance, Ms. Christina Ramirez, Mr. John Bonanni, Mr. Glenn Roe and Mr. Frank Pinto a quorum was established.

Approval of the October 20, 2010 minutes was considered, Commissioner Pinto made a motion to accept the minutes of the October 20<sup>th</sup> meeting. Commissioner Roe seconded the motion; (Commissioner Ramirez abstained) all others were in favor to accept the minutes of October 20<sup>th</sup>.

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

No Executive Session needed at this time.

Agenda item 6(i) was discussed– Resolution authorizing the implementation of an Energy Efficiency Program whereby the program would enable the local municipalities to address the recommendations for improvements as outlined in their Energy Audit to include replacing outdated/inefficient windows, lighting, heating and air conditioning systems on a tax exempt basis. Nine (9) local units have completed an Energy Audit which includes 43 buildings. This program would enable all local units to participate that have completed an energy audit, as not all local unit buildings are suitable to participate in the solar project. The debt service would be paid through the energy savings realized. Resolution (#10-42) will be revised by the Authority's counsel to **only** authorize the initial outreach to the municipalities to determine their interest/participation in the program. Commissioner Pinto made a motion to adopt this resolution, as amended; Commissioner Roe seconded the motion, as amended. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 10-42 "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE IMPLEMENTATION OF AN ENERGY EFFICIENCY PROGRAM" (NO. 10-42) was adopted.

Agenda item 6(ii) was discussed – Resolution adopting the 2011 Authority Budget for the fiscal year beginning January 1, 2011 and ending December 31, 2011 (#10-43). Commissioner Roe made a motion to adopt this resolution; Commissioner Ramirez seconded the motion. The resolution was approved unanimously. The motion carried and Resolution No. 10-43 "RESOLUTION ADOPTING THE 2011 AUTHORITY BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2011 AND ENDING DECEMBER 31, 2011" (No. 10-43) was adopted.

Agenda item 6(iii). was discussed - Resolution approving the payment of bills as listed on the Schedule of Warrants. Commissioner Roe made a motion to adopt this resolution; Commissioner Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 10-44 "RESOLUTION

APPROVING THE PAYMENT OF BILLS AS LISTED ON THE SCHEDULE OF WARRANTS” (No. 10-44) was adopted.

7a. Discussion: Status of Renewable Energy Program – The monthly Construction Progress report was e-mailed to the Commissioners of the Improvement Authority. Systems have been completed for West Morris, Mendham and The Voter Tech Center building; they are waiting for final inspections. Gabel Associates has reviewed the applications from the respondents for the next phase of the Renewable Energy Initiative and eleven (11) local units which include 36 buildings meet the qualifications – site visits will determine the final eligibility for Phase II.

The joint venture/consent agreement with Tioga and First Star (US Bank) has closed. The Improvement Authority will be receiving approximately \$1,000,000 as part of this transaction. It will be determined at a later date how the funds will be disbursed.

The Authority received a response from the NJ State Department of Community Affairs regarding permitting fees. In brief: this will result in the Improvement Authority receiving partial refunds from the municipalities that charged the fees.

7b. CGLP – There are four (4) additional loans and three (3) more are being processed.

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 – Steve Pearlman, Esq. informed the Authority that the Tax Levy Cap Law has been changed again which will result in an alternative financing option for the local municipalities. A breakfast meeting will be scheduled for sometime in January 2011 to inform the municipalities of this change and how this change would benefit them.

The November 23, 2010 meeting of the Morris County Improvement Authority was adjourned at 7:00 p.m. Commissioner Ramirez made a motion to adjourn and seconded by Commissioner Pinto.

Respectfully submitted,

Cynthia Rueter  
Recording Secretary

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

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**TITLE:**

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
AUTHORIZING THE IMPLEMENTATION OF AN ENERGY EFFICIENCY  
PROGRAM**

**WHEREAS**, the Morris County Improvement Authority (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 “*Morris County Board of Freeholders*”) of the County of Morris (the “*Morris 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 (as codified at N.J.S.A. 40:37A-44 *et seq.*, the “*Act*”), and other applicable law;

**WHEREAS**, the Authority has developed a program (the “*Original Renewable Energy Program*”) for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications or other work required or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the “*Original Renewable Energy Projects*”) for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County, the “*Local Units*”), all as an authorized purpose under N.J.S.A. 40:37A-54(a) of the Act;

**WHEREAS**, pursuant to the Original Renewable Energy Program, the Authority issued its \$21,600,000 aggregate principal amount of “County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A” dated February 18, 2010 to finance 3.2 MW of Original Renewable Energy Projects (in the form of PV solar panels and related equipment) for 7 Local Units at 15 sites within and including the County, where substantial environmental and financial benefits were secured;

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**WHEREAS**, on October 20, 2010 the Authority adopted resolution ~~No. 10-41~~ authorizing the implementation of the second tranche of its Original Renewable Energy Program;

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**WHEREAS**, the Authority intends to expand its Original Renewable Energy Program (as so expanded, the “*Renewable Energy Program*”) to include the development and implementation of energy savings improvement programs (“*ESIP*”) contemplated by Chapter 4 of the Pamphlet Laws of 2009 of the State, and the acts amendatory thereof and supplemental thereto (the “*ESIP Act*”), Local Finance Board Notice 2009-11, June 12, 2009, *Implementing an Energy Savings Improvement Program, P.L. 2009, c.4*, for and on behalf of Local Units (including ESIP, the “*Renewable Energy Projects*”) and other applicable law (collectively, the “*ESIP Law*”), all as a further authorized purpose under N.J.S.A. 40:37A-54(a) of the Act;

**WHEREAS**, the Renewable Energy Projects procured under the ESIP portion of the Authority’s Renewable Energy Program (the “*ESIP Projects*”) are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the “*Local Unit Facilities*”);

**WHEREAS**, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the ESIP Projects, to finance, design, permit, acquire, construct, renovate and install certain capital improvements to the Local Unit Facilities, including without limitation, improvements to or replacement of, roofing systems (the “**Capital Improvement Projects**”) and together with the ESIP Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the “*Projects*”);

**WHEREAS**, Gabel Associates, on behalf of itself and Birdsall Services Group (collectively, the “*Consulting Energy Engineer*”) and with the review and preliminary approval of the Authority’s energy counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC and the Authority’s energy financial advisor, NW Financial Group (collectively, the “*ESIP Consultants*”), has submitted to the Authority a proposal with respect to the implementation and development of the ESIP dated October 15, 2010, a copy of which is attached as **Exhibit A** hereto (the “*ESIP Proposal*”);

**WHEREAS**, the primary goal of the ESIP is to identify, finance, develop and implement the energy efficiency measures for and on behalf of the Local Units with respect to their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units;

**WHEREAS**, the Authority contemplates the issuance of revenue bonds (the “*Bonds*”) to be issued by the Authority pursuant to the Act, the ESIP Law, and other applicable law pursuant to the terms of a bond resolution (the “*Bond Resolution*”), such

Bonds to be secured in the first instance by payments to be made by the ESIP participating Local Units, then followed by payments to be made, if any, from the unconditional full faith and credit guaranties of such Local Units (the “*Local Unit Guaranties*”) pursuant to Section 37 of the Act (codified at N.J.S.A. 40:37A-80, “*Section 37*”) , and ultimately, by the unconditional full faith and credit guaranty of the County (the “*County Guaranty*”, and together with the Local Unit Guaranties, the “*Guaranties*”) pursuant to Section 37;

**WHEREAS**, the Consulting Energy Engineer, and the services related thereto (the “*Original Consulting Energy Engineering Services*”) in connection with the Original Renewable Energy Program, all as set forth in a Services Agreement with the Consulting Energy Engineer (prior to the amendment contemplated hereby, the “*Prior Consulting Energy Engineer Services Agreement*”) have been procured originally through a fair and open process undertaken in accordance with N.J.S.A. 19:44A-20.4 *et seq.*, and the professional services exception to the Local Public Contracts Law, and subsequently extended on a non-fair and open basis pursuant to such law and in accordance with such exception to the Local Public Contracts Law, all as such Original Consulting Energy Engineering Services were authorized by several resolutions of the Authority: (i) Resolution No. [08-~~28A~~, adopted November 12, 2008] [09-~~44~~ adopted May 12, 2009], (ii) Resolution No. 09-51 adopted November 30, 2009, (iii) Resolution No. 10-~~17~~ adopted April 20, 2010, and (iv) Resolution No. 10-27 adopted June 16, 2010;

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**WHEREAS**, the Authority further desires to utilize the services of the ESIP Consultants in developing and implementing the ESIP, and thereby desires to (i) amend the Prior Consulting Energy Engineer Services Agreement (as so amended hereby, the “*Consulting Energy Engineer Services Agreement*”), and (ii) utilize and apply the provisions of the Authority’s existing professional services agreements with the other ESIP Consultants, all to reflect the increased scope of services contemplated by the ESIP in accordance with the terms of the ESIP Proposal and the ESIP Law.

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

**Section 1.** The ESIP, as outlined in the attached ESIP Proposal and within the parameters of the ESIP Law, is hereby initially approved as an authorized and desirable purpose for this Authority pursuant to N.J.S.A. 40:37A-54(a) of the Act, subject to the further approvals to be obtained in connection with the development and implementation of the ESIP, including without limitation the resolution required by N.J.S.A. 40: 37A-56 of the Act from the Morris County Board of Freeholders, and as applicable the Guaranties of the ESIP participating Local Units and the County, along with the findings of the Local Finance Board pursuant to N.J.S.A. 40A:5A-6, 7 and 8. Further, the Chairperson, Vice-Chairperson and the Treasurer of the Authority (including their designees, each an “*Authorized Officer*”) are hereby authorized to implement the ESIP in accordance with the terms of the ESIP Proposal. The ESIP Consultants are hereby further authorized to assist the Authorized Officers and the Authority with respect to the implementation and development of the ESIP.

**Section 2.** The Authorized Officers are each hereby severally authorized and directed to negotiate, execute and deliver the amendment to the Prior Consulting Energy Engineer Services Agreement with the Consulting Energy Engineer contemplated hereby, which shall include the scope of services and the pricing reflected in the ESIP Proposal, with such final form of the Consulting Energy Engineer Services Agreement to be determined by the Authorized Officer, after consultation with counsel, to be in the best interests of the Authority and the participating Local Units, and such Authorized Officer is hereby further authorized to take all such further actions in connection therewith in accordance with all applicable law, including without limitation the execution of such other certificates, instruments or documents, as any such Authorized Officer, in consultation with counsel, shall deem necessary, convenient or desirable by any such Authorized Officer to implement the Consulting Energy Engineer Services Agreement.

**Section 3.** The Secretary and the Assistant Secretary of the Authority are hereby authorized and directed, where required, to affix the corporate seal of the Authority and to attest to the signature of the Authorized Officer on any such Consulting Energy Engineer Services Agreement, including such other certificates, instruments or documents contemplated herein. Thereafter the Authorized Officer is hereby authorized and directed to deliver any such fully authorized, executed, delivered, and if applicable, attested and sealed certificates, instruments and documents to any interested party.

**Section 4.** All actions taken to date by the Authority and the ESIP Consultants in connection with the ESIP are hereby ratified, confirmed and approved, and the Authorized Officers and the ESIP Consultants are hereby severally authorized and directed to develop and implement the ESIP, subject to the further approvals and consents to be obtained contemplated by Section 1 above..

**Section 5.** In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Morris County Board of Freeholders and the Sussex County Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Morris County Board of Freeholders stating that the minutes of this meeting have not been vetoed by the Director of the Morris County Board of Freeholders.

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**Section 6.** This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**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 November 23, 2010 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 23rd day of November, 2010

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**By:** \_\_\_\_\_

**Secretary of the Authority**

***FORM and LEGALITY:***

This Resolution is approved as to form and legality as of November 23, 2010

**By:** \_\_\_\_\_

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

**EXHIBIT A**

**[Attach Form of ESIP Proposal]**



**RESOLUTION NO. 10-43**

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

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***TITLE:***

**RESOLUTION ADOPTING THE 2011 AUTHORITY BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2011 AND ENDING, DECEMBER 31, 2011**

**WHEREAS**, the Annual Budget and Capital Budget/Program for the Morris County Improvement Authority for the fiscal year beginning, January 1, 2011 and ending, December 31, 2011 has been presented for adoption before the governing body of the Morris County Improvement Authority at its open public meeting of November 23, 2010; and

**WHEREAS**, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

**WHEREAS**, Annual Budget as presented for adoption reflects Total Revenues of \$11,628,798.24. Total Appropriations, including any Accumulated Deficit, if any, of \$11,628,798.24., and Total Unreserved Retained Earnings utilized of \$0.00; and

**WHEREAS**, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$0.00 and Total Unreserved Retained Earnings planned to be utilized of \$0.00; and

**NOW THEREFORE BE IT RESOLVED** by the governing body of the Morris County Improvement Authority, at an open public meeting held on November 23, 2010 that the Annual Budget and Capital Budget/Program of the Morris County Improvement Authority for the fiscal year beginning, January 1, 2011 and ending, December 31, 2011 is hereby adopted and shall constitute appropriations for the purposes stated; and

**BE IT FURTHER RESOLVED**, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

**MOVED/SECONDED:**

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

**VOTE:**

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
<b>Pinto</b>				
<b>Ramirez</b>				
<b>Roe</b>				
<b>Sandman</b>				
<b>Bonanni</b>				

**ATTESTATION:**

This Resolution was acted upon at the Regular Meeting of the Authority held on November 23, 2010 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 23rd day of November, 2010

**By: \_\_\_\_\_**  
**Secretary of the Authority**

**FORM and LEGALITY:**

This Resolution is approved as to form and legality as of November 23, 2010

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