

MORRIS COUNTY IMPROVEMENT AUTHORITY
MINUTES of the Board Meeting held on March 21, 2012, 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, Commissioner
Christina Ramirez, Commissioner
Frank Pinto, Commissioner
Glenn Roe, Commissioner
Ellen Sandman, Commissioner
Stephen B. Pearlman Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC
Joe Santaiti, Gabel Associates
Jennifer Edwards, Acacia Financial
William Chegwiddden, Freeholder Liaison to the Improvement Authority
Hank Lyon, Freeholder

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

Commissioner Bonanni, Chairman, asked for “roll call” for the Authority. All five Commissioners were in attendance; Mr. John Bonanni, Ms. Christina Ramirez, Mr. Glenn Roe, Ms. Ellen Sandman and Mr. Frank Pinto.

Approval of the February 16, 2012 meeting minutes were considered, Commissioner Pinto made a motion to accept the minutes of the February 16th meeting. Commissioner Sandman seconded the motion.

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

Agenda item 6(i) was discussed – Resolution concerning the Review of Findings and Recommendations of the Local Finance Board all in connection with the Authority’s County of Morris Guaranteed School District Revenue Refunding Bonds, Morris Hills Regional District Project. Jennifer Edwards commented that without the Morris County AAA rating, this transaction would not have been possible. An overall savings of \$1.6 million resulted from the refunding with \$797,000 of that due to the difference between the county Triple A rate and a double A rate of the School District. 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. 12-09 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 AUTHORITY’S “COUNTY OF MORRIS GUARANTEED SCHOOL DISTRICT REVENUE REFUNDING BONDS, SERIES 2012 (MORRIS HILLS REGIONAL DISTRICT PROJECT)” IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$34,500,000 (NO. 12-09) was adopted.

Agenda item 6(ii) was discussed – Resolution approving the payment of bills as listed on the Schedule of Warrants. In addition to the Bill List, Commissioner Roe distributed an attachment regarding payment to Gabel Associates for the ESIP program. Commissioner Roe requested approval for the additional amount of \$31,663.60. Commissioner Roe made a motion to adopt this resolution as amended; Commissioner Sandman seconded the motion as amended. Roll was called. The resolution was approved unanimously. The motion carried and Resolution “Bill List” (NO. 12-10) was adopted.

7a. Discussion: Status of Renewable Energy Program Phase II – On schedule

7b. Outreach meeting re: Tax Levy Cap – Nothing at this time.

7c. CGLP Activity – Nothing at this time.

7d. Payment of Bills between Meetings – Nothing at this time

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

7f. Other items – Nothing at this time.

8. Further Official Action – Nothing at this time.

The March 21, 2012 meeting of the Morris County Improvement Authority was adjourned at 7:15 p.m. All Commissioners were in favor to adjourn the meeting.

Respectfully submitted,

Cynthia Rueter
Recording Secretary

RESOLUTION NO. 12-09

**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 AUTHORITY'S "COUNTY OF MORRIS GUARANTEED SCHOOL DISTRICT
REVENUE REFUNDING BONDS, SERIES 2012 (MORRIS HILLS REGIONAL
DISTRICT PROJECT)" IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO
EXCEED \$34,500,000**

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 law to finance public facilities through the acquisition of debt including without limitation the general obligation school district bond of the Morris Hills Regional District (the "*Morris Hills Board*" or the "*Local Unit*");

WHEREAS, on March 31, 2004, the Authority issued its \$43,092,000 original aggregate principal amount of "County of Morris Guaranteed School District Revenue Bonds, Series 2004 (Morris Hills Regional District Project)" (the "*Series 2004 Bonds*") for the purpose, among other things, of the purchase of a general obligation school district bond of the Morris Hills Board in the original aggregate principal amount of \$43,092,000 (the "*Series 2004 Morris Hills Board Bond*");

WHEREAS, the Series 2004 Morris Hills Board Bond was issued pursuant to a proposal approved by the Morris Hills Board on February 3, 2003 and by the legal voters of such school district on March 11, 2003 (the "*Morris Hills Board Proposal*") and a resolution of the Morris Hills Board authorizing the issuance by the Morris Hills Board and sale to the Authority of the Series 2004 Morris Hills Board Bond (the "*Series 2004 Morris Hills Board Bond Resolution*");

WHEREAS, the Authority financed the acquisition, construction, renovation and installation of certain property and infrastructure improvements that were the subject of the Morris Hills Board Proposal (the “*2004 Morris Hills Board Project*”) as more fully set forth on Exhibit A to an agreement dated March 1, 2003 (the “*Series 2004 Loan Agreement*”) with the Morris Hills Board evidencing the purchase by the Authority of the Series 2004 Morris Hills Board Bond (the “*2004 Loan*”);

WHEREAS, the 2004 Loan was secured through the Morris Hills Board Bond and the Original Loan Agreement which 2004 Loan was to be repaid by the Morris Hills Board in accordance with a debt service schedule set forth in Exhibit A to the Morris Hills Board Bond and Exhibit B to the Series 2004 Loan Agreement;

WHEREAS, the Series 2004 Bonds were issued pursuant to (i) a bond resolution of the Authority entitled “Resolution Authorizing the Issuance of County of Morris Guaranteed School District Revenue Bonds, Series 2004 (Morris Hills Regional District Project) and Additional Bonds of the Morris County Improvement Authority”, which was duly adopted by the Authority at a meeting thereof duly called and held on February 11, 2004, as amended and supplemented by a Certificate of the Chairman of the Authority dated March 31, 2004 issued pursuant to Section 2.02(1)(e) of the original bond resolution (collectively, the “*Series 2004 Bond Resolution*”), (ii) the Act, and other applicable law;

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2004 Bonds was fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$45,000,000 in accordance with (i) the terms of a guaranty ordinance of the County finally adopted by the Board of Freeholders on February 11, 2004 and (ii) by a guaranty certificate executed by an authorized officer of the County on the face of each Series 2004 Bond (collectively, the “*Series 2004 County Guaranty*”), all pursuant to Section 37 (“*Section 37*”) of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments are included as part of the Trust Estate applicable to the Series 2004 Bonds pledged by the Authority to the Trustee under the Series 2004 Bond Resolution;

WHEREAS, the Series 2004 Bonds are presently Outstanding (as such term is defined in the Series 2004 Bond Resolution) in the aggregate principal amount of \$34,747,000, a portion of which is subject to redemption on or after October 1, 2014, at the option of the Morris Hills Board, upon notice to the Authority, at a redemption price equal to 100% of the principal amount to be redeemed (the “*Callable Series 2004 Bonds*”);

WHEREAS, the Morris Hills Board has notified the Authority of its intention to advance refund all or a portion of the Callable Series 2004 Bonds (the “*Series 2004 Bonds to be Refunded*”);

WHEREAS, the Authority and the Morris Hills Board have determined that there are debt service savings to be achieved through the advance refunding of all or a portion of the Series 2004 Bonds to be Refunded (the “*Advance Refunding Project*”);

WHEREAS, in order to implement the Advance Refunding Project, and to pay the costs of issuance and fund any necessary reserves or other costs related thereto (collectively the

“Series 2012 Project”), the Authority shall adopt a bond resolution entitled "SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED SCHOOL DISTRICT REVENUE REFUNDING BONDS, SERIES 2012 (MORRIS HILLS REGIONAL DISTRICT PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the “Series 2012 Supplemental Bond Resolution ” and together with the Series 2004 Bond Resolution, and any further amendments thereof or supplements thereto, the “Bond Resolution”);

WHEREAS, the Series 2012 Supplemental Bond Resolution shall authorize the issuance of “County of Morris Guaranteed School District Revenue Refunding Bonds, Series 2012 (Morris Hills Regional District Project)” in the aggregate principal amount not to exceed \$34,500,000 (the “Series 2012 Refunding Bonds”);

WHEREAS, the Advance Refunding Project shall be achieved through the deposit of a portion of the proceeds of the Series 2012 Refunding Bonds with the trustee authorized under the Bond Resolution (the “Trustee”), as escrow agent (the “Escrow Agent”) pursuant to an “Escrow Deposit Agreement” to be dated as of the first day of the month of issuance of the Series 2012 Refunding Bonds (the “Escrow Deposit Agreement”) between the Authority and the Escrow Agent;

WHEREAS, upon issuance of the Series 2012 Refunding Bonds, and the deposits with the Escrow Agent of a portion of the proceeds thereof in accordance with the terms of the Escrow Deposit Agreement, the Series 2004 Bonds to be Refunded shall no longer be Outstanding under the Bond Resolution, and only the Series 2004 Bonds that are not refunded through the Advance Refunding Project (the “Outstanding Series 2004 Bonds”) and the Series 2012 Refunding Bonds shall be Outstanding under the Bond Resolution;

WHEREAS, the Series 2012 Refunding Bonds shall be secured on a parity basis with the Outstanding Series 2004 Bonds, and any other Bonds issued under and as defined in the Bond Resolution (collectively, the “Outstanding Bonds”), by the Series 2012 Trust Estate under and as defined in the Bond Resolution, including the Series 2012 Supplemental Bond Resolution, which Series 2012 Trust Estate shall consist, in material part, of the payment of the principal, redemption premium, if any, and interest on the general obligation school district bond of the Morris Hills Board in an aggregate principal amount not to exceed \$34,500,000 (the “Series 2012 Morris Hills Board Refunding Bond”), which Series 2012 Morris Hills Board Refunding Bond shall be payable by the Morris Hills Board, if necessary, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Morris Hills Board, without limitation as to rate or amount;

WHEREAS, the Series 2012 Morris Hills Board Refunding Bond shall be authorized pursuant to:

- (i) A resolution authoring the Authority to include all of the Morris Hill Board’s requirements with respect to the Advance Refunding Project in the Authority’s Local Finance Board Application (as hereinafter defined), and accordingly submit the Local Finance Board Application on behalf of

the Morris Hills Board (the “*Morris Hills Board Local Finance Board Resolution*”);

- (ii) A refunding bond ordinance adopted by the Morris Hills Board (the “*Morris Hills Board Refunding Bond Ordinance*”);
- (iii) A resolution authorizing the sale of the Series 2012 Morris Hills Board Refunding Bond to the Authority (the “*Morris Hills Board Private Sale Resolution*”, and together with the Morris Hills Board Local Finance Board Resolution, the Morris Hills Board Refunding Bond Ordinance, and any other resolutions of the Morris Hills Board pertaining to the Series 2012 Project, the “*Morris Hills Board Official Action*”), which Morris Hills Board Private Sale Resolution may also provide for (x) a non-conforming maturity schedule (e.g., level debt service) for the Series 2012 Morris Hills Board Refunding Bond, and/or (y) redemption premium, both of which would require Local Finance Board (as hereinafter defined) consent, and (z) authorization for the Morris Hills Board to execute and deliver Loan Agreement Amendment No. 1 and the other Financing Documents (as such terms are hereinafter defined) applicable to the Morris Hills Board;

WHEREAS, the Series 2004 Loan Agreement shall be amended to implement the Series 2012 Project by revising the terms of the Series 2004 Loan (as amended, the “*Loan*”), including the Authority’s purchase of the Series 2012 Morris Hills Board Refunding Bond and the revised debt service schedule for the Loan and the Series 2012 Morris Hills Board Refunding Bond to be set forth on a revised Exhibit B to the Series 2004 Loan Agreement, all through that certain “*Amendment No. 1 to Loan Agreement*” to be dated as of the first day of the month of issuance of the Series 2012 Refunding Bonds (the “*Amendment No. 1 to Loan Agreement*”, and together with the Series 2004 Loan Agreement, and as the same may be further amended or supplemented in accordance with its terms from time to time, the “*Loan Agreement*”);

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2012 Refunding Bonds shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$34,500,000 in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County on the face of each Series 2012 Refunding Bond and (iii) as may be required by any rating agency, underwriter, Series 2012 Refunding Bond purchaser or other entity that will allow the Authority to sell the Series 2012 Refunding Bonds at the lowest possible cost to the Morris Hills Board, an agreement setting forth the County’s obligation to make any such guaranty payments in accordance with and within the parameters set forth in such ordinance (collectively, the “*Series 2012 County Guaranty*”, and together with the Series 2004 County Guaranty, the “*County Guaranty*”), all pursuant to Section 37 of the Act and other applicable law;

WHEREAS, accordingly, the Trust Estate under the Bond Resolution shall also include, (i) with respect to the Outstanding Series 2004 Bonds, the Series 2004 County Guaranty, and (ii) with respect to the Series 2012 Refunding Bonds, the Series 2012 County Guaranty;

WHEREAS, pursuant to the terms of the Loan Agreement, the Morris Hills Board constitutes a “materially obligated person” within the meaning and for the purposes set forth in Rule 15c2-12 (“*Rule 15c-12*”) promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain “Local Unit Continuing Disclosure Agreement (Morris Hills Regional District Project)” to be dated as of the first day of the month of issuance of the Series 2012 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the “*Local Unit Continuing Disclosure Agreement*”) with the Authority and the Trustee, as dissemination agent (the “*Dissemination Agent*”) in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution due to the County Guaranty, as a “materially obligated person” within the meaning and for the purposes set forth in Rule 15c2-12, the County shall be required to enter into that certain “County Continuing Disclosure Agreement (Pooled Unfunded ERI Liability Project)” to be dated as of the first day of the month of issuance of the Series 2012 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “*County Continuing Disclosure Agreement*”) with the Authority and the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution, the Authority (i) shall not be considered a “materially obligated person” within the meaning and for the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 (the “*Authority Continuing Disclosure Agreement*” and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the “*Continuing Disclosure Agreements*”);

WHEREAS, in order to market and sell the Series 2012 Refunding Bonds, the Authority will have to (i) make an application (the “*Local Finance Board Application*”) to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the “*Local Finance Board*”) in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, (ii) authorize the distribution of a preliminary official statement “deemed final” within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2012 Refunding Bonds, the Series 2012 Project and the other transactions contemplated hereby (the “*Preliminary Official Statement*”), (iii) enter into a bond purchase agreement with an underwriter to be selected from the Authority’s qualified underwriter list procured through a fair and open process (the “*Underwriter*”) by the Authority (the “*Bond Purchase Agreement*”), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2012 Refunding Bonds and certain other information into the Preliminary Official Statement (the “*Official Statement*” and together with the Preliminary Official Statement, the Bond Purchase Agreement, the “*Sale Documents*”);

WHEREAS, the Authority shall have no obligation with respect to the Series 2012 Project other than the financing thereof through the issuance of the Series 2012 Refunding Bonds; accordingly, the payment of the principal of and interest on the Outstanding Bonds shall remain the sole responsibility of the Morris Hills Board through their payment of the principal of and interest on the Outstanding Morris Hills Board Bond, as guaranteed by the County under the County Guaranty;

WHEREAS, in accordance with Section 13 (“*Section 13*”) of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2012 Refunding Bonds, the Authority will have made a detailed report of the Series 2012 Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Series 2012 Supplemental Bond Resolution, the Series 2012 Morris Hills Board Authorizing Resolutions, the Series 2012 Refunding Bonds, the Series 2012 County Guaranty, the Amendment No. 1 to Loan Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority, the County, and as applicable, the Local Unit, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the “*Financing Documents*”);

WHEREAS, the Local Finance Board at a meeting held on February 8, 2012, did issue favorable findings (the "Findings") with respect to the Series 2012 Refunding Bonds, the Series 2012 Project and the other matters contemplated herein, a copy of which Findings are attached hereto as Exhibit A;

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, 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 a meeting and hearing of the Local Finance Board on February 8, 2012 with respect to the Series 2012 Refunding Bonds, the Series 2012 Project and such other matters contemplated by the Authority's resolution adopted March 21, 2012 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 AUTHORITY'S "COUNTY OF MORRIS GUARANTEED SCHOOL DISTRICT REVENUE REFUNDING BONDS, SERIES 2012 (MORRIS HILLS REGIONAL DISTRICT PROJECT)" IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$34,500,000".

<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 ____ day of March, 2012.

Notary Public
State of New Jersey

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 March 21, 2012 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 21st day of March, 2012

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of March 21, 2012

By: _____

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

