

MORRIS COUNTY IMPROVEMENT AUTHORITY
MINUTES of the Board Meeting held on December 19, 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 (left meeting at 6:15 p.m.)
Glenn Roe, Commissioner
Ellen Sandman, Commissioner (left meeting at 6:15 p.m.)
Frank Pinto, Commissioner
Stephen B. Pearlman Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC
Joe Santaiti, Gabel Associates
Jennifer Edwards, Acacia Financial
Doug Bacher, NW Financial
John Krickus, Freeholder Liaison

Commissioner Bonanni, Chairman, asked for the reading of the public statement in accordance with the Open Public Meetings Act which was then read by the 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, Ms. Ellen Sandman, Mr. Glenn Roe, and Mr. Frank Pinto, a quorum was established.

Approval of the November 22, 2012 meeting minutes was considered. Commissioner Roe made a motion to accept the meeting minutes of the November 22nd meeting. Commissioner Pinto seconded the motion. All were in favor to accept the minutes of November 22, 2012.

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

Agenda item 5 – Executive Session – No Executive Session.

Agenda item 6(i) was discussed – Resolution for Auditing Services. Commissioner Sandman made a motion to adopt this resolution, Commissioner Ramirez seconded the motion. Roll was called. The Resolution was approved unanimously. The motion carried and Resolution No. 12-32 “Resolution Authorizing the Execution of a Contract for Auditing Services.” 12-32) was adopted.

Agenda item 6(ii) was discussed – Resolution regarding lowering the interest rate with TD Bank. Commissioner Sandman made a motion to adopt this resolution, Commissioner Ramirez seconded the motion. Roll was called. The Resolution was approved unanimously. The motion carried and Resolution No. 12-33 “RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY APPROVING A REVISED INTEREST RATE SCHEDULE FROM TD BANK IN CONNECTION WITH THE AUTHORITY’S COUNTY GUARANTEED LEASING PROGRAM AND CERTAIN OTHER RELATED MATTERS (No. 12-33) was adopted.

Agenda item 6(iii) 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 Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution “Bill List” (NO. 12-34) was adopted.

7a. Discussion: Freeholder elect John Krickus will be the new liaison to the Improvement Authority. Commissioner Bonanni gave a brief orientation to familiarize him with the function/purpose of the Improvement Authority.

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 December 19, 2012 meeting of the Morris County Improvement Authority was adjourned at 7:30 p.m. All Commissioners were in favor to adjourn the meeting.

Respectfully submitted,

Cynthia Rueter
Recording Secretary

RESOLUTION NO. 12-32

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

TITLE:

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT
FOR AUDITING SERVICES**

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, in order to carry out the operations of the Authority, including without limitation the negotiation, sale and issuance of bonds, notes or other obligations of the Authority to finance projects permitted under the Act, the Authority needs to contract for the certain services, including hiring an auditor;

WHEREAS, as of January 1, 2006, N.J.S.A. 19:44A-20.1 et seq., commonly known as the “State Pay to Play” law, enacted by the New Jersey State Legislature shall become effective;

WHEREAS, pursuant to N.J.S.A. 19:44A-20.1 et seq., an authority may not award contracts with a value in excess of \$17,500.00 to a business entity which has made reportable contributions in excess of \$300.00, in the aggregate, to the member municipality’s political parties or to any candidate’s committee of any person serving in an elective public office of the member municipality when such contract was awarded, unless said business entity is awarded a contract under a “fair and open process” pursuant to N.J.S.A. 19:44A-20.1 et seq.; and

WHEREAS, the Authority desires to appoint Ferraioli, Wielkotz, Cerullo & Cuva, P.A. for a contract in an amount less than \$17,500;

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

Section 1. The Authority hereby awards a contract for an aggregate amount less than \$17,500 to the following firm to perform auditing services for the Authority for a one year period commencing December 19, 2012:

- a. Auditor: Ferraioli, Wielkocz, Cerullo & Cuva P.A.
401 Wanaque Avenue, Pompton Lakes, New Jersey
Contact Person: Thomas M. Ferry, CPA, RMA

Section 2. The Chairperson is hereby authorized and directed to execute a contract with Ferraioli, Wielkocz, Cerullo & Cuva, P.A. on the following basis, provided that the Chairperson take all actions necessary for such contracts to comply with the bidding exceptions to the Contracts Law, including the publication requirements therein.

- a. Auditor annual fee: \$3,500
- b. Additional charges, upon prior approval, pursuant to the contract as follows:
 - (i) Partner \$175
 - (ii) Manager \$100
 - (iii) Senior \$ 85
 - (iv) Staff \$ 60
 - (v) Administrative \$ 55

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Section 3. This resolution shall take effect immediately.

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 December 19, 2012 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 19th day of December, 2012

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of December 19, 2012.

By: _____

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

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

TITLE

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY
APPROVING A REVISED INTEREST RATE SCHEDULE FROM TD BANK IN
CONNECTION WITH 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 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, in March, 2009, the Authority issued a request for proposals for a new master lessor through a fair and open process and selected TD Equipment Finance (“TD”) as the successful bidder pursuant to its proposal, a copy of which is attached hereto as **Exhibit A** (the “Original TD Proposal”), and thereafter entered into a new lease with TD in order to reflect the new rate terms as master lessor (the “Revised Master Lease with TD”).

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2010 and approval of the Revised Master Lease with TD (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 Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2011 (the “2010 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on June 9, 2010 did issue favorable Findings with respect to the 2010 Program Extension;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2012 (the “2011 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on May 11, 2011 did issue favorable Findings with respect to the 2011 Program Extension;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2013 (the “2012 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on July 11, 2012 did issue favorable Findings with respect to the 2012 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, since the term of the Revised Master Lease with TD has not expired and interest rates are significantly lower than 2009, the Authority requested TD adjust the interest rates in its Original TD Proposal to reflect current market conditions and TD has submitted to the Authority, its counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC, and the Authority’s financial advisor, Acacia Financial Group, Inc. (collectively, the “Consultants”) a revised schedule of rates (the “Revised Interest Rate Schedule”) as set forth in **Exhibit B** hereto.

NOW, THEREFORE, BE IT RESOLVED by The Morris County Improvement Authority as follows:

Section 1. The Authority (i) has reviewed, in consultation with the Consultants, the Revised Interest Rate Schedule and (ii) having determined the Revised Interest Rate Schedule to be in the best interest of the Local Units, hereby accepts the Revised Interest Rate Schedule of TD as set forth in **Exhibit B** hereto. The Chairperson and the Treasurer of the Authority (including their designees, each an “Authorized Officer”) are each hereby severally authorized to take any and all actions deemed necessary, desirable or convenient in connection with the Revised Interest Rate Schedule.

Section 2. All actions of the Authorized Officers and the Consultants taken prior to the date of adoption hereof in connection with the Program, the Revised Interest Rate Schedule or any of the foregoing transactions contemplated by this resolution are hereby ratified and approved.

Section 3. 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 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 Board of Freeholders a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

Section 4. 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 December 19, 2012 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 19th day of December, 2012

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of December 19, 2012

By: _____

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

EXHIBIT A

ATTACH ORIGINAL TD PROPOSAL

EXHIBIT B

REVISED INTEREST RATE SCHEDULE

I. On a tax-exempt basis, leases in an amount equal to or less than \$750,000 shall be priced at tax exempt rate equal to 85% of the then prevailing like-tenor swap index subject to the following rate floors:

- 3-year lease 1.85%
- 5-year lease 2.10%
- 7-year lease 2.50%
- 10-year lease 2.75%

II. For lease amounts greater than \$750,000, Lessor, at its sole discretion, may choose to lower the floor rate at Lease Commencement based on municipal market pricing conditions in place at the time of closing.