

**MONMOUTH COUNTY IMPROVEMENT AUTHORITY  
REGULAR MEETING MINUTES  
MARCH 7, 2019**

Meeting called to order at 9:12 by Chairman Gatto.

**PLEDGE OF ALLEGIANCE**

**OPENING STATEMENT**

This meeting is being held in compliance with the provisions of Chapter 231, P.L. 1975 known as the Open Public Meetings Act. Notice of this meeting was furnished in the County newspaper and posted in the Hall of Records.

**ROLL CALL**

Commissioners Buontempo, Melnick, Barham, Nicastro and Gatto were in attendance. Also in attendance were John Draikiwicz, Douglas Bacher, Dennis Collins, Amanda DelBene, and Marion Masnick.

**MISCELLANEOUS BILLS**

Motion by Commissioner Buontempo, seconded by Commissioner Nicastro to adopt Resolution 19-09, "Payment of Miscellaneous Bills in the amount of \$19,832.32."

**ROLL CALL**

Commissioner Nicastro, Barham, Buontempo, Melnick, and Chairman Gatto voted in the affirmative.

**BROOKDALE**

Motion by Commissioner Melnick, seconded by Commissioner Barham to adopt Resolution 19-10, "Authorizing the Submission of a proposed Project Financing to the Local Finance Board Relating to Brookdale Community College" discussion

John Draikiwicz said this is an authorization to make a submission to the Local Finance Board (LFB) which is required. For the new commissioners, any financing typically, especially one that has a County Guaranty like this transaction, is to go to the LFB for their positive findings. Not called approval but positive findings. This transaction is a refunding with respect to the 2009 transaction.

Amanda DelBene said they had a good meeting with Brookdale last week. They have 3

outstanding financings with the MCIA. Given the recent change in the tax law we can no longer do advanced refundings on a tax-exempt basis which is how we would have done this in the past. Given their financial position and some constraints that they have they have asked us to structure the savings in the first five fiscal years. This will come up before the LFB and perhaps defend. The LFB generally likes to see savings in every year. Under current market conditions we are looking at about \$115,000 to \$120,000 savings for the first five fiscal years for Brookdale. We will be pricing in mid May and closing at the end of May.

Douglas Bacher said because of Brookdale going to LFB we need to move the meeting in April to April 11 or some time after April 10.

John Draikiwicz said an additional explanation. We usually have what is called level savings as Amanda described. The reason Brookdale stated to us at the meeting that they wanted to do it in the first five years was because they have been going through some transitioning process in terms of their administration and correcting some past difficulties and that it would take them a while to put together a new financial plan for health to the college. There have been significant declines in enrollment over the last 4-5 years so this will help them recast their positioning internally. That's why they are asking for this five year window of savings.

Douglas Bacher – this is something that the Freeholders have asked us to look at and to do.

## **ROLL CALL**

Commissioners Nicastro, Barham, Melnick, Buontempo and Chairman Gatto voted in the affirmative.

## **MINUTES**

Motion by Commissioner Buontempo, seconded by Commissioner Melnick to accept the Minutes of the Regular Meeting of February 14.

## **ROLL CALL**

Commissioner Buontempo, Melnick, and Chairman Gatto voted in the affirmative. Commissioners Nicastro and Barham abstained.

## **FINANCIAL ADVISOR**

Douglas Bacher said we have had 2 meetings this month. One with municipalities and one with school officials. Both meetings went well. This year we will be doing the Equipment Lease and that will happen mid to late summer. We are also looking at a small financing for a few schools

who cannot wait until our December pool. That should also happen in the summer. We have the FMERA Note that comes due in November. We will also have our December Pool.

Commissioner Gatto would like to go over expanding communication with towns. Bill also had some good ideas. Also, we need to change the April date. April 11 works for everyone. All in favor.

### **UNDERWRITER**

Amanda DelBene – no further report.

### **BOND COUNSEL**

John Draikiwicz – MCIA in 2016 did a \$33,535,000 Note transaction to purchase property on behalf of Ft. Monmouth Economic Revitalization Authority (FMERA). The loan was made to them. The only security they had was the promise to pay back a recourse obligation. The County wanted that property to be developed. FMERA had no credit on its own. The County stepped in and gave a County Guaranty but their security was property that was about 3 times the value of the loan that was guaranteed. They gave us projections back in 2016 that have not been met. In 2017 we rolled over the Note to the tune of \$23,725,00 (Approx. \$10 million pay down). We did a 2 year Note to see how much property they could sell during that time frame. In 2018 the sales were minimal to zero. In 2019 they are projecting \$26 million in sales for Phase 2. Based upon the Agreement between the County and FMERA they would be paying down the County's portion by \$6 million this year. The bottom line on this is the County security and the Authority security is the mortgaged property which has been over collateralized. The County is properly protected from a security prospective but it's going to take a little longer for the pay down than anticipated.

### **GENERAL COUNSEL**

No further report.

### **PUBLIC PORTION**

None

### **ADJOURNMENT**

Motion to adjourn at 9:26am by Commissioner Melnick, seconded by Commissioner Buontempo. All in favor.

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Marion Masnick". The signature is written in a cursive, flowing style.

Marion Masnick, Secretary