

**MONMOUTH COUNTY IMPROVEMENT AUTHORITY
REGULAR MEETING MINUTES
APRIL 11, 2019**

Meeting called to order at 9:00 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, Stephanie Lom and Marion Masnick. Mark Quinn was also in attendance.

MISCELLANEOUS BILLS

Motion by Commissioner Buontempo, seconded by Commissioner Nicastro to adopt Resolution 19-11, "Payment of Miscellaneous Bills in the amount of \$708.37."

ROLL CALL

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

BROOKDALE

Motion by Commissioner Melnick, seconded by Commissioner Buontempo to adopt Resolution 19-12, "2019 Lease Revenue Bond Resolution (Brookdale Community College Project)

John Draikiwicz – yesterday we went to the Local Finance Board in connection with this financing and we received positive findings. We can now adopt the Bond Resolution in an amount not to exceed \$8 million.

Douglas Bacher said there was a conference call with the Director of the LFB prior to the full LFB meeting regarding the structure of this financing. BCC will be saving \$120,000 a year for the first 5 years of the 12 years of the financing which is the way that BCC requested it be structured.

Commissioner Melnick asked if due diligence has been done on the financials of the college. Is it or is it not necessary.

Douglas Bacher – not really necessary and we did not do a whole lot because this financing is guaranteed by the County so it's the county's finances that get scrutinized.

Commissioner Melnick – Section 7.11 it says the Authority shall at all times operate or cause to be operated the facilities properly and in an efficient and economic manner. Is that strictly boiler plate?

John Draikiwicz – the key phrase is shall cause – we are causing it to be operated and there is a separate document called a Lease Agreement where they are covenanting to those activities. Also a modification to the resolution is that Wells Fargo or U. S. Bank will be the Trustee.

ROLL CALL

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

Motion by Commissioner Melnick, seconded by Commissioner Barham to adopt Resolution 19-13, "A resolution of the Monmouth County Improvement Authority approving the form and authorizing the execution and delivery of a Contract of Purchase, County Guaranty Agreement, Continuing Disclosure Agreement, College Lease, Lease and Agreement and an Escrow Deposit Agreement, all in connection with the issuance and sale of the Authority's Lease Revenue Refunding Bonds, Series 2019 (Monmouth County Guaranteed) (Brookdale Community College Refunding Project); approving the form of a Preliminary Official Statement, approving the distribution thereof and further authorizing the execution of a final Official Statement in connection therewith; appointing a Trustee, Bond Registrar and Paying Agent; and authorizing the authorized officers of the Authority to do all other things deemed necessary or advisable in connection with the issuance, sale and delivery of such bonds."

John Draikiwicz – with the same modification of the Trustee bank is this resolution as well.

ROLL CALL

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

MINUTES

Motion by Commissioner Melnick, seconded by Commissioner Barham to accept the Minutes of the Regular Meeting of March 7, 2019.

ROLL CALL

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

BOND COUNSEL

John Draikiwicz – Last meeting you requested a memo be prepared in connection with the Fort Monmouth transaction. You have been sent same. We need to discuss the upcoming transaction in November. It seems the pay down on the existing financing will be slower than anticipated. The Freeholder Director has raised some questions about this and this is a concern. We will have to go back to the Local Finance Board to see how long we will be renewing the new Note. Over the next month or two we will need a resolution authorizing debt to be issued for this.

Chairman Gatto – This was basically a policy decision on the Freeholder's part. Most deals we do are attached to some kind of taxing authority where the chance of default is low. In this case it is not a taxing authority but it is the securing of the land at Fort Monmouth which is estimated at approximately 3 to 1 which the Freeholders were comfortable with. I think it's a policy decision of the Freeholders because they will be giving the Guaranty to Fort Monmouth. We are just the conduit.

Dennis Collins – Represents one of the larger towns from a development perspective in Tinton Falls and we have one pending application for development. We are not seeing many of the fort properties come before the Planning Board.

John Draikiwicz – When the loan was taken out in 2016, there was no anticipation that there would be a working capital loan issued to the tune of \$5 million. That happened in 2018, done through EDA. It was pretty surprising. It will be paid back this year, but that hinders their ability to pay back our Notes.

Commissioner Nicastro – asked what are the options for the MCIA.

John Draikiwicz – Very limited. The County Guaranty is in place and if they do not renew the County Guaranty which is what the County would need to do and they don't have enough fund,

the Authority would go in to default if that every occurred. We're secured but there is no really any legal options available to try and find out why their sales are de-excelerating.

Chairman Gatto – What would happen if we didn't do the loan and they couldn't get a loan?

Draikiwicz – the County Guaranty would be called upon. The County would have to pay.

Bacher – It's an option, but it's not a good option. If the County Guaranty is called the County has to come up with how much is outstanding immediately.

Chairman Gatto – Wouldn't the objective be to take FMERA out? Put the County in FMERA's shoes.

Draikiwicz – the FMERA statutory ability is that they are the ones that have been authorized to develop that land. The County would have to foreclose on the property. We will ask FMERA for a full report on the sales and properties sold.

Chairman Gatto – A letter should be sent to Director Arnone asking what he would like us to do at this point.

FINANCIAL ADVISOR

Douglas Bacher – Two things going on. Started the process for this year's Capital Equipment Lease. Requests are not due yet. We are also having discussions with 3 school districts with approved referendums. Red Bank, Manasquan and Keyport. We are still working with them.

Commissioner Barham – Information should be prepared on how much savings comes with the MCIA doing the financing with the AAa and without.

UNDERWRITER

Amanda DelBene – follow up on the email lists prepared for all municipalities and school districts. We have found all available and have sent information on the upcoming financing to all.

GENERAL COUNSEL

No further report.

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PUBLIC PORTION

None

ADJOURNMENT

Motion to adjourn at 9:50am by Commissioner Melnick, seconded by Commissioner Buontempo. All in favor.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Marion Masnick".

Marion Masnick, Secretary