

PASSAIC COUNTY IMPROVEMENT AUTHORITY
LIST OF AGENDA ITEMS

Meeting to be held on Thursday, May 30, 2019 at 6:00 PM at 930 Riverview Drive,
Suite 250, Totowa, NJ.

1. Call to order.
2. Pledge of Allegiance.
3. Roll Call.
4. Open Public Meetings Notice.
5. Approval of the Minutes of the April 24, 2019 Board Meeting.
6. Public Comment.
7. Executive Session.
8. Official Action
 - a. R 19-022 Resolution of the Passaic County Improvement Authority Authorizing Payment of Bills and Reimbursements
 - b. R 19-023 Resolution of the Passaic County Improvement Authority Granting Preliminary Approval of the Leaseback Sale of Textbooks for the Board of Education of the Paterson State Operated School District and Requesting Consent of Such Financing from the Board of Chosen Freeholder of the County of Passaic, New Jersey
 - c. R 19-024 Resolution of the Passaic County Improvement Authority Authorizing the Submission of an Application to the Local Finance Board Pursuant to N.J.S.A §40A:5A-6 and §40:37A-80 to Authorize the Leaseback Sale of Textbooks for the Board of Education of the Paterson State Operated School District
9. Further Official Action – Resolution of Commissioners.
10. Old Business/New Business
11. Adjournment.

PASSAIC COUNTY IMPROVEMENT AUTHORITY

MINUTES OF THE BOARD MEETING OF APRIL 24, 2019

The meeting was called to order at approximately 6:00 p.m. Pledge of Allegiance was said. Roll was taken. Chairman Marco was present. Commissioners Bradley and Petriello joined via speaker phone. Also present were Nicole S. Fox, Executive Director, and Peter A. Tucci, Jr., Esq. Mr. Tucci read the notice, pursuant to the Open Public Meetings Act.

Minutes

Motion was made by Commissioner Bradley and seconded by Commissioner Petriello to approve the minutes from the meeting on February 27, 2019. Motion carried unanimously.

Seeing no public present, Chairman Marco asked for a Motion to go into Executive Session. Commissioner Petriello moved and Commissioner Bradley seconded the motion. Motion carried.

Chairman Marco noted that official action would be taken after Executive Session.

Commissioner Bradley moved to close Executive Session and Commissioner Petriello seconded the motion. All were in favor.

A member of the public, Mr. Freeman, joined the meeting. Mr. Freeman asked a question regarding resolution 19-019, Chairman Marco said we would address his question after the meeting since the meeting was not in public session at the time.

Official Action

The Commissioners then considered the following resolutions:

R 19-018 Resolution of the Passaic County Improvement Authority Authorizing Payment of Bills and Reimbursements	Commissioners	M/S	Y	N	No Vote
	Alston				
	Bradley	S	X		
	Cotroneo				
	Petriello	M	X		
	Marco		X		

R 19-019 Resolution of the Passaic County Improvement Authority Authorizing Payment of Bills and Reimbursements from the Escrow Account Established in Connection with the Application Submitted by Paterson Parking Authority	Commissioners	M/S	Y	N	No Vote
	Alston				
	Bradley	M	X		
	Cotroneo				
	Petriello	S	X		
	Marco		X		

R 19-020 Resolution of the Passaic County Improvement Authority Establishing Rates for	Commissioners	M/S	Y	N	No Vote
	Alston				

Reimbursement of Travel and For Reimbursement of Cellular Telephone and Data Services	Bradley	M	X		
	Cotroneo				
	Petriello	S	X		
	Marco		X		

R 19-021 Resolution of the Passaic County Improvement Authority Awarding Contract for Surety Bond	Commissioners	M/S	Y	N	No Vote
	Alston				
	Bradley	M	X		
	Cotroneo				
	Petriello	S	X		
	Marco		X		

New Business / Old Business

None

Commissioner Petriello made a motion to adjourn the meeting, seconded by Commissioner Bradley. Motion carried unanimously.

**RESOLUTION OF THE
PASSAIC COUNTY IMPROVEMENT AUTHORITY AUTHORIZING
PAYMENT OF BILLS AND REIMBURSEMENTS**

WHEREAS, a regular meeting of the Passaic County Improvement Authority (the "Authority") was held on May 30, 2019;

WHEREAS, the Authority has previously approved agreements for the provision of goods and services;

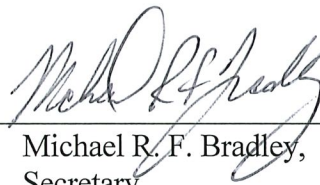
WHEREAS, the Authority has also authorized reimbursements for certain items, either through prior resolution or agreement; and

WHEREAS, the Authority desires to authorize payment for the aforementioned items.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:

1. The Authority hereby authorizes the payment of the items as listed in the attached schedule.
2. The Executive Director is authorized and directed to take all appropriate action to effectuate payment of the items listed in the attached schedule.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Passaic County Improvement Authority at a meeting held on May 30, 2019.



Michael R. F. Bradley,
Secretary

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Wayne Alston				✓
Michael Bradley	✓			
Ronda Casson Cotroneo	✓			
Joseph Petriello, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

19-023

RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY GRANTING PRELIMINARY APPROVAL OF THE LEASEBACK SALE OF TEXTBOOKS FOR THE BOARD OF EDUCATION OF THE PATERSON STATE OPERATED SCHOOL DISTRICT AND REQUESTING THE GUARANTY OF SUCH FINANCING FROM THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF PASSAIC, NEW JERSEY

WHEREAS, The Passaic County Improvement Authority (the "Authority") has been duly created by resolution of the County of Passaic, State of New Jersey (the "County"), duly adopted December 31, 2002, as a public body corporate and politic pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented, N.J.S.A. 40:37A-44 et seq. (the "Act"); and

WHEREAS, the Authority is authorized, pursuant to the provisions of the Act, to lease to any governmental unit, all or any part of any public facility for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon; and

WHEREAS, the Authority is authorized, pursuant to the provisions of the Act, to enter into agreements to lease, as lessee or lessor, public facilities for such term and under such conditions as the Authority may deem necessary and desirable to fulfill its purposes; and

WHEREAS, the Board of Education of the Paterson State Operated School District in the County of Passaic, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) is authorized by law to conduct the leaseback sale of textbooks and non-consumable instructional materials to finance any lawful purpose of the Board and the School District pursuant to N.J.S.A. 18A:20-4.2(h), N.J.S.A. 18A:7F-5.2 and N.J.S.A. 7F-7.1 (P.L. 1998, c. 55, effective July 10, 1998, and amended by P.L. 2010, c. 44, effective July 13, 2010) in an amount not exceeding the fair market value of the textbooks; and

WHEREAS, the Board hired Educational Funding Sources, LLC ("EFS") to conduct an appraisal of the value of its textbooks; and

WHEREAS, after review and analysis of the Board's textbooks, as of February 13, 2019, EFS appraised the value of the textbooks to be \$13,812,638.99; and

WHEREAS, the Board has determined to enter into a leaseback sale of its textbooks with the Authority, including all costs necessary or incidental thereto, by means of the leaseback purchase of its textbooks pursuant to the provisions of N.J.S.A. 18A:20-4.2 and N.J.S.A. 18A:18A-42(f) in order to meet unique cash flow needs of the School District; and

WHEREAS, the Authority will enter into a lease agreement with the Board (the "Board Lease") to provide an amount not to exceed \$12,500,000 in exchange for the lease of the Board's textbooks, which textbooks will be immediately and conterminously leased back to the Board for a term not exceeding five (5) years (collectively, the "Project"); and

WHEREAS, the Authority will enter into a lease agreement (the "Authority Lease") with TD Equipment Finance, Inc., or an affiliate thereof (the "Lessor") to finance the Project; and

WHEREAS, under the Authority Lease, the Authority shall make rental payments solely from amounts received by the Authority from the Board under the Board Lease; and

WHEREAS, the Board will make rental payments that are subject to annual appropriation of said Board in an amount sufficient to pay the corresponding rental payments due under the Authority Lease, including all administrative expenses of the Authority; and

WHEREAS, the Authority will, among other things, assign its right to receive rental payments under the Board Lease to the Lessor; and

WHEREAS, during the term of the Project, title to the textbooks will be vested in the Lessor, and upon the expiration of the terms of the Authority Lease and the Board Lease, the Board shall purchase all of the Lessor's right, title and interest in, and to, the textbooks for the nominal fee of \$1.00; and

WHEREAS, pursuant to N.J.S.A. 40:37A-80, the County is authorized to unconditionally guarantee the punctual payment of the principal of and interest on any obligations issued by the Authority for the purpose of aiding the Authority in the planning, undertaking, acquisition, construction, financing or operation of a public facility (the "County Guaranty"), by ordinance duly adopted by the Board of Chosen Freeholders of the County in the manner provided in the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"); and

WHEREAS, to provide an inducement to the Lessor to finance the leaseback sale of the textbooks via the Authority Lease and to provide security to the Lessor for the lease payments due under the Authority Lease, the Authority is seeking the County's guaranty of the Authority's payments due under the Authority Lease in accordance with the provisions of N.J.S.A. 40:37A-80; and

WHEREAS, the Authority has considered the Project and representatives of the Authority including the Law Offices of Peter A. Tucci, Jr. LLC, general counsel to the Authority ("General Counsel"), Wilentz, Goldman & Spitzer, P.A., bond counsel to the Authority ("Bond Counsel"), and NW Financial Group, LLC, financial advisor to the Authority ("Financial Advisor"), have reviewed form of the Lease Purchase Agreement,

and the related agreements, documents, attachments and exhibits thereto and the nature and scope of the Project; and

WHEREAS, the Authority is desirous of implementing the Project; and

WHEREAS, the Authority is seeking the consent of the Board of Chosen Freeholders of the County to undertake of the Project pursuant to N.J.S.A. 40:37A–56 (1) and to guaranty the principal portion and interest portion of the Authority Lease pursuant to Section 80 of the Act.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:

Section 1. The Project is hereby approved by the Authority and is determined to be a Project authorized by the Act, specifically N.J.S.A. 40:37A-54(a).

Section 2. The Authority hereby requests that the Board of Chosen Freeholders of the County consent by resolution or ordinance to the implementation of the Project as well as the entering into, execution and delivery, as applicable, of the Authority Lease, the Guaranty Agreement, and related agreements by the Authority.

Section 3. The Secretary of the Authority is hereby authorized and directed to certify a copy of this Resolution and provide such certified copy to the County and its representatives.

Section 4. The Authority's approval of the Project is subject to the positive findings of the Local Finance Board in the Division of Local Government Services within the Department of Community Affairs of the State of New Jersey and the provision of the County Guaranty by the County.

Section 5. The Chairman, Vice Chairman, Executive Director and Secretary of the Authority are each hereby authorized and directed to undertake such actions, perform such obligations and execute and deliver such documents, agreements and instruments necessary or appropriate, as applicable, upon the advice of, and consultation with, General Counsel, Bond Counsel and Financial Advisor, to consummate the transactions contemplated by this Resolution.

Section 6. This Resolution shall take effect immediately.

Recorded Vote:	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Wayne Alston				✓
Michael Bradley	✓			
Ronda Casson Cotroneo	✓			
Joseph Petriello, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

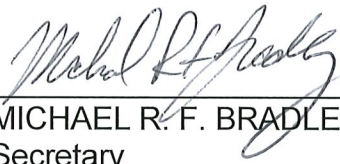
CERTIFICATE

I, MICHAEL R. F. BRADLEY, Secretary of the Passaic County Improvement Authority (the "Authority"), DO HEREBY CERTIFY that the above resolution entitled **"RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY GRANTING PRELIMINARY APPROVAL OF THE LEASEBACK SALE OF TEXTBOOKS FOR THE BOARD OF EDUCATION OF THE PATERSON STATE OPERATED SCHOOL DISTRICT AND REQUESTING THE GUARANTY OF SUCH FINANCING FROM THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF PASSAIC, NEW JERSEY"** (the "Resolution") was duly adopted by the Authority at a regular meeting held on May __, 2019 duly called and held in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 *et. seq.*, at which meeting a quorum was present and acting throughout, and that said Resolution is a true and correct copy thereof and of the whole appearing in the books and records of the Authority as of the date hereof and has not been modified, amended or repealed and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 30th day of May, 2019.

(SEAL.)





MICHAEL R. F. BRADLEY,
Secretary

19-024

RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. §40A:5A-6 AND §40:37A-80 TO AUTHORIZE THE LEASEBACK SALE OF TEXTBOOKS FOR THE BOARD OF EDUCATION OF THE PATERSON STATE OPERATED SCHOOL DISTRICT

WHEREAS, The Passaic County Improvement Authority (the "Authority") has been duly created by resolution of the County of Passaic, State of New Jersey (the "County"), duly adopted December 31, 2002, as a public body corporate and politic pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented, N.J.S.A. 40:37A-44 et seq. (the "Act"); and

WHEREAS, the Authority is authorized, pursuant to the provisions of the Act, to lease to any governmental unit, all or any part of any public facility for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon; and

WHEREAS, the Authority is authorized, pursuant to the provisions of the Act, to enter into agreements to lease, as lessee or lessor, public facilities for such term and under such conditions as the Authority may deem necessary and desirable to fulfill its purposes; and

WHEREAS, the Board of Education of the Paterson State Operated School District in the County of Passaic, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) is authorized by law to conduct the leaseback sale of textbooks and non-consumable instructional materials to finance any lawful purpose of the Board and the School District pursuant to N.J.S.A. 18A:20-4.2(h), N.J.S.A. 18A:7F-5.2 and N.J.S.A. 7F-7.1 (P.L. 1998, c. 55, effective July 10, 1998, and amended by P.L. 2010, c. 44, effective July 13, 2010) in an amount not exceeding the fair market value of the textbooks; and

WHEREAS, the Board hired Educational Funding Sources, LLC ("EFS") to conduct an appraisal of the value of its textbooks; and

WHEREAS, after review and analysis of the Board's textbooks, as of February 13, 2019, EFS appraised the value of the textbooks to be \$13,812,638.99; and

WHEREAS, the Board has determined to enter into a leaseback sale of its textbooks with the Authority, including all costs necessary or incidental thereto, by means of the leaseback purchase of its textbooks pursuant to the provisions of N.J.S.A. 18A:20-4.2 and N.J.S.A. 18A:18A-42(f) in order to meet unique cash flow needs of the School District; and

WHEREAS, the Authority will enter into a lease agreement with the Board (the "Board Lease") to provide an amount not to exceed \$12,500,000 in exchange for the lease of the Board's textbooks, which textbooks will be immediately and conterminously leased back to the Board for a term not exceeding five (5) years (collectively, the "Project"); and

WHEREAS, the Authority will enter into a lease agreement (the "Authority Lease") with TD Equipment Finance, Inc., or an affiliate thereof (the "Lessor") to finance the Project; and

WHEREAS, under the Authority Lease, the Authority shall make rental payments solely from amounts received by the Authority from the Board under the Board Lease; and

WHEREAS, the Board will make rental payments that are subject to annual appropriation of said Board in an amount sufficient to pay the corresponding rental payments due under the Authority Lease, including all administrative expenses of the Authority; and

WHEREAS, the Authority will, among other things, assign its right to receive rental payments under the Board Lease to the Lessor; and

WHEREAS, during the term of the Project, title to the textbooks will be vested in the Lessor, and upon the expiration of the terms of the Authority Lease and the Board Lease, the Board shall purchase all of the Lessor's right, title and interest in, and to, the textbooks for the nominal fee of \$1.00; and

WHEREAS, pursuant to N.J.S.A. 40:37A-80, the County is authorized to unconditionally guarantee the punctual payment of the principal of and interest on any obligations issued by the Authority for the purpose of aiding the Authority in the planning, undertaking, acquisition, construction, financing or operation of a public facility (the "County Guaranty"), by ordinance duly adopted by the Board of Chosen Freeholders of the County in the manner provided in the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"); and

WHEREAS, to provide an inducement to the Lessor to finance the leaseback sale of the textbooks via the Authority Lease and to provide security to the Lessor for the lease payments due under the Authority Lease, the County desires to provide for the guaranty of the Authority's payments due under the Authority Lease in accordance with the provisions of N.J.S.A. 40:37A-80; and

WHEREAS, the proposed financing of the Project to be undertaken by the Authority must be reviewed by the Local Finance Board, in the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey (the "Local Finance Board"), prior to proceeding with the Project; and

WHEREAS, the Authority desires to make application to the Local Finance Board

for its review and findings on (i) the proposed Project in an amount not to exceed \$12,500,000, and (ii) the adoption of the County Guaranty by the County; and

WHEREAS, the Authority believes and preliminarily determines that:

- (a) It is in the public interest to accomplish such Project; and
- (b) Such Project is for the health, welfare, convenience or betterment of the residents of the School District; and
- (c) The amounts to be expended for said Project are not unreasonable or exorbitant; and
- (d) The proposal for the Project and the financing thereof is an efficient and reasonable means of providing services for the needs of the residents of the School District and such purpose or improvement will not cause an undue financial burden to be placed upon the residents of the School District.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:

Section 1. The Law Offices of Peter A. Tucci, Jr. LLC, general counsel to the Authority (“General Counsel”), Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Authority (“Bond Counsel”) and NW Financial Group, LLC, the Financial Advisor to the Authority (“Financial Advisor”), are each hereby authorized and directed to prepare and file an application (the “Application”) with the Local Finance Board for the proposed financing of the Project by the Authority in an amount not to exceed \$12,500,000 and Bond Counsel, General Counsel, and the Financial Advisor are each hereby authorized and directed to represent the Authority in matters pertaining to such Application and are each hereby authorized and directed to undertake and perform such actions, and to deliver such documents, agreements and instruments necessary or appropriate, as applicable, to effectuate the transactions contemplated by the Application and consummate the Project.

Section 2. The Chairman, Vice Chairman, Executive Director and Secretary of the Authority, upon consultation with Bond Counsel, General Counsel and the Financial Advisor to the Authority, are each hereby authorized and directed to approve such Application and to execute certification pages to the Application, and any one of their signatures to the Application shall be conclusive evidence of the approval thereof by the Authority.

Section 3. The Application is hereby approved for submission.

Section 4. The Secretary of the Authority is hereby authorized and directed to prepare and file certified copies of this resolution with the Local Finance Board in conjunction with the submission of such Application.

Section 5. The Local Finance Board is hereby respectfully requested to consider such Application and, after public hearing held thereon, to record its findings, recommendations and/or approvals as provided by the Local Authorities Fiscal Control Law, N.J.S.A. §§ 40A:5A-1 et seq., specifically § 40A:5A-6.

Section 6. The Chairman, Vice Chairman, Executive Director and Secretary of the Authority are each hereby authorized and directed to undertake such actions, perform such obligations and execute and deliver such documents, agreements and instruments necessary or appropriate, as applicable, upon the advice of, and consultation with, Bond Counsel, General Counsel and the Financial Advisor, to effectuate the transactions contemplated by the Application and the Project.

Section 7. Any prior actions taken by officers and authorized representatives of the Authority, in consultation with Bond Counsel, General Counsel and the Financial Advisor, in the preparation and submission of the Application are hereby ratified and confirmed.

Section 8. This resolution shall take effect immediately.

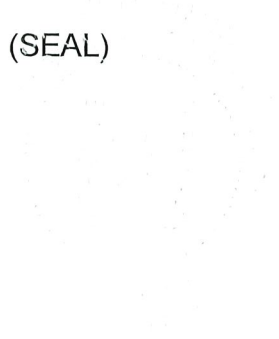
<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Wayne Alston				✓
Michael Bradley	✓			
Ronda Casson Cotroneo	✓			
Joseph Petriello, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

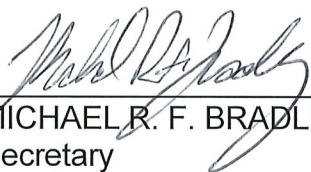
CERTIFICATE

I, MICHAEL R. F. BRADLEY, Secretary of The Passaic County Improvement Authority (the "Authority"), DO HEREBY CERTIFY that the above resolution entitled **“RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. §40A:5A-6 AND §40:37A-80 TO AUTHORIZE THE LEASEBACK SALE OF TEXTBOOKS FOR THE BOARD OF EDUCATION OF THE PATERSON STATE OPERATED SCHOOL DISTRICT”** (the "Resolution") was duly adopted by the Authority at a regular meeting held on May __, 2019 duly called and held in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et. seq., at which meeting a quorum was present and acting throughout, and that said Resolution is a true and correct copy thereof and of the whole appearing in the books and records of the Authority as of the date hereof and has not been modified, amended or repealed and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 30th day of May, 2019.

(SEAL)





MICHAEL R. F. BRADLEY,
Secretary