

PASSAIC COUNTY IMPROVEMENT AUTHORITY
LIST OF AGENDA ITEMS

Meeting to be held on Wednesday, December 14, 2022 at 6 pm. The meeting will be held virtually. The meeting may be accessed by following this link and instructions:

<https://passaiccounty.webex.com/meet/pcia>

Or join by phone

+1-408-418-9388 United States Toll Access code: 129 639 6347

1. Call to order.
2. Pledge of Allegiance.
3. Roll Call.
4. Open Public Meetings Notice
5. Approval of the Minutes of the November 16, 2022 Board Meeting
6. Public Comment. *(The Chairman will ask if any member of the public wishes to make a comment and to so signify through the Webex or on the conference call. He will then set the order of those wishing to make a public comment).*
7. Executive Session
8. Official Action
 - a. R22-35 Bond Resolution Authorizing The Passaic County Improvement Authority To Issue Not To Exceed \$35,000,000 Charter School Revenue Bonds (Paterson Arts And Science Charter School Project) Series 2023 And Determining Other Matters Related Thereto
 - b. R22-36 Resolution Of The Passaic County Improvement Authority Appointing Certain Professionals And Authorizing Certain Fees In Connection With The Issuance And Sale Of One Or More Series Of The Authority's Revenue Bonds, Series 2023 (Paterson Arts And Science Charter School Issue)
 - c. R22-37 2023 ADOPTED BUDGET RESOLUTION Passaic County Improvement Authority FISCAL YEAR: January 01, 2023 to December 31, 2023
 - d. R22-38 Resolution Of The Passaic County Improvement Authority Cancelling Outstanding Check
 - e. R22-39 Resolution Of The Passaic County Improvement Authority Authorizing Payment Of Bills And Reimbursements
9. Old Business/New Business
10. Adjournment.

PASSAIC COUNTY IMPROVEMENT AUTHORITY

MINUTES OF THE BOARD MEETING OF NOVEMBER 16, 2022

The meeting was called to order via virtual webex meeting at approximately 6 p.m. Pledge of Allegiance was said. Roll was taken. Commissioners Alston, Bradley, and Marco were present. Also present were Heather Litzebauer, Financial Advisor, and Peter Tucci, Esq., General Counsel. Mr. Tucci read the notice, pursuant to the Open Public Meetings Act.

Commissioner Alston moved to accept the minutes of the October 26, 2022 meeting. Seconded by Commissioner Bradley. Motion carried unanimously.

Seeing no public present, the Commissioners did not open the public portion of the meeting.

No executive session was held.

Official Action

The Commissioners then considered the following items:

- a. R22-32 Resolution Of The Passaic County Improvement Authority (I) Authorizing The Preparation And Submission Of An Application To The Local Finance Board Pursuant To Local Authorities Fiscal Control Law And Other Applicable Law And (II) Authorizing Certain Actions To Be Taken To Obtain The Resolution Contemplated By 40:37A-56 And Other Applicable Law, All In Connection With One Or More Series Of The Authority’s Revenue Bonds, Series 2023 (Paterson Arts And Science Charter School Issue)

Commissioners	M/S	Y	N	No Vote
Alston	S	X		
Bradley	M	X		
Glovin				
Petriello				
Marco		X		

- b. R22-33 2023 AUTHORITY BUDGET RESOLUTION Passaic County Improvement Authority FISCAL YEAR: January 01, 2023 to December 31, 2023

Commissioners	M/S	Y	N	No Vote
Alston	M	X		
Bradley	S	X		
Glovin				
Petriello				
Marco		X		

c. R22-34 Resolution Of The Passaic County Improvement Authority Authorizing Payment Of Bills And Reimbursements

Commissioners	M/S	Y	N	No Vote
Alston	M	X		
Bradley	S	X		
Glovin				
Petriello				
Marco		X		

New Business / Old Business

Mr. Tucci stated that Commissioner Glovin asked that the Commissioners be informed that the Hinchliffe Stadium Project is eighty percent complete.

Commissioner Alston moved to adjourn the meeting. Commissioner Bradley seconded the motion. Motion carried unanimously.

R22-35

**BOND RESOLUTION AUTHORIZING THE PASSAIC COUNTY
IMPROVEMENT AUTHORITY TO ISSUE NOT TO EXCEED \$35,000,000
CHARTER SCHOOL REVENUE BONDS (PATERSON ARTS AND
SCIENCE CHARTER SCHOOL PROJECT) SERIES 2023 AND
DETERMINING OTHER MATTERS RELATED THERETO**

WHEREAS, the Passaic County Improvement Authority (the "**Authority**") has been duly created as a public body corporate and politic of the State of New Jersey by resolution of the Board of Chosen Freeholders (currently the Board of County Commissioners) of the County of Passaic, State of New Jersey (the "**County**"), duly adopted pursuant to and in accordance with all applicable law, including the county improvement authorities law, N.J.S.A. 40:37A-44 et seq., as amended and supplemented (the "**Act**"); and

WHEREAS, the County has created the Authority for the express purpose, among other things, of facilitating the development and financing of public facilities and development projects within the County; and

WHEREAS, Paterson Arts and Science Charter School, a public charter school of the State of New Jersey and a New Jersey nonprofit corporation ("**School**"), has requested that the Authority serve as a conduit issuer to finance the project consisting of the acquisition of certain real property consisting of the land and the school facilities built thereon and occupied by the School and obtain additional capital to make needed improvements to the facilities to be owned by iLearn Facility Development Inc ("**Owner**") and occupied by the School located at Block 4802, Lot 22.01 and Block 4802, Lot 25 and commonly known as 183-229 Grand Street and 8-14 Morris Street, in the City of Paterson, Passaic County, New Jersey (the "**Project**"); and

WHEREAS, the Authority is authorized by law, specifically Section 11(l) of the Act (N.J.S.A. 40:37A-54(l)), to provide, subject to the prior approval of the Local Finance Board, for the planning, design, acquisition, construction, improvement, renovation, installation, maintenance and operation of facilities or any other type of real and personal property within the County for a corporation organized for any one or more of the purposes described in subsection a. of N.J.S.A 15A:2-1 except those facilities or any other type of real or personal property which can be financed pursuant to the provisions of P.L. 1972, c.29; and

WHEREAS, Section 17 of the Act permits the Authority to issue bonds pursuant to a bond resolution to finance the costs of any property or facilities acquired, constructed, owned, financed or leased by any person to accomplish the purpose of the Authority authorized by Section 11 of the Act; and

WHEREAS, pursuant to the Act, the Authority desires to provide assistance to iLearn Facility Development Inc, as borrower (the "**Borrower**") and the School in financing the Project by acting as conduit issuer of Charter School Revenue Bonds (Paterson Arts and Science Charter School Project) Series 2023 (the "**Bonds**") in the original aggregate principal amount of not to

exceed \$35,000,000, with all costs and expenses of the Bonds and the Project being borne by the School or Borrower; and

WHEREAS, in connection with the issuance of the Bonds, the Authority has previously designated Gibbons P.C. as bond counsel to the Authority, U.S. Bank Trust Company, National Association, as trustee for the Bonds and RBC Capital Markets, LLC, as underwriter for the Bonds, as further set forth in this Resolution; and

WHEREAS, the Bonds shall be issued pursuant to, and shall have such terms as set forth in, an Indenture of Trust (the “**Indenture**”) to be executed by the Authority and the Trustee in substantially the form attached hereto as Exhibit A, the net proceeds of which shall be lent to Borrower (the “**Loan**”) pursuant to a loan agreement (the “**Loan Agreement**”), between the Authority and the Borrower, substantially in the form attached hereto as Exhibit B, which loan shall be evidenced by a Promissory Note (the “**Note**”) executed by Borrower, secured by a Mortgage and Security Agreement (the “**Mortgage**”), substantially in the form attached hereto as Exhibit C, and additionally secured by an Absolute Assignment of Leases and Rents (the “**Assignment**”), substantially in the form attached hereto as Exhibit D; and

WHEREAS, the Borrower has agreed to use the proceeds of the Loan to finance the Project, fund a Debt Service Reserve Fund and an operating and other reserves for the Project, all as necessary, and to pay certain costs of issuance of the Bonds; and

WHEREAS, the Authority desires to authorize the issuance of the Bonds to make the Loan to Borrower to finance the Project, all as further described in the financing documents attached hereto, and to authorize all further action necessary to accomplish the financing of the Project;

NOW THEREFORE BE IT RESOLVED BY THE PASSAIC COUNTY IMPROVEMENT AUTHORITY, AS FOLLOWS:

Section 1. The Project. The Authority approves the request for financial assistance by School. The Authority is hereby authorized to assist in the financing of the Project and to make the Loan to Borrower, as further authorized herein.

Section 2. Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in one or more Series, which may include tax-exempt, taxable, senior and/or subordinate Series of bonds, in an aggregate principal amount of not to exceed \$35,000,000 for the purpose of making a loan to the Borrower to undertake the Project and to pay certain costs incurred or to be incurred by the Authority and the Borrower in connection with the Project and the financing thereof.

(b) The Bonds are a special, limited obligation of the Authority, payable solely out of the revenues or other receipts, funds or moneys of the Authority pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Bonds. The Bonds do not now and shall never constitute a charge against the general credit of the Authority. The Authority has no taxing power.

(c) The Bonds shall be initially issued in fully-registered form and as described in the Indenture attached hereto between the Authority and the Trustee, registerable at the designated office of the Bond Registrar and shall be in such Series and shall be numbered with such identifying prefixes and suffixes as the Bond Registrar may determine. The Bonds shall be dated the date of their authentication and delivery to the holders thereof and shall bear interest from such date. Interest on the Bonds shall be payable on the dates as described in the Indenture.

(d) The Bonds shall mature no later than 40 years from the date of issuance and shall be issued in an aggregate principal amount not exceeding \$35,000,000. The Bonds shall bear interest at a fixed rate or rates of interest as the case may be, with an average interest cost on the aggregate principal amount of Bonds being issued not exceeding eight per centum (8.00%) per annum. The Bonds shall be issued in one or more Series of Bonds and as tax-exempt or taxable bonds and which Bonds may include senior and subordinate Series. The Bond shall have such redemption provisions as set forth in the Indenture.

(e) The Chairman, Vice-Chairman, Secretary or Executive Director (each an “**Authorized Officer**”) are each hereby authorized to execute and deliver on behalf of the Authority a contract of purchase for the purchase of the Bonds (the “**Contract of Purchase**”) with RBC Capital Markets LLC (the “**Underwriter**”), for the purchase of all, but not less than all, of the Bonds; provided that the Underwriters’ discount with respect to any Series of Bonds shall not exceed \$11.50 per \$1,000.00 of Bonds (excluding counsel fees). Approval of the Contract of Purchase shall be conclusively evidenced by such Authorized Officer's execution thereof. A copy of the Contract of Purchase shall be filed upon execution with the records of the Authority.

Section 3. Terms and Provisions of Bonds. The terms and provisions of the Bonds, including dates of maturity, redemption provisions and interest rates, shall be as set forth herein and as set forth in the Indenture.

Section 4. Form of Bonds. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions or variations as may be necessary or appropriate.

Section 5. Execution and Authentication. The Bonds shall be executed and authenticated in accordance with the Indenture and shall be issued in registered form qualifying for book entry registration.

Section 6. Delivery of Bonds. Following execution of the Bonds, the Authorized Officers are each hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the Underwriter against receipt of the purchase price or unpaid balance thereof.

Section 7. Approval of Official Statement The distribution by the Underwriter of an Official Statement or Offering Memorandum in preliminary form (the “**Preliminary OS**”), if necessary, relating to the Bonds (a copy of which shall be filed with the records of the Authority), in connection with the marketing of the Bonds, and the distribution of a final Official Statement or Offering Memorandum relating to the Bonds to the purchasers of the Bonds (the “**OS**”), is hereby authorized. The Authorized Officers are each hereby authorized to approve the contents of the Preliminary OS, if necessary, with such changes therein and modifications thereto as counsel may advise and such Authorized Officer may approve. The Authorized Officers are each hereby authorized to approve the contents of the OS and to execute the OS on behalf of the Authority, which OS shall be in substantially the form of the Preliminary OS, if necessary, with such changes therein (including the insertion of the redemption provisions and the initial interest rates for the Bonds) and supplements thereto as counsel may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof. The Authorized Officers are each hereby authorized to “deem final” the Preliminary OS, if applicable, and to execute and deliver a certificate to the Underwriter to such effect.

Section 8. Approval of Indenture, Loan Agreement, Mortgage, Assignment and Certain Financing Documents.

(a) The forms of the Indenture, Loan Agreement, Mortgage and Assignment presented to this meeting (copies of which shall be filed with the records of the Authority) (collectively, the “**Bond Documents**”) are hereby approved and the Authorized Officers are each hereby authorized to execute, acknowledge and deliver the applicable Indenture, Loan Agreement, Mortgage and Assignment, in substantially such forms, with such changes therein as counsel may advise and the officers executing the same may approve, such approval to be conclusively evidenced by their execution thereof.

(b) The approval and execution, as applicable, of a Preliminary OS, OS and Contract of Purchase (a copy of each of which shall be filed with the records of the Authority) is hereby approved in customary form and the Authorized Officers are each hereby authorized to execute, acknowledge and deliver such documents in substantially such form, as applicable, with such changes therein as counsel may advise and the officers executing the same may approve, such approval to be conclusively evidenced by their execution thereof.

Section 9. Incidental Action. The Authorized Officers are hereby authorized to execute and deliver such other documents and to do and cause to be done any and all acts and

things necessary or proper in order to carry out the purposes of this Resolution and to effectuate the execution and delivery of the Bond Documents, and the issuance and sale of the Bonds, as described in the recitals hereto, including, without limitation, publication hereof in accordance with Section 19 of the Act, all in accordance with the foregoing sections hereof. Any actions taken by an Authorized Officer prior to the date hereof in furtherance of the authorizations set forth in this Resolution are hereby ratified and confirmed in all respects.

Section 10. Reimbursement. The Authority reasonably expects to reimburse its expenditure of all or any portion of the costs of the Project paid prior to the issuance of the Bonds with proceeds of its Bonds. This Bond Resolution is intended to be and is a declaration of the Authority’s official intent to reimburse the Authority for expenditure of costs of the Project by the Authority paid prior to the issuance of the Bonds with the proceeds of the Bonds, in accordance with Treasury Regulation Section 1.150-2. The maximum principal amount of the Bonds expected to be issued for payment of the costs of the Project is \$35,000,000

Section 11. Capitalized Terms. Capitalized terms used in this Resolution and not otherwise defined have the meaning given to such terms in the Indenture.

Section 12. Effective Date. This Bond Resolution shall take effect immediately upon adoption.

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 December 14, 2022.

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				
Michael Glovin				
Joseph Petriello, Vice Chairman				
Dennis Marco, Chairman				

EXHIBIT A

TRUST INDENTURE

EXHIBIT B

LOAN AGREEMENT

EXHIBIT C

MORTGAGE AND SECURITY AGREEMENT

EXHIBIT D

ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

R22-36

**RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY
APPOINTING CERTAIN PROFESSIONALS AND AUTHORIZING CERTAIN FEES IN
CONNECTION WITH THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF
THE AUTHORITY'S REVENUE BONDS, SERIES 2023 (PATERSON ARTS AND
SCIENCE CHARTER SCHOOL ISSUE)**

WHEREAS, a regular meeting of the Passaic County Improvement Authority (the "Authority") was held on December 14, 2022; and

WHEREAS, The Passaic County Improvement Authority (the "Authority") is authorized to issue its bonds pursuant to the provisions of the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented, and other applicable provisions of law; and

WHEREAS, the Authority adopted its "Bond Resolution Authorizing The Passaic County Improvement Authority To Issue Not To Exceed \$35,000,000 Charter School Revenue Bonds (Paterson Arts And Science Charter School Project) Series 2023 And Determining Other Matters Related Thereto"; and

WHEREAS, iLearn Schools, Inc., or a nonprofit affiliate of iLearn Schools, Inc (the "Borrower") is a non-profit organization organized under the laws of the State; and

WHEREAS, Borrower desires to finance the acquisition of an existing school facility, located at 183-229 Grand Street, Paterson, New Jersey ("New Project"), currently leased to Paterson Arts and Science Charter School ("Charter School"); and

WHEREAS, in furtherance of the purposes of the Act and as an inducement to the Borrower to (a) finance the New Project, (b) finance certain reserves, and (c) finance costs of issuance in connection with the Bonds described herein (collectively, the "Project"), the Authority desires to assist the Borrower in the financing of the Project; and

WHEREAS, the Act provides that the Authority shall have the power to borrow money and issue its bonds and to provide for the rights of the holders of its bonds; and

WHEREAS, the Authority proposes to issue one or more series of bonds in an aggregate principal amount not to exceed \$35,000,000 (the "Bonds") and to apply the proceeds of the Bonds to finance the Project and subsequently lease the Project to the Charter School; and

WHEREAS, the Authority believes: (i) it is in the public interest to accomplish such purpose; (ii) said purpose is for the health, wealth, convenience or betterment of the inhabitants of the Borrower and the County of Passaic (the "County"); (iii) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (iv) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the Borrower and the County and will not create an undue financial burden to be placed upon the Authority, the Borrower or the County; and

WHEREAS, the Authority will require the provision of certain professional services and will incur certain expenses with reference to the proposed project financing in conjunction with the Bonds; and

WHEREAS, the award and approval of professional services and expenses in connection with the Project are exempt from the public bidding requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq.; and

WHEREAS, the Authority has determined that the process it has used to award the contracts necessary for this Series 2022 Bonds is a “fair and open” process, pursuant to N.J.S.A. 19:44A-20.7; and

WHEREAS, the Authority desires to award certain contracts for professional services.

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

Section 1. The Authority does hereby, as applicable, award, approve, and authorize payment for the following to render professional services and/or provide services in connection with the Project or to the Authority in conjunction with the Project, such payments specifically subject to final approval of the Project by the Authority:

AWARDED AND APPROVED TO	DESCRIPTION OF SERVICES	AMOUNT NOT TO EXCEED
Gibbons, P.C.	Bond Counsel to the Authority	\$95,000
Law Offices of Peter A. Tucci, Jr., LLC	General Counsel to the Authority	\$5,000
NW Financial Group, LLC	Financial Advisor to the Authority	\$60,000
RBC Capital Markets	Underwriters	\$332,500
McManimon, Scotland & Baumann, LLC	Underwriters' Counsel	\$75,000
U.S. Bank Global Corporate Trust	Trustee	\$7,500
Mariniello & Mariniello, P.C.	Trustee's Counsel	\$7,500
Royal Printing	Printing	\$10,000

Section 2. The Secretary of the Authority is hereby authorized and directed to have published a brief notice of this award in accordance with the provisions of N.J.S.A. 40A:11-5(1)(a)(i).

Section 3. The funds for the services shall be paid out of the proceeds of the Bonds or other project monies and not from the general budget/operating fund(s) of the Authority.

Section 4. The Chairman is authorized and directed to execute any and all documents necessary to effectuate the above.

Section 5. These contracts are awarded without competitive bidding as a “Professional Service” in accordance with N.J.S.A. 40A:11-5(1)(a) of the Local Public Contracts Law because the contract is for a service performed by a person(s) authorized by law to practice a recognized profession that is regulated by law.

Section 6. The Authority has determined that the process it has used to award the contracts in excess of \$17,500 is a “fair and open” process, pursuant to N.J.S.A. 19:44A-20.7.

Section 7. This resolution shall take effect immediately.

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 December 14, 2022.

Michael Bradley, Secretary

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Michael Glovin, Esq.				
Michael Bradley				
Joseph Petriello				
Wayne Alston, Vice Chairman				
Dennis Marco, Chairman				

**RESOLUTION OF THE
PASSAIC COUNTY IMPROVEMENT AUTHORITY CANCELLING OUTSTANDING
CHECK**

WHEREAS, a regular meeting of the Passaic County Improvement Authority (the “Authority”) was held on December 14, 2022;

WHEREAS, the Authority issued check # 1503 in the amount of \$9.35 to the State of New Jersey Department of Labor on 9/23/20; and

WHEREAS, check # 1503 has never been cashed; and

WHEREAS, it is necessary to formally cancel check #1503, which was approved for payment by the PCIA Board of Commissioners.

NOW, THEREFORE BE IT RESOLVED by the PCIA Board of Commissioners that check # 1503 payable to the State of New Jersey, Department of Labor in the amount of \$9.35 shall hereby be cancelled and credited to Fund Balance

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 December 14, 2022.

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				
Michael Glovin				
Joseph Petriello, Vice Chairman				
Dennis Marco, Chairman				

**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 December 14, 2022;

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 Authority professionals and Chairman are 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 December 14, 2022.

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				
Michael Glovin				
Joseph Petriello, Vice Chairman				
Dennis Marco, Chairman				

Law Offices of Peter Tucci		1,242.00	Invoice # 112 (June '22)							
Law Offices of Peter Tucci		1,530.00	Invoice #113 (July '22)							
NW Financial		430.00	Invoice #29795(Oct. '22) Financial Advisory-General							
NW Financial		<u>102.50</u>	Invoice #29796 (Oct. '22) Financial Advisory-Paterson Arts&Science Charter School							
		3,304.50								