

NEW JERSEY BUILDING AUTHORITY
28 West State Street
Trenton, N.J. 08625
MINUTES OF BOARD MEETING
CONFERENCE CALL
August 20, 2013 @ 9:30A.M.

ATTENDEES

BOARD MEMBERS PRESENT

John Fisher III, Chairman
Sean Earlen
Dennis McNerney
William Mullen
Prentis Nolan III
Morris Rubino
Ryan Feeney, Designee for State Treasurer
Nancy Style, Designee for Director, Division of Budget and Accounting

BOARD MEMBER(S) ABSENT

William Sproule

NEW JERSEY BUILDING AUTHORITY (NJBA) EXECUTIVE DIRECTOR

Raymond A. Arcario

OTHERS PRESENT

Peter Simon, Governor's Authorities Unit
Kavin Mistry, Office of Attorney General (OAG)
Rick Flodmand, Division of Property Management and Construction (DPMC)
Thomas Solecki, Office of Management and Budget
Richard Van Dusen, Esq., Hawkins, Delafield & Wood, LLP (NJBA Bond Counsel)
Robert Beinfield, Esq., Hawkins, Delafield & Wood, LLP (NJBA Bond Counsel)
Vince Campanella, NJBA
Phil Johnson, NJBA

Chairman Fisher convened the meeting at 9:35 A.M.

I. **ROLL CALL FOR ATTENDANCE**

Raymond Arcario, Executive Director, proceeded with roll call and informed Chairman Fisher the Board Member quorum requirement has been met. Attendees are noted above.

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II. THE READING OF THE NEW JERSEY OPEN PUBLIC MEETINGS ACT STATEMENT

At the request of Chairman Fisher, Raymond Arcario read the following statement:
"Pursuant to the New Jersey Open Public Meetings Act as amended, the New Jersey Building Authority gave notice of the time, place and date of this meeting by providing notice of time, place and date to the Secretary of State of the State of New Jersey, the Trenton Times, the Newark Star Ledger and the Bergen Record."

III. MATTERS REQUIRING BOARD ACTION

A. Chairman Fisher asked for a motion to approve the "Meeting Minutes from the June 11, 2013 NJBA Board Meeting;" on motion moved by Morris Rubino, seconded by Dennis McNerney and with eight (8) members voting in favor, motion carries.

B. Chairman Fisher opened the discussion on the "Resolution Concerning Compliance with Dodd-Frank Wall Street Reform & Consumer Protection Act" to Raymond Arcario whom deferred to Kavin Mistry whom also represents the NJBA on all bond related resolution matters. Kavin Mistry provided a summary of the compliance requirements including the impact on the NJBA 2003 Series A and the interest rate swap agreements entered into by NJBA in connection with such bonds. Kavin Mistry was followed by Rich Van Dusen, Esq., of Hawkins, Delafield & Wood, LLP whom provided an extended overview of the Dodd-Frank Wall Street Reform & Consumer Protection Act including the emphasis on the role of the NJBA's qualified independent representative and the various safe harbors under the U.S. Commodities Futures Trading Commission regulations applicable to derivatives to those in attendance.

Kavin Mistry invited Chairman Fisher and the Board for any comments or questions. The following questions were asked by Prentis Nolan III and Nancy Style:

Prentis Nolan III: What is the downside of this compliance requirement?

Kavin Mistry's response: If the board did not approve the resolution, the NJBA would not be able to communicate with the swap counterparties or other swap dealers concerning the interest rate swap agreements entered into in connection with the 2003 Series A Bonds.

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Prentis Nolan III: Are there any potential risks that can be incurred by the NJBA?

Kavin Mistry's response: The Attorney General's Office has reviewed the resolution and the exhibits attached thereto and Hawkins Delafield & Wood LLP, Bond Counsel to the Authority has advised the NJBA concerning this matter. At this point in time, the levels of legal risk with respect to the matters addressed in the resolution are low.

Nancy Style: I am correct that I interpret the 2003 Series A Bonds as the only bond series not a fixed rate?

Kavin Mistry's response: Yes, the 2003 Series A Bonds are the NJBA's only variable rate of bonds.

Nancy Style: Is there a reason why we didn't convert the 2003 Series A Bond series to a fixed rate before now?

Kavin Mistry's response: I would defer to the decisions made by the appropriate personnel at that time, however market conditions may have influenced the decision not to convert the 2003 Series A Bonds to a fixed rate at that time.

Nancy Style: Do we swap on a regular basis to get the best interest rates? If it is determined that it makes sense to convert to a fixed rate will there be cause to revisit the 2003 Series A Bond?

Kavin Mistry's response: Currently every three (3) years the NJBA has to either renew or replace the existing letter of credit provider and pay the related costs. Once a bond series is converted from a variable to fixed rate, to our knowledge, there are no current Dodd-Frank regulations that impact fixed rate bonds which would require special compliance measures.

If there are no further questions or comments, Chairman Fisher asked for a motion to approve the "Motion to Adopt Resolution Concerning Compliance with Dodd-Frank Wall Street Reform & Consumer Protection Act," on motion moved by Nancy Style, seconded by Dennis McNerney and with eight (8) members voting in favor, motion carries.

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IV. **PROJECT STATUS REPORTING**

Chairman Fisher asked Raymond Arcario, for a status update on two State House Projects, exterior envelope and mechanical equipment room relocation (MER). Raymond Arcario advised there will be an update and presentation to the NJBA on both projects. MER project is proceeding ahead of the exterior envelope project with construction documents progressing. As for the exterior envelope project, decisions are to be made to proceed as originally proposed or an expanded project. Chairman Fisher spoke to the possibility of significant project savings and Raymond Arcario continued the conversation adding that keen project development and programming could result in a better product for the end-user and the State.

V. **EXECUTIVE SESSION**

None

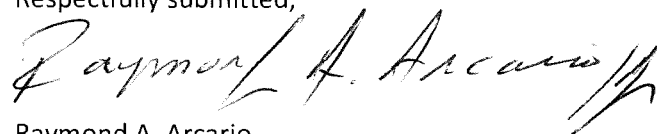
VI. **GENERAL**

Nancy Style requested a confirmation of the next board meeting date. Raymond Arcario confirmed the next scheduled NJBA board meeting will be October 16, 2013, 9:30 A.M.

VII. **ADJOURNMENT**

Chairman Fisher asked if there being no other business the meeting can be adjourned; on motion by Nancy Style and seconded by Sean Earlen, the meeting was adjourned at approximately 10:10 A.M.

Respectfully submitted,



Raymond A. Arcario
Executive Director

RA/pj