

NEW JERSEY BUILDING AUTHORITY (NJBA)
Board Meeting via Conference Call
Tuesday, December 10, 2013, 9:30AM
NJBA Office
28 West State Street, 6th Fl.
Trenton, NJ 08625

MINUTES OF BOARD MEETING

ATTENDEES

BOARD MEMBERS PRESENT VIA TELECONFERENCE

John Fisher III, Chairman
Sean Earlen
Dennis McNerney
William Mullen
Prentis Nolan, III
Morris Rubino
William Sproule
Brian Francz, NJ Dept. of Treasury, Office of Management and Budget (OMB)
Thomas Solecki, NJ Dept. of Treasury, Office of Management and Budget

BOARD MEMBER(S) ABSENT

Anthony Longo, NJ Treasury, Office of Public Finance

OTHERS PRESENT VIA TELECONFERENCE

Nicole Crifo, Governor's Authorities Unit (GAU)
Kavin K. Mistry, Assistant Attorney General
Steve Sutkin, Executive Director, Division of Property Management and Construction (DPMC)

OTHERS PRESENT AT NJBA OFFICE

Raymond A. Arcario, NJBA Executive Director
Guy Tassi, NJBA Asst. Treasurer
John Anglin, Treasury Fiscal
Phil Johnson, NJBA
Vince Campanella, NJBA
Anthony Faraca, NJBA
Joseph Alessi, NJBA

PUBLIC

No public persons attended the meeting.

Chairman Fisher convened the meeting at 9:39 a.m.

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I. ROLL CALL FOR ATTENDANCE

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

IA. OTHERS PRESENT VIA TELECONFERENCE

The remaining meeting attendees via teleconference were asked to identify themselves, refer to the **OTHERS PRESENT** above.

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

At the request of Chairman Fisher, Mr. 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

All new business requiring board action was included the board agenda packet issued to all board members and/or their designees. Chairman Fisher asked Mr. Arcario to begin with the board action items.

A. Chairman Fisher asked Mr. Arcario to begin with the board action item related to the Fiscal Year 2012 Annual Report. Mr. Arcario opened the conversation with the issuance of the Fiscal Year 2012 Annual Report to the board members and their required approval to formally distribute the report. Mr. Arcario invited the board members to ask any questions. Neither comments made nor questions asked.

Chairman Fisher then asked for a "Motion to approve the Fiscal Year 2012 Annual Report Resolution." A motion to approve was moved by William Sproule, seconded by Morris Rubino and with roll call voting, nine (9) board members voted in favor and the resolution passed.

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B. Previously, the October 16, 2013 NJBA Board Meeting Minutes were issued to the board members following the end of the Governor's fifteen (15) day veto period. Chairman Fisher asked for a "Motion to approve the Meeting Minutes from the October 16, 2013 NJBA Board Meeting."

On motion moved by Morris Rubino, seconded by Sean Earlen and with roll call voting, eight (8) board members voted in favor, one (1) board member abstained and the motion passed.

C. Chairman Fisher opened the discussion on the "Motion to approve the 2014 Annual Budget." Mr. Arcario asked Mr. Tassi to explain the proposed budget. Mr. Tassi commented regarding the line item description revisions to more accurately explain the line items, the proposed legal costs reduced from the previous year due to fewer contracting issues requiring legal support, review of active phone service assigned to the NJBA resulting in cancelled lines and lower proposed costs, insurance quotes received with lower premium and lower budget cost and finally the overall proposed budget reflects a \$47K decrease from the previous year. Chairman Fisher and Mr. Tassi invited the board members to ask any questions. Neither comments made nor questions asked.

Chairman Fisher asked for a "Motion to approve the 2014 Annual Budget." On motion moved by Dennis McNerney, seconded by Morris Rubino and with roll call voting, nine (9) board members voted in favor and the motion passed.

D. Chairman Fisher opened the discussion on the "Motion to approve the Year 2014 Board Meeting Calendar."

Chairman Fisher asked for a "Motion to approve the Year 2014 Board Meeting Calendar." On motion moved by Morris Rubino, seconded by Dennis McNerney and with roll call voting, nine (9) board members voted in favor and the motion passed.

IV. FINANCIAL STATUS REPORTS (FSR)

Mr. Arcario opened the discussion on the financial status reports in conjunction with the project status reports. Mr. Arcario invited to board members to ask any questions regarding the financial status of each listed project in the board agenda packet while also advising that NJBA

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staff and Mr. Tassi in attendance can answer any questions. Neither comments made nor questions asked.

V. PROJECT STATUS REPORTING

Chairman Fisher asked Mr. Arcario for an update on the State House Executive State House Exterior Envelope Project and if there is no update on the projects' final scope, Mr. Arcario was asked to provide project highlights to the new board members.

Mr. Acario's update:

There are two projects, the Mechanical Equipment Room Relocation and the Executive State House Exterior Envelope. And to finance these projects, both projects received approval by the NJBA, the Project Reports received approval by the Capital Budget and Planning Commission, followed by Concurrent Resolution approval by the Legislature and finally the Governor's approval.

The Mechanical Equipment Room Relocation - Construction documents are complete and will be bid soon.

Mr. Campanella added to Mr. Arcario's update. This project involves addressing the flooding of mechanical equipment, during weather storms currently located in the State House Garage, by relocating the equipment back to the State House mechanical area. The budget numbers have increased from the start of the design phase with value engineering planned to align costs within the budget. Board Members were invited to ask questions, neither comments made nor questions asked.

Executive State House Exterior Envelope – The exterior finishes will be either restored, repaired or replaced (i.e. windows, exterior walls, roofing systems and related mechanical equipment at exterior elevations). The Consultant's efforts to date have discovered and projected additional work not currently funded. Mr. Arcario has met with the Treasurer's Office advising of a continued exercise to identify the best options. Mr. Arcario is anticipating a meeting with the NJBA Board in early 2014 to present options for consideration. At this time the Consultant has been instructed to suspend their services at the completion of the schematic phase and until the NJBA provides direction.

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Chairman Fisher asked Mr. Arcario for a status on the NJ Public Health Environmental Agriculture Laboratory. Mr. Arcario advised the end-users requested additional or new work by the NJBA; this work will be completed in 2014 with the design and construction team members from the original project. There is no indication of claims from either the design and/or construction firms and the NJBA is positioned to end the project with a timely closeout. As an added note building equipment such as photovoltaic units and exterior installations such as skylight units were damaged by the "Superstorm Sandy" in 2012 requiring repair work; work will be funded by the State and managed by DPMC; DPMC received State approval to allow the Contractor whom installed the equipment to make the repairs. NJBA's Mr. Faraca will remain involved with the repair projects.

Chairman Fisher invited board members to ask any question they may have on the other projects listed in the agenda packet; neither comments made nor questions asked.

VI. GENERAL

- A. Prior to the meeting start, Mr. Arcario advised meeting attendees of two (2) new NJBA board members, Thomas Solecki whom is B. Carol Molnar's Esq. designee and Brian Francz whom replaces Nancy Style as Charlene Holzbaur's designee. Mr. Arcario invited Mr. Solecki to introduce himself to the board and the meeting attendees; Mr. Solecki gave a brief description of his current assignment with OMB Capital Bureau. During the meeting Mr. Solecki announced Mr. Francz has entered the meeting and he (Mr. Franz) was able to vote on the first board action item during this meeting. After the first board action Chairman Fisher welcomed Mr. Francz as a new board member. Chairman Fisher invited Mr. Franz to introduce himself to the board and the meeting attendees; Mr. Francz gave a brief description of his current assignments with OMB and expressed his building construction interest.
- B. Chairman Fisher thru Mr. Arcario asked AAG Mistry to provide an overview the recent 2013 bond financing transaction and refinancing. AAG Mistry stated that the bond financing closed on November 22, 2013. AAG Mistry indicated that the refunding part of the financing yielded net present value savings of over \$4 million and cash flow savings due to restructuring of debt service of over \$60 million. AAG Mistry also stated that the new money portion of the financing was completed so that the State House Envelope and the State House Garage Equipment and Mechanical Room Relocation projects. Also, the NJBA's 2003 Series A Bonds, which were variable rate bonds backed by a letter of credit, were

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refunded in full and the related swaps terminated. Therefore, the NJBA now has only fixed rate bonds outstanding.

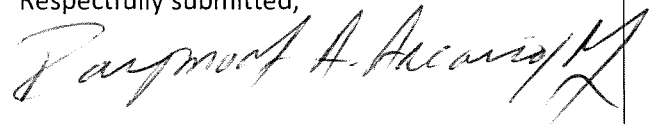
VII. **PUBLIC COMMENT** - No public members in attendance.

VIII. **EXECUTIVE SESSION** – None

IX. **ADJOURNMENT**

Chairman Fisher asked if there being no other business the meeting can be adjourned; on motion by Morris Rubino and seconded by Dennis McNerney and with nine (9) members voting in favor, the motion passed. The meeting adjourned at approximately 10:05 A.M.

Respectfully submitted,



Raymond A. Arcario
Executive Director

RA/pj

Date: December 13, 2013