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SHERYL A. STITT
Deputy Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, JULY 24, 2018**

The meeting was called to order at 10:05 a.m. by Chairman Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 11, 2018, to The Star Ledger, The Times of Trenton and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Joshua Hodes, Chair (via phone)
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by David Moore) (via phone)
Louis Rodriguez (via phone)
Zakiya Smith Ellis, Secretary of Higher Education (via phone)

AUTHORITY MEMBERS ABSENT:

Ridgeley Hutchinson, Vice Chair

STAFF PRESENT:

Sheryl A. Stitt, Acting Executive Director
Steven Nelson, Director of Project Management
Brian Sootkoos, Director of Finance-Controller
Ellen Yang, Director of Compliance Management
Jamie O'Donnell, Senior Communications Manager
Debra Paterson, Senior Compliance Manager
Sheila Toles, Exec. Asst./Human Resources Manager
Lisa Walker, Accountant

ALSO PRESENT:

Jeet Gulati, Esq., Deputy Attorney General
Craig Ambrose, Esq., Governor's Authorities Unit (via phone)

ITEMS OF DISCUSSION

1. Resolution Confirming the Continuation of the Princeton University Commercial Paper Note Program

Mr. Nelson reported that Princeton University's Commercial Paper (CP) Note Program is the Authority's sole CP Program. He explained that CP is a short-term debt instrument issued with maturities typically from 1 to 270 days and is typically repaid with cash or through the issuance of long-term bonds or is rolled over into a new Note. He explained that the CP Program basically functions as a line of credit for the University for capital projects only and allows the University from time to time and on an ongoing basis, to draw up to and have outstanding, \$120 million of CP. The University's program was originally adopted by the Authority in 1997 and was subsequently confirmed and ratified in 2010 with no changes being made to the original resolution.

Mr. Nelson reported that the University's last TEFRA approval, which permitted the issuance of CP, expired in June of this year and that the University now wished to draw on the Program once again. He reported that the Authority's bond counsel and staff had established a TEFRA hearing date of August 2, 2018 which would cover all future University Note draws for the next 36 months and that given the length of time since the Authority's 2010 board meeting on the matter, Authority staff recommended a further reconfirmation and ratification of the Note Program issued on behalf of the University in an amount not to exceed \$120 million.

Matthew Kent of Princeton University, Associate Treasurer, described the Note Program and thanked the board members and staff.

Michela Daliana of Hawkins, Delafield & Wood, Bond Counsel, described the resolution.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION CONFIRMING AND RATIFYING THE
ISSUANCE FROM TIME TO TIME, IN ONE OR MORE
SERIES, BY THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY OF UP TO \$120,000,000 AGGREGATE
PRINCIPAL AMOUNT OF ITS PRINCETON UNIVERSITY
COMMERCIAL PAPER NOTES AND AUTHORIZING THE
AUTHORITY TO TAKE ALL ACTION REQUIRED OR
NECESSARY IN CONNECTION WITH THE ISSUANCE FROM
TIME TO TIME OF THE NOTES

The motion was seconded by Mr. Moore and passed unanimously.

The adopted resolution is appended as Exhibit I.

2. Report on Operating and Construction Fund Statements and Disbursements

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for June 30, 2018.

Mr. Rodriguez moved that the reports be accepted as presented; the motion was seconded by Secretary Smith Ellis and passed unanimously.

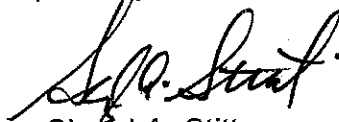
The reports are appended as Exhibit II.

3. Next Meeting Date

Mr. Hodes advised that the August meeting would be canceled and reminded everyone that the next meeting is scheduled for Tuesday, September 25th at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Secretary Smith Ellis moved that the meeting be adjourned at 10:14 a.m. The motion was seconded by Mr. Moore and passed unanimously.

Respectfully submitted,



Sheryl A. Stitt
Acting Secretary

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
RESOLUTION CONFIRMING THE CONTINUATION OF THE PRINCETON
UNIVERSITY COMMERCIAL PAPER NOTES PROGRAM

A RESOLUTION CONFIRMING AND RATIFYING THE ISSUANCE FROM TIME TO TIME, IN ONE OR MORE SERIES, BY THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") OF UP TO \$120,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS PRINCETON UNIVERSITY COMMERCIAL PAPER NOTES (THE "NOTES") AND AUTHORIZING THE AUTHORITY TO TAKE ALL ACTION REQUIRED OR NECESSARY IN CONNECTION WITH THE ISSUANCE FROM TIME TO TIME OF THE NOTES

Adopted: July 24, 2018

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A.* 18A:72A-1 *et. seq.* (the "Act"); and

WHEREAS, by Resolution of the Members of the Authority adopted on October 15, 1997, as supplemented on November 19, 1997 (the "Original Resolution"), the Authority has heretofore authorized the issuance from time to time, in one or more series, of its Princeton University Commercial Paper Notes (the "Notes") and thereby established and implemented a commercial paper notes program for Princeton University (the "Princeton University Commercial Paper Notes Program"); and

WHEREAS, by Resolution of the Members of the Authority adopted on September 29, 2010, the Authority confirmed and ratified the issuance of the Notes (the "2010 Resolution"); and

WHEREAS, pursuant to the Original Resolution and the 2010 Resolution, the Notes may be issued by the Authority from time to time, in one or more series, in an aggregate principal amount not to exceed \$120,000,000, with a maturity date for any Notes so issued of not later than one year from the date of issuance (not including rollovers of the Notes), and at a true interest cost for any Notes so issued of not greater than nine percent (9%) per annum; and

WHEREAS, pursuant to the Original Resolution, the Authority has heretofore approved, executed and delivered the Commercial Paper Issuing and Paying Agency Agreement (the "CP Agreement"), by and among the Authority, the Trustees of Princeton University (the "University") and the paying agent identified therein, which CP Agreement provides for the issuance from time to time of the Notes for the benefit of the University upon the terms and conditions set forth therein; and

WHEREAS, pursuant to the Original Resolution, the Authority has heretofore approved, executed and delivered the Loan Agreement (the "Loan Agreement"), by and between the Authority and the University, pursuant to which the Authority has agreed to lend the proceeds of the Notes to the University to finance capital improvements and equipment from time to time at the University's facilities, and the University has agreed in the Loan Agreement to make payments to the Authority with respect to such loan of the proceeds of the Notes in the amounts and at the times required to pay debt service on the Notes; and

WHEREAS, pursuant to the Original Resolution, the 2010 Resolution, and the CP Agreement, the Authority has heretofore, from time to time, issued the Notes for the benefit of the University and lent the proceeds thereof to the University as provided in the Loan Agreement; and

WHEREAS, the University intends to continue to issue Notes from time to time under and in accordance with the CP Agreement and has requested the Authority's continued assistance with respect to the issuance of the Notes, including, without limitation, the periodic scheduling of TEFRA hearings by the Authority with respect to the projects to be financed and refinanced with proceeds of the Notes and assistance by the Authority in obtaining the TEFRA approval of the Governor of the State of New Jersey with respect to the Notes, all as required by Section 147 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Authority desires to confirm the continuation of the Princeton University Commercial Paper Notes Program and to confirm and ratify the issuance from time to time, in accordance with the Original Resolution and the CP Agreement, of the Notes, and the loan of the proceeds thereof by the Authority to the University as set forth in the Loan Agreement, and to authorize the Authority to take all action and execute and deliver any and all documents necessary or required in connection with the issuance from time to time of the Notes.

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. That continuation of the Princeton University Commercial Paper Notes Program is hereby confirmed and the terms and conditions of the Original Resolution, the 2010 Resolution, the CP Agreement, the Loan Agreement and all Notes heretofore issued thereunder are hereby ratified and confirmed and the Authority is authorized to continue to issue the Notes from time to time, in one or more series, as requested by the University, upon the terms and conditions, and as provided in, the Original Resolution, the 2010 Resolution, and the CP Agreement.

SECTION 2. That the Authority's loan to the University of the proceeds of all Notes heretofore issued under the Original Resolution, the 2010 Resolution, the CP Agreement and the Loan Agreement is hereby ratified and confirmed and the Authority is authorized to continue to lend the proceeds of the Notes to the University upon the terms and conditions, and as provided in, the Loan Agreement.

SECTION 3. That the Chair, Vice-Chair, Treasurer, Executive Director, Deputy Executive Director, Secretary, any Assistant Secretary, Assistant Treasurer, Director of Project Management and any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer") of the Authority are authorized to execute and deliver any and all documents necessary or required in connection with the issuance from time to time of the Notes, including, but not limited to, any Tax Regulatory Agreement or Tax Certificate relating to the Notes and any Internal Revenue Service Form 8038 relating to the Notes and all prior actions and execution and delivery of documents by any Authorized Officer in connection with Notes issued heretofore under the Original Resolution, the CP Agreement and the Loan Agreement are hereby ratified and confirmed.

SECTION 4. That any Authorized Officer of the Authority is authorized to take any action necessary or required to provide for the issuance from time to time of the Notes and the loan of the proceeds thereof to the University, to comply with the provisions of the CP Agreement and the Loan Agreement, and to carry out the intent of the Original Resolution.

SECTION 5. That the Members of the Authority shall, by resolution, confirm and ratify the continuation of the Princeton University Commercial Paper Notes Program and all actions taken by the Authority in connection therewith prior to seeking TEFRA approval from the Governor of the State of New Jersey for any Notes to be issued from and after the date hereof for so long as such confirmation and ratification by the Authority shall be required by the Governor of the State of New Jersey in connection with the TEFRA approval for the Notes.

SECTION 6. That the Original Resolution is in all respects confirmed and ratified and shall remain in full force and effect.

SECTION 7. That this Resolution shall take effect in accordance with the Act.

___ Mr. Rodriguez ___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Moore ___ and upon roll call the following members voted:

AYE: Joshua Hodes
Louis Rodriguez
Zakiya Smith Ellis
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

The Chair thereupon declared said motion carried and said resolution adopted.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2018 BUDGET VARIANCE ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded June with a year-to-date net operating loss in the amount of \$110,543, based on revenues of \$1,383,139 and expenses of \$1,493,682.

Revenues

Year-to-date revenues were \$124,389 less than budgeted due to no transactions closing during the first six months of the year.

Expenses

Operating expenditures for the first six months of the year were under budget by \$315,485 primarily due to staff vacancies and timing of expenditures.

Exhibits

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JUNE 2018

	Month Ended June 30, 2018			Year-To-Date June 30, 2018		
	Actual	Budget	Variance	Actual	Budget	Variance
<u>Operating Revenues</u>						
Annual Administrative Fees	\$215,730	\$220,005	\$ (4,275)	\$ 1,307,205	\$ 1,320,030	\$ (12,825)
Initial Fees	-	81,250	(81,250)	-	162,500	(162,500)
Investment Income	23,744	4,167	19,577	75,934	24,998	50,936
	<u>\$ 239,474</u>	<u>\$ 305,422</u>	<u>\$ (65,948)</u>	<u>\$ 1,383,139</u>	<u>\$ 1,507,528</u>	<u>\$ (124,389)</u>
<u>Operating Expenses</u>						
Salaries	\$128,008	\$161,293	\$ 33,285	\$ 686,578	\$ 785,598	\$ 99,020
Employee Benefits	49,408	72,422	23,014	242,706	398,205	155,499
Provision for Post Ret. Health Benefits	29,167	29,167	-	175,000	174,998	(2)
Office of The Governor	2,072	2,083	11	12,568	12,502	(66)
Office of The Attorney General	6,848	4,667	(2,181)	93,449	27,998	(65,451)
Sponsored Programs & Meetings	167	750	583	1,120	4,500	3,380
Telecom & Data	1,683	2,142	459	10,175	12,848	2,673
Rent	15,903	16,667	764	95,417	99,998	4,581
Utilities	1,978	2,000	22	10,702	12,000	1,298
Office Supplies & Postage Expense	1,343	3,542	2,199	8,498	21,248	12,750
Travel & Expense Reimbursement	74	1,042	968	964	6,248	5,284
Staff Training & Conferences	-	3,563	3,563	8,435	21,372	12,937
Insurance	4,619	5,833	1,214	27,719	35,002	7,283
Publications & Public Relations	-	2,187	2,187	-	13,128	13,128
Professional Services	13,711	19,417	5,706	77,796	116,498	38,702
Dues & Subscriptions	2,704	5,458	2,754	16,891	32,752	15,861
Maintenance Expense	2,661	2,546	(115)	11,133	15,274	4,141
Depreciation	2,422	3,167	745	14,531	18,998	4,467
Contingency	-	-	-	-	-	-
	<u>262,768</u>	<u>337,946</u>	<u>75,178</u>	<u>1,493,682</u>	<u>1,809,167</u>	<u>315,485</u>
Net Operating Income	<u>\$ (23,294)</u>	<u>\$ (32,524)</u>	<u>\$ 9,230</u>	<u>\$ (110,543)</u>	<u>\$ (301,639)</u>	<u>\$ 191,096</u>
Gain/Loss on Disposal of Fixed Assets				\$ (100)		\$ (100)
Net Income				<u>\$ (110,643)</u>		<u>\$ 190,996</u>

NJEFA
Vendor Payments
June 2018

3:23 PM
07/11/2018

Accrual Basis
Amount

Type	Date	Num	Name	Memo	Split	Amount
Bill Pmt -Check	06/05/2018	EFT	NJSHBP		Employee Benefits	24,908.30
Bill Pmt -Check	06/05/2018	EFT	NJSHBP		Post Retirement Benefits	2,939.28
Bill Pmt -Check	06/06/2018	12022	CliftonLarsonAllen LLP	Inv 1835183	Accounts Payable	10,000.00
Bill Pmt -Check	06/06/2018	12023	Garden State Fire & Safety	Inv 39658 Annual Inspection Fire Extinguishers	Accounts Payable	98.75
Bill Pmt -Check	06/06/2018	12024	Government News Network	Inv 80809-G	Accounts Payable	325.00
Bill Pmt -Check	06/06/2018	12025	MCS	Inv 53511	Accounts Payable	235.08
Bill Pmt -Check	06/06/2018	12026	Panera Bread	5/16/18 Board Meeting Inv 607011213646991	Accounts Payable	167.11
Bill Pmt -Check	06/06/2018	12027	Polar Inc.	032050, 032800	Accounts Payable	135.05
Bill Pmt -Check	06/06/2018	12028	Rodriguez, Louis	Expense Reimbursement - Travel 1/1/18 - 5/31/18	Accounts Payable	54.60
Bill Pmt -Check	06/06/2018	12029	SS&C Technologies, Inc	INV485336	Accounts Payable	12,625.00
Bill Pmt -Check	06/06/2018	12030	TGI Office Automation	INV1309441	Accounts Payable	1,274.30
Bill Pmt -Check	06/06/2018	12031	The Wall Street Journal	Acct. No. 041212250423 1 Year Subscription	Accounts Payable	467.88
Bill Pmt -Check	06/06/2018	12032	Thomson Reuters Global Markets Inc.	Inv 95449968	Accounts Payable	735.00
Bill Pmt -Check	06/06/2018	12033	Treasurer, State of New Jersey - DAG	FY 2018 2nd & 3rd Quarter (Oct - Dec.), (Jan. - Mar.)	Accounts Payable	58,101.00
Bill Pmt -Check	06/06/2018	12034	UPS	Inv 2Y687X198	Accounts Payable	32.53
Bill Pmt -Check	06/06/2018	12035	Walker, Lisa	Employee Benefits	Accounts Payable	300.00
Bill Pmt -Check	06/06/2018	12036	Yang, Ellen	Expense Reimbursement - Travel 5/31/18	Accounts Payable	18.62
Bill Pmt -Check	06/20/2018	12037	100 & RW CRA, LLC	Inv 003527	Accounts Payable	12,097.67
Bill Pmt -Check	06/20/2018	12038	American Payroll Association	ID No. 329750 Membership & Processing Fee - BS	Accounts Payable	254.00
Bill Pmt -Check	06/20/2018	12039	Block Line Systems	Inv 66054180615	Accounts Payable	1,435.29
Bill Pmt -Check	06/20/2018	12040	DocuSafe	Inv 107874	Accounts Payable	165.80
Bill Pmt -Check	06/20/2018	12041	Lexis Nexis	Inv 1805183797	Accounts Payable	292.00
Bill Pmt -Check	06/20/2018	12042	McFadyen, Jacqueline	Employee Benefits	Accounts Payable	90.00
Bill Pmt -Check	06/20/2018	12043	NJ Economic Development Authority	June Coverage	Accounts Payable	1,980.59
Bill Pmt -Check	06/20/2018	12044	Penn Medicine	Inv 4715	Accounts Payable	119.00
Bill Pmt -Check	06/20/2018	12045	Polar Inc.	Inv 033820	Accounts Payable	71.00
Bill Pmt -Check	06/20/2018	12046	The Hartford	Acct # 12566813 WC 7/1/18 - 7/1/19	Accounts Payable	3,943.00
Bill Pmt -Check	06/20/2018	12047	Verizon Wireless	Inv 9808288214	Accounts Payable	248.29
Bill Pmt -Check	06/20/2018	12048	W.B. Mason Company, Inc.	Inv IS0793706	Accounts Payable	938.70
						133,752.84

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of June 30, 2018

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (33,340,780.99)	\$ 4,718,221.21	88%
The College of Saint Elizabeth	2016 Series D	Renov of O'Connor Hall & Improv, Refund 2008 F	2,627,671.74	(2,347,745.73)	279,926.01	89%
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	76,911,558.14	(31,898,079.77)	45,013,478.37	41%
Princeton University	2017 Series C	Renov, Maint & Partial Refund Commercial Paper	162,455,632.40	(140,870,354.97)	21,585,277.43	87%
Seton Hall University	2017 Series E	Medical & Non-Medical Bldgs, Res & Clinical Admin Offices	31,915,000.00	(7,781,182.87)	24,133,817.13	24%
Rider University	2017 Series F	Academic & Residential Facilities, Science & Technology Bldg	44,228,160.45	(1,574,552.14)	42,653,608.31	4%
Georgian Court University	2017 Series G&H	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(416,437.67)	7,457,945.49	5%
Sub Total			\$ 364,071,408.09	\$(218,229,134.14)	\$ 145,842,273.95	
<u>Public</u>						
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	\$ 156,675,111.09	\$(127,978,598.22)	\$ 28,696,512.87	82%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(30,746,715.93)	7,122,940.17	81%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(22,537,867.12)	3,669,661.41	86%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(1,165,538.10)	10,113,292.65	10%
William Paterson University of New Jersey	Series 2017 B	New Residence Hall	30,427,779.25	(13,723,031.42)	16,704,747.83	45%
Sub Total			\$ 262,458,905.72	\$(196,151,750.79)	\$ 66,307,154.93	
<u>Other Programs</u>						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (90,378,393.10)	\$ 10,888,499.90	89%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(36,840,757.36)	4,472,909.64	89%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(183,445,111.86)	8,460,484.14	96%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(177,126,707.10)	42,850,456.90	81%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(63,462,166.73)	83,238,094.46	43%
Sub Total			\$ 701,163,581.19	\$(551,253,136.15)	\$ 149,910,445.04	
Grand Total			\$1,327,693,895.00	\$(965,634,021.08)	\$ 362,059,873.92	