



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540  
PHONE 609-987-0880 • FAX 609-987-0850 • jpoole@njefa.com

JIM POOLE  
*Executive Director*

May 13, 2011

**VIA HAND DELIVERY**

Honorable Chris Christie  
Governor  
State House  
125 West State Street  
P.O. Box 001  
Trenton, New Jersey 08625

**ATTN: David Reiner, Assistant Counsel  
Governor's Authorities Unit**

Dear Governor Christie:

Enclosed please find an original and one copy of the minutes of the Special Meeting of the New Jersey Educational Facilities Authority held on Friday, May 13, 2011. Also enclosed is a copy of the adopted resolution.

I hereby certify that it is a true and correct copy of the proceedings.

Sincerely,

James Poole  
Secretary

Enclosures



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540  
PHONE 609-987-0880 • FAX 609-987-0850 • jpoole@njefa.com

JIM POOLE  
*Executive Director*

**MINUTES OF THE SPECIAL MEETING OF THE  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY  
ON FRIDAY, MAY 13, 2011**

The meeting was called to order at 9:32 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via e-mail and fax on May 10, 2011, to The Star Ledger, The Times 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:**

Roger B. Jacobs, Chair  
Ridgeley Hutchinson, Vice Chair  
Joshua Hodes, Treasurer  
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Steven Petrecca)  
Steven D. Weinstein, Chair, Commission on Higher Education (represented by Glenn Lang)

**AUTHORITY MEMBERS ABSENT:**

None

**STAFF PRESENT:**

James Poole, Executive Director  
Marie Mueller, Controller  
Katherine Newell, Esq., Director of Risk Management  
Sheryl Stitt, Director of Communications  
Sheila Toles, Exec. Assistant/Human Resources Specialist

**ALSO PRESENT:**

Clifford Rones, Esq., Deputy Attorney General  
Kavin Mistry, Esq., Deputy Attorney General  
David Reiner, Esq., Governor's Authorities Unit

## ITEMS OF DISCUSSION

### 1. Adoption of Resolution to Pay a Portion of the Debt Service on the Authority's Higher Education Capital Improvement Fund Bonds

Mr. Poole reported that the Authority had issued, in several series, \$550 million of State appropriation bonds for the Higher Education Capital Improvement Fund and that the debt service payable to the State for State Fiscal Year 2012 on the bonds is \$28.6 million. The bonds are being used to provide grants to the State's four-year public and private institutions for all or a portion of the cost of the repair, renovation or construction of facilities.

Mr. Poole requested the Members' approval of a resolution allowing the Authority to use retained earnings, which is monies available to the Authority from the difference between revenues and expenditures over prior years, in the amount of \$8 million to pay a portion of the SFY 2012 debt service on the bonds. Mr. Poole advised that currently the Authority has \$11 million in retained earnings and that using the \$8 million for the debt service would decrease the amount of the retained earnings to \$3 million and that \$3 million would be sufficient, in the worst case scenario, to continue the operations of the Authority for about 13 months.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY TO  
PAY THE DEBT SERVICE ON AUTHORITY HIGHER EDUCATION CAPITAL  
IMPROVEMENT FUND BONDS

The motion was seconded by Dr. Lang and passed unanimously.

The adopted resolution is appended as Exhibit I.

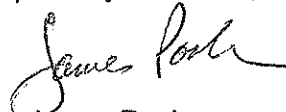
Mr. Jacobs thanked the Department of Treasury staff for spending so much time with the Members to provide explanations that were helpful in understanding the issue. Mr. Hodes also thanked the Department of Treasury for taking the time and stated that they were very helpful. Mr. Petrecca stated that he would pass on the Members' sentiments.

### 2. Next Meeting Date

Chairman Jacobs announced that the next meeting will be held on Tuesday, May 24, 2011 at 9:00 a.m. at the Authority's office and requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 9:37 a.m.; the motion was seconded by Dr. Lang and passed unanimously.

Respectfully submitted,

  
James Poole  
Secretary

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
(THE "AUTHORITY") TO PAY THE DEBT SERVICE ON AUTHORITY HIGHER  
EDUCATION CAPITAL IMPROVEMENT FUND BONDS (THE "BONDS")**

**MAY 13, 2011**

- WHEREAS:** The Authority was created pursuant to the New Jersey Educational Facilities Authority Law, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act"); and
- WHEREAS:** The Higher Education Capital Improvement Fund was created pursuant to N.J.S.A. 18A:72A-74 et seq., which authorized the issuance of \$550 million in Bonds to provide grants to New Jersey's four-year public and private institutions of higher education for all or a portion of the cost of the repair, renovation or construction of facilities; and
- WHEREAS:** The Authority has issued all \$550 million; and
- WHEREAS:** The debt service payable by the State of New Jersey during State Fiscal Year (SFY) 2012, on the Bonds is \$28.7 million; and
- WHEREAS:** The State of New Jersey ("State") is confronted with shortfalls in its Fiscal Year 2012 Budget; and
- WHEREAS:** Similar shortfalls were experienced by the State in the State Fiscal Year 2002 and 2005; and
- WHEREAS:** The Authority transferred to the State General Fund \$5 million in SFY 2002 and \$2.5 million in SFY 2005; and
- WHEREAS:** The Authority has retained earnings sufficient to pay a portion of the State debt service on the Bonds during SFY 2012.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY:**

- SECTION 1.** The Members hereby authorize the Authority to use available monies from the Authority's operating account in the amount of \$8 million to pay a portion of the SFY 2012 debt service on the Bonds.
- SECTION 2.** The Members hereby authorize the Executive Director or Controller to take any and all actions necessary and/or appropriate to implement this resolution.
- SECTION 3.** This resolution shall take effect in accordance with *N.J.S.A. 18A:72A-4(i)*.

\_\_\_\_\_ Mr. Petrecca \_\_\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_\_ Dr. Lang \_\_\_\_\_ and upon roll call the following members voted:

**AYE:** Roger B. Jacobs  
Ridgeley Hutchinson  
Joshua Hodes  
Andrew Sidamon-Eristoff (represented by Steven Petrecca)  
Steven D. Weinstein (represented by Glenn Lang)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

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