



103 College Road East • Princeton, New Jersey 08540
phone 609-987-0880 • fax 609-987-0850 • Eric.Brophy@njefa.nj.gov

Eric D. Brophy, Esq.
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD REMOTELY ON TUESDAY, SEPTEMBER 28, 2021**

The meeting was called to order at 10:00 a.m. by board Chair Joshua Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via email on June 14, 2021, 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 and on the Authority's Website. 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 (VIA ZOOM):

Joshua Hodes, Chair
Ridgeley Hutchinson, Vice Chair
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by Ryan Feeney)
Louis Rodriguez
Brian Bridges, Secretary of Higher Education

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT (VIA ZOOM):

Eric D. Brophy, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Ellen Yang, Director of Compliance Management
Brian Sootkoos, Director of Finance–Controller
Zachary Barby, Communications/IT Coordinator
Matthew Curtis, Information Technology Manager
Edward DiFiglia, Public Information Officer
Linda Hazley, Office Manager/Document Specialist
Carl MacDonald, Project Manager
Kristen Middleton, Assistant Controller
Jamie O'Donnell, Grant Program Manager
Sheila Toles, Human Resources Manager
Gary Vencius, Accounting Manager

ALSO PRESENT (VIA ZOOM):

George Loeser, Esq. Deputy Attorney General
Janice Venables, Esq. Governor's Authorities Unit

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of August 24, 2021

The minutes of the meeting of August 24, 2021 were delivered electronically and via United Parcel Service to Governor Philip D. Murphy under the date of August 26, 2021. Mr. Rodriguez moved the meeting minutes for approval as presented; the motion was seconded by Secretary Bridges and passed. Mr. Hutchinson abstained from the vote.

2. Resolution of the New Jersey Educational Facilities Authority Amending its By-Laws

Ms. Yang reported that this Resolution authorizes amending the Authority's By-Laws with inclusion of a new indemnification provision in Article VI.

Ms. Yang reported that the purpose of the Indemnification provision is to provide security and financial reimbursement to the Authority's past and present members, officers, and employees for legal costs that may be incurred if they are a party or threatened to be made a party to an action, suit, or proceeding, whether civil, administrative or investigative, by reason of the fact that they are/or were a member, officer, or employee of the Authority and acting in that capacity.

Ms. Yang reported that Article VI outlines the procedural components of the Indemnification provision and certain limitations.

Ms. Yang reported that the aggregate indemnity for a covered person shall not exceed policy limits as stated in the Directors and Officers liability insurance policy during the applicable coverage period.

Ms. Yang reported that the reimbursement for legal representation shall be at maximum rates to be approved by the members of the Authority.

Ms. Yang also reported that the Indemnification provision does not authorize the Authority to pay punitive damages or exemplary damages or damages arising from the commission of a crime. Neither shall the Authority provide for the defense or indemnification of a member, officer, or employee for an act or omission that was the result of actual fraud, actual malice, willful misconduct, intentional wrong, or outside the scope of employment.

Mr. Rodriguez inquired if there was a matter that the Authority should be concerned about. Mr. Brophy explained that there was a loophole in the Authority's policies and insurance coverages in that in certain circumstances, members and employees would be compelled to pay for their own defense and/or liability in legal actions. Mr. Brophy reported that the Authority staff believe this indemnification amendment will fix that problem.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AMENDING ITS BY-LAWS

The motion was seconded by Secretary Bridges and passed unanimously.

The adopted resolution is appended as Exhibit I.

**3. Resolution of the New Jersey Educational Facilities Authority
Extending the Term of the Authority's Trustee Pool**

Mr. Sootkoos reported that the Authority by resolution adopted on September 25, 2018 authorized the appointment of a Trustee Pool which included Bank of New York Mellon, U.S. Bank and Zions Bank for a period of three years from October 12, 2018 to October 11, 2021 with the option to extend the term of the Trustee Pool for two additional successive periods of twelve months each at the discretion of the Authority. Mr. Sootkoos reported the Authority staff now recommends that the Authority exercise its option to extend the appointment of the Trustee Pool for an additional twelve-month period from October 12, 2021 to October 11, 2022.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY EXTENDING THE TERM OF THE
AUTHORITY'S TRUSTEE POOL

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

The adopted resolution is appended as Exhibit II.

4. 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 July and August 2021.

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

The reports are appended as Exhibit III.

5. **Executive Director's Report**

Mr. Brophy provided the Executive Director's report for informational purposes only.

Mr. Brophy reported that Executive Management had updated the Return to Office policy in order to conform to the Phase III plans set by the Governor's office. Phase III requires that all employees are to work in the office full time beginning October 18, 2021. Until that date, staff will continue to work virtually on intermittent workdays. He also reported that further guidance may be forthcoming.

Mr. Brophy reported that the interview process for the Compliance Manager position is continuing and will conclude soon.

Mr. Brophy reported that he recently attended the NAHEFFA conference in Milwaukee. He reported they were enlightening sessions. Mr. Brophy reported that he was able to connect with some other executive directors after the conference with regard to how they handle certain transactions and how they deal with competition from foreign issuers, meaning out-of-state issuers. He also reported that there will be more to come on some of the possible initiatives.

Mr. Brophy reported that the Authority received some encouraging news about advance refundings. He reported that it seems that language proposed by NAHEFFA, and others remained in the federal reconciliation bill coming out of committee. Mr. Brophy reported that at NAHEFFA's suggestion, the Authority staff forwarded several correspondences to Senator Menendez and Congressman Pascrell's offices and had a telephone conference with Senator Menendez's office in support of the provisions. Mr. Brophy reported that Authority staff is hoping that the language stays in. This could be very helpful to NJ colleges.

Mr. Brophy reported that Authority staff is continuing internal meetings and meetings with various stakeholders (school officials, professionals). He also reported that Authority staff recently conducted meetings with staff from both Princeton and Kean Universities. He reported that both were productive meetings. Mr. Brophy also reported that Authority staff had continued discussions with bankers and other professionals. Mr. Brophy reported that internal Authority staff/division meetings continue on a weekly basis.

Mr. Brophy reported that budget preparations were underway, and staff had begun working on a preliminary budget. Mr. Brophy also reported that the staff continues

to take advantage of trainings- some trainings have occurred, and others are ongoing. Mr. Brophy also reported that the Public Information Officer had enrolled in a management training course at Mercer County Community College.

Mr. Brophy reported on the current status of matters of the Authority. He reported that the Seton Hall transaction closed. Mr. Brophy reported that Authority staff had some introductory discussions with several institutions about potential upcoming transactions. He reported that they will not occur until the 1st or 2nd quarter of 2022. Mr. Brophy also reported that the Authority continues to work with and provide support for the State Library grant program. He reported that weekly meetings were held with the library group. Most grant agreements from the first round have been signed with a few outliers. Mr. Brophy reported that most of the first-round grants were ready to move forward.

Mr. Brophy reported that work on the SOCF grant program is continuing. Staff is working closely with OSHE on the beginning of implementation of the 2nd round of grants.

Mr. Brophy reported that OSHE has published the Proposed Readoption of Regulations with amendments for the Higher Education Capital Improvement Fund (CIF), Higher Education Facilities Trust Fund (HEFT) and Higher Education Equipment Leasing Fund (ELF). Written public comments for CIF were received by September 17th. Public comments for HEFT are to be received by October 1st. Public comments for ELF are due to be received by November 19.

Mr. Brophy reported that at this time, the Authority does not know when or if the State will authorize new grants under the CIF, HEFT or ELF programs but we are pleased to see the regulations moving forward toward that possibility. Mr. Brophy explained that the Authority awaits the return of the Legislature and hopefully they will take up S-4020 and A-5867- NJEFA's proposed statutory amendments- prior to the end of the legislative session. In the meantime, Authority staff plan to continue to meet with the bills' sponsors, other key legislators and higher education stakeholders.

Mr. Brophy reported that the communications division is working on an Authority-sponsored webinar. The subject of the Webinar, to be held September 29, is a roundtable discussion on diversity in financial transactions and will include a discussion of our recent transaction with Princeton in which a diverse (MWBE) investment advisor was selected to manage 50% of the bond proceeds.

Mr. Brophy reported that the Authority staff is planning to present at the Alliance for Action's upcoming Annual Construction Forecast event on October 28, 2021.

6. **Next Meeting Date**

Mr. Hodes reminded everyone that the next meeting was scheduled for Tuesday, October 26, 2021 at 10:00 a.m. and requested a motion to adjourn.

Secretary Bridges moved that the meeting be adjourned at 10:22 a.m. The motion was seconded by Mr. Hodes and passed unanimously.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E. Brophy', written in a cursive style.

Eric D. Brophy
Secretary