



New Jersey Infrastructure Bank
3131 Princeton Pike
Building 4 Suite 216
Lawrenceville, NJ 08648-2201

Robert A. Briant, Jr., Vice Chairman
Roger Ellis, Treasurer
Mark Longo, Secretary
Elizabeth M. Muoio, State Treasurer
Catherine R. McCabe, DEP Commissioner
Diane Gutierrez-Scaccetti, DOT Commissioner
Sheila Oliver, DCA Commissioner
David E. Zimmer, Executive Director

4/11/2019

NEW JERSEY INFRASTRUCTURE BANK

OPEN PUBLIC MEETING

Thursday, April 11, 2019

1. CALL TO ORDER:

A meeting of the New Jersey Infrastructure Bank was convened on Thursday, April 11, 2019 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Vice Chairman Briant called the meeting to order at 10:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record. Executive Director Zimmer reported that he received a letter from Lieutenant Governor Sheila Oliver appointing Assistant Commissioner Kimberly Holmes as her representative as the DCA Commissioner for all Board meetings.

3. ROLL CALL:

Ms. Nancy Collazo conducted roll call to which Mr. Briant, Mr. Longo, Mr. Ellis, Ms. Brogel, Ms. Rankin, Mr. Kanef, and Ms. Holmes all responded affirmatively.

DIRECTORS

Robert A. Briant, Jr., Vice Chairman
Mark Longo, Secretary *
Roger Ellis, Treasurer
Janice Brogel
(for DEP Commissioner Catherine R. McCabe)
Michael Kanef *
(for State Treasurer Elizabeth M Muoio)
Laine Rankin
(for DOT Commissioner Diane Gutierrez-Scaccetti)
Kimberly Holmes
(for DCA Commissioner Sheila Oliver)

OTHERS

David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
Lauren Seidman Kaltman, Chief Financial Officer
Judy Karp, Legal and Compliance Officer
John Hansbury, Chief Budget Officer
Paul Hauch, DEP, Municipal Finance &
Construction Element
Craig Ambrose, Governor's Authorities Unit *
Adam Sternbach, Governor's Authorities Unit *
Jeet Gulati, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management
Tricia Gaparine, Chiesa Shahinian Giantomasi PC

(*) Participated via teleconference

Craig Ambrose of the GAU joined the Board Meeting via conference call at 10 am and Adam Sternbach took over the call at 10:25 am and stayed on the call until the end of the meeting.

4. APPROVAL OF THE MINUTES:

Vice Chairman Briant opened discussion of the minutes of the I-Bank's March 2019 Board meeting.

There were no comments or questions. Vice Chairman Briant requested a motion for approval.

Mr. Ellis moved for the approval of the minutes. Mr. Longo seconded the motion.

The motion was carried with all 7 members voting in favor of the motion.

5. ANNOUNCEMENTS:

Executive Director Zimmer summarized a number of the substantive events that have occurred since the last Board meeting and the correspondence issued over the same time period:

- On **April 10 and March 25, 2019**, Executive Director Zimmer participated in CIFA / EPA WIFIA conference calls in an effort to develop a template for SRFs that will facilitate borrowing through the new S-WIFIA federal financing program;
- **April 03 and 04, 2019**, Executive Director Zimmer represented the NJ Water Bank and CIFA at National Water Week in Washington, DC;
- On **April 02, 2019**, Executive Director Zimmer participated with members of the Governor's office and various State Agencies and Authorities to discuss financing for Jersey City;
- On **April 02, 2019**, Executive Director Zimmer participated in an introductory meeting with BPU to discuss potential financing programs;
- On **March 27, 2019**, Executive Director Zimmer and Marketing Assistant Kirkland met with members of DOT's senior staff to discuss marketing opportunities for the Transportation Bank;
- On **March 26, 2019**, Executive Director Zimmer met with members representing the coalition for the National Infrastructure Bank to share ideas;
- On **March 26, 2019**, Executive Director Zimmer participated in an Applicant's Guide Coordination conference call with DEP Assistant Commissioner Michele Putnam, Director Janice Brogle as well as members of and consultants to the Jersey Water Works to discuss opportunities for promoting the Guide and Green Infrastructure projects in the State;
- On **March 22, 2019**, Executive Director Zimmer participated in a conference call with Eric Brophy, Executive Director of NJEFA to share best management practices;
- On **March 21, 2019**, Executive Director Zimmer participated in a meeting with Treasury member Michael Kanef, DEP Assistant Commissioner Michele Putnam and Director Janice Brogle to discuss Water Bank leveraging issues;
- On **March 15 and 18, 2019**, the Water Bank and Transportation Bank held the last of their annual applicant seminars here at the I-Bank's Offices and Rutgers School of Law in Newark respectively. Several Senior staff members of the I-Bank, DEP and DOT either presented or were on hand to answer questions. Ninety people attended the two Water Bank sessions and forty-nine people attended the two Transportation Bank sessions;
- On **March 15, 2019**, Executive Director Zimmer presented at NAIOP's Infrastructure Symposium to Build a World-Class Infrastructure; and

- The next I-Bank Board meeting is scheduled for Thursday, May 9, 2019 at 10:00 am at the I-Bank’s offices.

Executive Director Zimmer announced the June 13th Board Meeting will be moved to Tuesday, June 11th. A follow up confirmation will be sent.

A copy of the announcements is available on the I-Bank’s webpage <https://www.njib.gov/board-agenda/> (locate under “Governance”, “Board Meeting Agendas”, then select “Minutes”, the announcements will be at the end of the file.)

There were no comments or questions.

6. PUBLIC COMMENTS:

Vice Chairman Briant invited comments from the public. There were no comments.

7. UNFINISHED BUSINESS:

A. Mr. Hauch, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 270 active projects totaling \$1,511,338,428 and 1,309 closed projects with loans totaling \$5,956,903,639 for a grand total of 1,579 projects at \$7,468,242,067.

B. Assistant Director & CCO Scangarella discussed the status of review for Water Bank Loan applications:

New Jersey Infrastructure Financing Program				
State Fiscal Year 2019 - Active Project Review				
7/1/2018 - 4/10/2019 @ 11:00 am				
				(Blue \$ = Engineering Estimate)
Color	Description			Estimated Contract Amount
Purple	Contracts Certified*	44	-	\$198,465,000
Green	Contract Authorizations To Award	21		\$231,977,776
	Certifications and Awards: (7/1/18 - 4/10/19)			\$430,442,776
Lt. Green	Authoriz. To Advertise (7/1/18 - 4/10/19)	42		\$362,298,608
	ATAs prior to 7/1/18: 7		\$37,922,994	
Yellow	Projects/Contracts Under Active Review	139		\$868,856,821
	LOIs since 7/1/18: 51		\$255,785,774	
Lt. Red	Inactive - Reactivation in Current FY	5		\$26,000,000

* Excludes Asset Management Planning Contracts

New Jersey Transportation Bank
State Fiscal Year 2019 - Active Project Review

7/1/2018 - 4/10/2019 @ 12:00 pm

(Blue \$ = Engineering Estimate)

Color	Description	# of Contracts	Estimated Contract Amount
Blue	Funds Committed (ST Loans closed)	4	\$25,835,000
Lt Blue	Funding Allocations Made	6	\$15,956,000
Total Allocations & Commitments		10	\$41,791,000
Green	Authorizations to Award	<u>1</u>	<u>\$2,500,000</u>
Lt. Green	Auth. To Advertise	3	\$15,485,000
Yellow	Contract Specs Under Review	0	\$0
Orange	Awaiting Contract Specs	<u>6</u>	<u>\$23,806,000</u>
Total Remaining Projects to be Awarded:		9	\$39,291,000
White	Other SFY19 Eligible Projects	0	\$0
Red	Bypass (Since 1/1/2019)	13	\$81,756,965

C. Executive Director Zimmer reported on the status of the I-Bank's outstanding Requests for Proposals (RFPs):

Pursuant to Resolution No. **19-07** regarding Financial Advisor Services, an RFP was published on March 5, 2019, posted on the I-Bank's website and a notice was distributed directly to 19 firms. Nine firms responded and requested a copy of the RFP. 4 Proposals were received, all were deemed responsive, and are being reviewed by the Review Committee. A recommendation for contract award is expected at the May 2019 Board Meeting.

Pursuant to Resolution No. **19-08** regarding Investment Advisor Services, an RFP was published on March 4, 2019, posted on the I-Bank's website and a notice was distributed directly to 19 firms. Eighteen firms responded and requested a copy of the RFP. 2 Proposals were received, both were deemed responsive, and are being reviewed by the Review Committee. A recommendation for contract award is expected at the May 2019 Board Meeting.

D. Executive Director Zimmer next reported on status of the Construction and SAIL Loan Programs:

- The I-Bank received 12 new applications in March for Construction and SAIL Loan financing totaling \$55.7 million.
 - The I-Bank has received 63 Construction and SAIL Loan applications through March 31, 2019 totaling \$359.5 million.

- The I-Bank closed 0 Construction Loan applications in March. One outstanding loan had an Operable Segment certified by the DEP for an additional \$711 K
 - The I-Bank has 106 Construction and SAIL Loan's outstanding to-date totaling \$780 million.
- The I-Bank disbursed \$29.1 million of funds to 30 projects in March.
 - 103 projects with open Construction and SAIL Loans have received disbursements from the I-Bank through March 31, 2019 totaling \$336.7 million, or approximately 43.17% of the outstanding short-term loan balance.

Status of the Transportation Construction Loan Programs:

- The Transportation Bank received 1 new application for Construction Loan financing in March totaling \$3.5 million.
 - The Transportation Bank has a total of 4 Loan application outstanding through March 31, 2019 for \$15.78 million.
- The Transportation Bank closed 0 loans in March.
 - The Transportation Bank has 2 closed loan outstanding totaling \$12.41 million.
- The Transportation Bank disbursed \$0 in March.
 - 2 projects with an open Construction Loan has received disbursements from the Transportation Bank through March 31, 2019 totaling \$99,419.

Executive Director Zimmer thanked Katie Gaskill who manages the cash for the NJIB and asked her to report on the exception made in the program.

- E. Executive Director Zimmer introduced CFO Lauren Kaltman to discuss the status of the quarterly Aged Inventory Report. CFO Kaltman reported that there are 19 open projects from SFY2015 or prior, representing no change of 5 closeouts from the previous quarter.
- F. Legal and Compliance Officer Karp and DEP's Mr. Hauch reported on the Water Bank Regulations as follows.

Description	Status
Rule Team Assembled	Done
Team Meets to Establish Scope of Rule Amendments	Done
Request Legal Assignments from OLA and DAG	In Progress
Meet with DEP Office of Economic Analysis for Guidance and Support	Scheduled for early Feb N/A - no such office currently active at DEP
Consult with Office of Communications for planning and conducting stakeholder outreach procedures, public notification, meeting format, review of stakeholder lists and facilitation needs	Delayed pending Legal Assignments - Scheduled for late Jan. or early Feb.
Establish Dates, Invitees, and Posting of Notice for Stakeholder Meetings, Submit Notice for NJ Register Publication through OLA (if required)	Scheduled for March 14, 2019 Delayed pending Legal Assignments
Rule Team meets drafting amendments	Ongoing

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer introduced the I-Bank’s Chief Budget Officer Hansbury to present Resolution No. 19-18 accepting the February 2019 Treasurer’s Report.

	NJ WATER BANK	NJ TRANSPORTATION BANK	NJ I-BANK
Revenues earned in February 2019:	\$ 516,085	\$ 177,000	\$ 693,085
Total Revenues Earned YTD:	\$ 4,227,580	\$ 674,508	\$ 4,902,088
Total Revenues Budgeted YTD:	\$ 4,331,357	\$ 580,417	\$ 4,911,774
% of Budget:	98%	116%	100%
Expenses incurred in February 2019:	\$ 398,778	\$ 117,580	\$ 516,359
Total Expenses Incurred YTD:	\$ 3,082,112	\$ 841,495	\$ 3,923,607
Total Expenses Budgeted YTD:	\$ 3,823,412	\$ 1,498,733	\$ 5,322,145
% of Budget:	81%	56%	74%

Chief Budget Officer Hansbury asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Ellis and seconded by Ms. Holmes.

The motion was carried with all 7 members voting in favor of the motion.

B. Executive Director Zimmer introduced Chief Financial Officer Kaltman to present Resolution No. 19-19 approving the I-Bank’s SFY2020 Operating Budget. The Budget consists of total I-Bank revenues of \$8,970,230 derived from anticipated administrative fees, cost of issuance fees, and estimated interest income. The Budget also consists of total anticipated I-Bank expenses of \$8,954,113 which includes direct loan program-related costs as well as expenses related to Operations. To the extent necessary, the I-Bank may utilize up to \$1.45 million of funds appropriated to the Transportation Bank Financing Program to help cover Administrative costs for the Transportation Program.

Chief Financial Officer Kaltman asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Ms. Holmes and seconded by Mr. Longo.

The motion was carried with all 7 members voting in favor of the motion.

C. Executive Director Zimmer introduced Legal and Compliance Officer Karp to present Resolution No. 19-20 approving the SFY2020 New Jersey Environmental Infrastructure Financing Program Financial Plan (Water Bank May Report). The Water Bank May Report specifies the parameters of the Water Bank Loan Program including interest rates, principal forgiveness and fees. In SFY2020, the majority of projects receiving program certification are expected to receive long-term financing terms of 50% zero interest Fund Loans from the DEP and 50% market-rate I-Bank Loans.

Executive Director Zimmer expressed his gratitude to Legal and Compliance Officer Karp, DEP's Section Chief Paul Hauch, and other members of DEP for all their hard work put in preparing the May Report.

Legal and Compliance Officer Karp asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Ms. Holmes. The motion was carried with all 7 members voting in favor of the motion.

- D. Executive Director Zimmer introduced Assistant Director & COO Scangarella to present Resolution No. 19-21 approving the SFY2020 New Jersey Transportation Infrastructure Financing Program Financial Plan (Transportation May Report). The Transportation Bank May Report specifies the parameters of the Transportation Bank Loan Program including interest rates, and fees. Unique to the Transportation Bank is the I-Bank's quarterly allocation of funds for construction ready projects (i.e. projects demonstrating a high likelihood of construction contract award within 1 year of that quarter). The SFY2020 Financial Plan anticipates allocating \$20 - \$80 million for project financing sourced from Local Aid Infrastructure Funds (\$20 million) and private capital (up to \$60 million).

Executive Director Zimmer expressed his gratitude to Assistant Director & COO Scangarella, DOT's Laine Rankin and other members of the DOT for all their hard work in preparing the May Report.

Assistant Director & COO Scangarella asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval

The resolution was moved for adoption by Mr. Longo and seconded by Ms. Rankin. The motion was carried with all 7 members voting in favor of the motion.

- E. Executive Director Zimmer introduced Assistant Director & CCO Scangarella to present Resolution No. 19-22 authorizing an SFY2019 and SFY2020 NJEIFP Construction Financing Program Loan in an amount not to exceed \$37 million to Rutgers University for project # S340500-01 .

Assistant Director & CCO Scangarella asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Ms. Holmes and seconded by Mr. Ellis. The motion was carried with all 7 members voting in favor of the motion.

- F. Executive Director Zimmer presented Resolution No. 19-23 authorizing the I-Bank to issue loans in State Fiscal Year 2020 under the Small System Loan Program, also known as the NANO Program, to small drinking water systems serving populations of 10,000 or fewer. The SFY2020 NANO Program includes principal forgiveness in an amount equal to 50% of a borrower's project costs up to \$1 million. The Resolution authorizes NANO loans to be made by the I-Bank and the NJDEP in an aggregate Program amount not to exceed \$4 million plus any funds remaining from any prior year NANO Program. The Resolution also provides that NANO funding in SFY2020 to any individual borrower shall be not less than \$100,000 nor greater than \$1 million and is generally consistent with respect to the SFY2019 NANO Program.

Executive Director Zimmer asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Ms. Holmes and seconded by Mr. Longo. The motion was carried with all 7 members voting in favor of the motion.

9. EXECUTIVE SESSION:

Vice Chairman Briant asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Executive Director Zimmer answered there was not.

Vice Chairman Briant then asked for a motion for an adjournment.

Mr. Ellis moved to adjourn the meeting. The motion was seconded by Mr. Longo. The motion was carried with all 7 members voting in favor of the motion.

The meeting was adjourned at 11:23 am.