

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

**STATEMENT**

**RESOLUTION OF NEW JERSEY INSTITUTE OF TECHNOLOGY ("NJIT") TO  
APPROVE REFUNDING AND DIRECT PLACEMENT REFINANCING OF SERIES  
2015A STEP COUPON BONDS**

**Background:**

The administration, with the concurrence of Janney Montgomery Scott, LLC, NJIT's independent registered municipal advisor, seeks to refinance approximately \$8 million of the July 1, 2035 maturity of NJIT's General Obligation Bonds, 2015 Series A (the "Series 2015A Step Coupon Bonds") through a direct placement financing, on a tax-exempt fixed-rate basis with an expected close by May 30, 2022. Currently, the Series 2015A Step Coupon Bonds mature July 1, 2035 and have an outstanding balance of \$15.08 million. In conjunction with the refinancing, the University plans to pay down the remaining \$7.08 million of outstanding Series 2015A Step Coupon Bonds. The anticipated result of this transaction, which will not increase nor extend in length existing debt, is a cumulative PV savings of approximately \$2.9 million from FY '22 through FY '35 based on indicative rates as of March 1, 2022. The current rates of interest on the 2015A Step Coupon Bonds: today to 06/30/2025, 3.75%, 07/01/2025 to 06/30/2033 5.00% & 07/01/33 to maturity: 5.50%.

The Administration disseminated a Request for Proposals to potential lending institutions and proposals /term sheets were due on March 2, 2022 to Janney Montgomery Scott, LLC for assessment. The various proposals are currently being analyzed by NJIT administration, and the most favorable financing proposal will be accepted, with a closing to occur prior to May 30, 2022. Associated issuance costs will be supported from operating resources, and the savings described include this impact in FY '22. Initial term sheet responses vary between 1.99% and 3.70% as fixed rates from five banks (JP Morgan, Bank of America, City National Bank, Columbia Bank and TD Bank).

**Recommendation:**

Authorize the administration to assess term sheets and select the best financing plan that results in annual budget savings of approximately \$2.9 million (including budget impact of issuance costs and paydown of \$7.08 million unrefunded Series 2015A Step Coupon Bonds) without negatively impacting current or future debt capacity. Authorize the administration to utilize funding received directly for the payment of the Series 2015A Step Coupon Bonds to be utilized as directed to pay off approximately \$7 million of the Series 2015A Step Coupon Bonds.

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**WHEREAS**, as part of the ongoing review of outstanding debt portfolio, the administration of NJIT (the "Administration") has identified an opportunity to refund \$8 million of the outstanding General Obligation Bonds, New Jersey Institute of Technology Issue, Series 2015A maturing on July 1, 2035 which bear interest at a step coupon rate (the "Series 2015A Step Coupon Bonds"), and NJIT will pay down the remaining approximately \$7 million of outstanding Series 2015A Step Coupon Bonds (collectively referred to herein as the "Refunding Transaction");

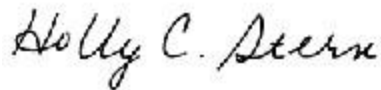
**WHEREAS**, the Administration disseminated a Request for Proposals released on February 14, 2022 to potential lending institutions seeking proposals to refund a portion of the Series 2015A Step Coupon Bonds;

**WHEREAS**, after completion of a thorough review and analysis of submitted proposals, and careful consideration of all relevant factors by the Administration and Janney Montgomery Scott, LLC (the "Financial Advisor"), the most appropriate lending institution will be selected that accomplishes the most favorable financial results for NJIT; and

**WHEREAS**, the Administration intends to proceed with closing these transactions before May 30, 2022 on a tax-exempt fixed rate basis.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Trustees authorizes the Administration to execute the Refunding Transaction, and authorizes the Chairperson, Vice-Chairperson, the Secretary of the Board, the President, the Senior Vice President for Finance and Chief Financial Officer, and such other NJIT Officers with applicable signatory authority, (hereinafter the "Authorized Officers") to execute and deliver on behalf of NJIT all necessary documents and agreements, and to take such further action as needed to complete the Refunding Transaction which is expected to close prior to May 30, 2022, or such later date as shall be determined by Administration, upon consultation with the Financial Advisor. The terms of the Refunding Transaction shall be as determined by Administration, upon consultation with the Financial Advisor and by the Authorized Officers executing such documents necessary to effect the Refunding Transaction, such determination to be conclusively evidenced by their execution of such documents; provided, however, the refunding of the Series 2015A Step Coupon Bonds will have an interest rate of no greater than 2.95% and a final maturity no later than July 1, 2035.

**BE IT FURTHER RESOLVED** that all prior resolutions of NJIT or portions thereof inconsistent herewith are hereby amended to conform to the provisions of this Resolution to the extent of any such inconsistency.



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Holly C. Stern, Esq.  
General Counsel/Vice President of  
Legal Affairs and  
Secretary to the Board of Trustees  
New Jersey Institute of Technology

March 21, 2022  
Board Resolution No. 2022-23