NEW JERSEY INSTITUTE OF TECHNOLOGY

STATEMENT

RESOLUTION OF NEW JERSEY INSTITUTE OF TECHNOLOGY ("NJIT") TO APPROVE THE REFINANCING OF BONDS

Background:

The Administration, with the concurrence of Janney Montgomery Scott, LLC, our independent registered municipal advisor, has identified an opportunity to refinance approximately $163.8 million of outstanding bonds as displayed on the below chart.

<table>
<thead>
<tr>
<th>Series</th>
<th>Par Amount Callable</th>
<th>Par Call Date</th>
<th>Current Coupon Range</th>
<th>Current Tax Status</th>
<th>Advance Refunding Tax Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010I (BABs)</td>
<td>$20,450,000</td>
<td>07/01/2020</td>
<td>6.41% (Pre-Subsidy)</td>
<td>Taxable</td>
<td>Tax-Exempt</td>
</tr>
<tr>
<td>2012A</td>
<td>$44,890,000</td>
<td>07/01/2022</td>
<td>4.00% to 5.00%</td>
<td>Tax-Exempt</td>
<td>Taxable</td>
</tr>
<tr>
<td>2015A (Non-Step)</td>
<td>$98,305,000</td>
<td>07/01/2025</td>
<td>3.00% to 5.00%</td>
<td>Tax-Exempt</td>
<td>Taxable</td>
</tr>
</tbody>
</table>

Various refinancing options have been presented by Janney Montgomery Scott, LLC to the Administration and to the Audit & Finance Committee. The proposed refinancing will save an estimated $18.6 million in debt service payments, net of issuance costs, over the next eight fiscal years and will not extend the length of debt. Debt service for the fiscal years 2028 through 2047 will remain unchanged, with debt service ranging from $20.1 million to $20.5 million annually.

The Administration anticipates proceeding later this fall with the refinancing plan that provides the best financial and strategic results with a closing no later than December 31, 2019.

Recommendation:

With the concurrence of the Audit and Finance Committee, authorize the administration to assess term sheets and select the debt refinancing plan that results in the best financial results for NJIT without negatively impacting current or future debt capacity.
RESOLUTION OF NEW JERSEY INSTITUTE OF TECHNOLOGY ("NJIT") TO APPROVE THE REFINANCING OF BONDS

WHEREAS, as part of the ongoing review of outstanding bond covenants, the Administration has identified an opportunity to refinance $163.845 million of outstanding bonds, specifically 2010I, 2012A, and 2015A (Non-Step), that results in short-term operating savings of approximately $18.6 million; and

WHEREAS, after thorough analyses of submitted proposals and careful consideration of all relevant factors, the Administration is authorized to work with the most appropriate lending institution to proceed with closing this sale before December 31, 2019 on a fixed rate issuance of general obligation bonds that do not extend beyond FY47; and

WHEREAS, the Administration will apply these annual debt service savings into strategic projects focused on developing alternate revenue opportunities;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees authorizes the Administration to execute the refunding of $163.845 million of existing NJIT bonds and all necessary documents and agreements and take such further action as needed to complete this transaction prior to December 31, 2019. 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.

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

September 26, 2019
Board Resolution 2020-4
Revised 9-27-19