



Legislation Details (With Text)

File #: 23-1395 **Version:** 1 **Name:** Resolution - Form of Note Sale
Type: Resolution **Status:** Adopted
File created: 8/18/2023 **In control:** Finance
On agenda: 9/7/2023 **Final action:** 9/7/2023

Title: Dept/ Agency: Finance
Action: () Ratifying (X) Authorizing () Amending
Purpose: Approving Form of Sale of City-Secured Bonds
Amount to be Financed: \$36,698,000.00
Source of Appropriation: Bond Anticipation Notes
Purchaser: Competitive Bidding
Project Information:
(Description/ Project No./ Amount Appropriated/Ordinance No.)
RESOLUTION DETERMINING CERTAIN MATTERS IN CONNECTION WITH THE SALE OF
\$31,628,000.00 PRINCIPAL AMOUNT OF GENERAL CAPITAL IMPROVEMENT BOND
ANTICIPATION NOTES, SERIES 2023B AND \$5,070,000.00 PRINCIPAL AMOUNT OF SPECIAL
EMERGENCY NOTES, SERIES 2023C (FEDERALLY TAXABLE) OF THE CITY OF NEWARK, IN
THE COUNTY OF ESSEX, STATE OF NEW JERSEY.
Additional Information:

Sponsors: Council of the Whole

Indexes:

Code sections:

| Date | Ver. | Action By | Action | Result |
|----------|------|-------------------|--------|--------|
| 9/7/2023 | 1 | Municipal Council | Adopt | Pass |

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THE COUNTY OF ESSEX, STATE OF NEW JERSEY.

Additional Information:

WHEREAS, the City of Newark, in the County of Essex, New Jersey (the "City"), has heretofore issued on September 30, 2022, \$39,233,000.00 of its General Obligation Notes, Series 2022, consisting of \$31,628,000.00 General Capital Improvement Bond Anticipation Notes, Series 2022D, and \$7,605,000.00 Special Emergency Notes, Series 2022F (Federally Taxable), maturing September 29, 2023 (collectively, the "Prior Notes"); and

WHEREAS, the City's Acting Director of Finance/Chief Financial Officer is desirous of selling and issuing \$36,698,000.00 principal amount of the Issuer's General Obligation Notes, Series 2023, consisting of \$31,628,000.00 General Capital Improvement Bond Anticipation Notes, Series 2023B (the "Series 2023B Notes"), and \$5,070,000.00 Special Emergency Notes, Series 2023C (Federally Taxable) (the "Series 2023C Notes" and, collectively with the Series 2023B Notes, the "Series 2023 Notes") to refund, together with budgetary appropriations of the City, the Prior Notes, all pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), the Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law"), the Ordinances (as defined below) and this resolution; and

WHEREAS, the Series 2023 Notes are authorized to be issued pursuant to the following ordinances of the City: (i) in the case of the Series 2023B Notes, Bond Ordinance 6PSF-a(s) finally adopted by the Municipal Council of the City on June 22, 2021 ("Ordinance 6PSF-a(s) 6 22 2021"), and (ii) in the case of the Series 2023C Notes, Ordinance No. 6PSF-E finally adopted by the Municipal Council of the City on August 5, 2020 ("Ordinance 6PSF-e 08 05 2020" and, collectively with Ordinance 6PSF-a(s) 6 22 2021, the "Ordinances"), approved and published as required by law.

WHEREAS, the City has determined to authorize the offering and sale of the 2023B Notes by competitive sale pursuant to the terms and conditions of the attached Notice of Sale (the "2023B Notice of Sale") described herein; and

WHEREAS, the City has determined to authorize the offering and sale of the 2023C Notes by competitive sale pursuant to the terms and conditions of the attached Notice of Sale (the "2023C Notice of Sale") described herein; and

WHEREAS, in connection with the offering and sale of the Series 2023 Notes, the City determines to authorize the distribution of a Preliminary Official Statement and final Official Statement with respect to the Series 2023 Notes, and to authorize the execution and delivery of a Continuing Disclosure Certificate.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY (not less than a majority of all members thereof affirmatively concurring), THAT:

1. Confirmation of Intention to Issue 2023B Notes. Pursuant to the provisions of Ordinance 6PSF-a(s) June 22, 2021, the Acting Director of Finance/Chief Financial Officer is hereby authorized and directed to sell, issue, execute and deliver the 2023B Notes in accordance with this Resolution. The 2023B Notes will be dated and shall mature not later than one (1) year from their date as shall be determined by the Director of Finance/Chief Financial Officer. The 2023B Notes may be renewed from time to time in accordance with the provisions of the Local Bond Law (N.J.S.A. 40A:2-8.1). The 2023B Notes shall not be subject to redemption prior to maturity.

2. Confirmation of Intention to Issue 2023C Notes. Pursuant to the provisions of Ordinance 6PSF-E August 5, 2020, the Acting Director of Finance/Chief Financial Officer is hereby authorized and directed to sell, issue, execute and deliver the 2023C Notes in accordance with this Resolution. The 2023C Notes will be dated and shall mature not later than one (1) year from their date as shall be determined by the Director of Finance/Chief Financial Officer. The 2023B Notes may be renewed from time to time in accordance with the provisions of the Local Budget Law (N.J.S.A. 40A:4-55). The 2023B Notes shall not be subject to redemption prior to maturity.

3. 2023B Notice of Sale. It is hereby delegated to and the Acting Director of Finance/Chief Financial Officer is hereby authorized and directed to sell and award the purchase of the 2023B Notes to the successful bidder pursuant to the terms and conditions of the 2023B Notice of Sale. The form of the 2023B Notice of Sale in substantially the form attached hereto as **Exhibit A** is hereby approved, and the execution of a 2023B Notice of Sale by the Acting Director of Finance/Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Acting Director of Finance/Chief Financial Officer, upon the advice of the City's bond counsel ("Bond Counsel") and the City's municipal advisor (the "Municipal Advisor"). The Municipal Advisor is authorized to distribute the Notice of Sale in connection with the offering and sale of the 2023B Notes.

4. 2023C Notice of Sale. It is hereby delegated to and the Acting Director of Finance/Chief Financial Officer is hereby authorized and directed to sell and award the purchase of the 2023C Notes to the successful bidder pursuant to the terms and conditions of the 2023C Notice of Sale. The form of the 2023C Notice of Sale in substantially the form attached hereto as **Exhibit B** is hereby approved, and the execution of a 2023C Notice of Sale by the Acting Director of Finance/Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Acting Director of Finance/Chief Financial Officer, upon the advice of the City's Bond Counsel and the City's Municipal Advisor. The Municipal Advisor is authorized to distribute the Notice of Sale in connection with the offering and sale of the 2023B Notes.

5. Authorization for Official Statement. The preparation by the City and its Municipal Advisor of a Preliminary Official Statement relating to the 2023 Notes is hereby authorized. There is hereby delegated to the Acting Director of Finance/Chief Financial Officer of the City the authorization to approve the form of a Preliminary Official Statement, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel and the Municipal Advisor to the City may advise and recommend and the Acting Director of Finance/Chief Financial Officer may approve, such approval to be evidenced by such City officer's execution of the final Official Statement as described herein. The Business Administrator or the Acting Director of Finance/Chief Financial Officer are each hereby authorized and directed to deem the Preliminary Official Statement (the "POS") "final" within the meaning of the Rule and to execute and deliver a certificate to that effect. The Acting Director of Finance/Chief Financial Officer is each hereby authorized and directed to approve the contents and terms of the final Official Statement reflecting the sale of the Series 2023 Notes in substantially the form of the POS. The Business Administrator and the Acting Director of Finance/Chief Financial Officer are each hereby authorized and directed to execute such Official Statement on behalf of the City, in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel may advise, including revisions to reflect the terms of the sale of the Series 2023 Notes, including the purchase price for and the interest rate and yield on the Series 2023 Notes, and the City officer executing the same may approve, such approval to be conclusively evidenced by such City officer's execution thereof. The distribution of the Preliminary Official Statement and Official Statement by the Municipal Advisor of the City in connection with the offering and sale of the Series 2023 Notes is hereby authorized and approved.

6. Continuing Disclosure. The form of the Continuing Disclosure Certificate in substantially the form attached hereto as **Exhibit C** is hereby approved, and the execution of such Continuing Disclosure Certificate by the Acting Director of Finance/Chief Financial Officer of the City is hereby authorized. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City and dated the date of

issuance and delivery of the Series 2023 Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default on the Series 2023 Notes; however, any holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

7. Form of 2023B Notes. The form of the 2023B Note certificate substantially in the form attached hereto as **Exhibit D** is hereby approved. The 2023B Note certificate shall be executed in the name of the City by the Mayor, the Acting Chief Financial Officer and attested to by the City Clerk and the seal of the City affixed thereto.

7. Form of 2023C Notes. The form of the 2023C Note certificate substantially in the form attached hereto as **Exhibit E** is hereby approved. The 2023C Note certificate shall be executed in the name of the City by the Mayor, the Acting Chief Financial Officer and attested to by the City Clerk and the seal of the City affixed thereto.

8. Further Action. Any matter relating to the award, sale or execution of the Series 2023 Notes which has been delegated by the Ordinance to the Acting Director of Finance/Chief Financial Officer may be performed, and any document authorized by this Resolution may be executed by the Business Administrator or Director of Finance/Chief Financial Officer or in the absence or unavailability of the Acting Director of Finance/Chief Financial Officer by the Acting Director of Finance/Chief Financial Officer (collectively, the "Authorized Officers"). On behalf of the City, the Authorized Officers of the City are authorized and directed to take all steps which are necessary or convenient to effectuate the terms of this Resolution with respect to the issuance, sale, execution and delivery of the Series 2023 Notes, including, but not limited to the execution of all other closing documentation. All such actions heretofore or hereafter taken are hereby ratified, approved and confirmed.

9. Effective Date. This Resolution shall take effect immediately.

STATEMENT

This Resolution authorizes the issuance and sale of \$31,628,000.00 of the City's General Capital Improvement Bond Anticipation Notes, Series 2023B and \$5,070,000.00 of the City's Special Emergency Notes, Series 2023C (Federally Taxable), approves the distribution of a Preliminary Official Statement and a final Official Statement, approves the forms of Notices of Sale and the distribution thereof containing the terms for the offering and sale of the Series 2023 Notes and approves the form of a Continuing Disclosure Certificate in connection with the issuance of the Series 2023 Notes.