



Legislation Text

File #: 20-1571, Version: 1

Dept/ Agency: Finance

Action: () Ratifying (X) Authorizing () Amending

Purpose: Application to Local Finance Board for approval of Special Emergency Notes.

Name of Project(s): COVID-19 Special Emergency Certification

Amount to be Financed: \$25,500,000.00

Funding Source: Special Emergency Notes

Local Finance Board meeting date(s):

Project Information:

(Description/ Project No./ Amount Appropriated/Ordinance No.)

RESOLUTION AUTHORIZING THE PREPARATION OF A COVID-19 SPECIAL EMERGENCY CERTIFICATION BY THE CHIEF FINANCIAL OFFICER AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE DIVISION OF LOCAL GOVERNMENT SERVICES FOR APPROVAL OF A COVID-19 SPECIAL EMERGENCY APPROPRIATION AND EXTENSION OF REPAYMENT SCHEDULE.

Additional Information:

WHEREAS, the City of Newark, in the County of Essex, New Jersey (the “City”), has experienced COVID-19 related revenue loss in the current fund in the 2020 budget; and

WHEREAS, P.L. 2020, c.74 provides for the funding of these revenue losses through a COVID-19 Special Emergency Appropriation; and

WHEREAS, in order to qualify for a Special Emergency Appropriation under the provisions of N.J.S.A. 40A:4-53, as amended by P.L. 2020, c.74, pursuant to Local Finance Notice 2020-24 the City must by no later than December 1st (unless extended by the Director of the Division of Local Government Services), make application to the Director of the Division of Local Government Services to obtain an approval of the certification of the special emergency and the resulting deferred charge in advance of the close of the 2020 budget year; and

WHEREAS, the Chief Financial Officer has determined that there is an operational gap attributable to COVID-19 affected revenue in the current fund of the City that needs to be addressed prior to year-end; and

WHEREAS, the City has determined that the application for certification of the special emergency demonstrates that the full appropriation of the Public Health Emergency appropriation by the last day of the sixth year will cause significant financial distress; and

WHEREAS, pursuant to N.J.S.A. 40A:4-55(c), the City desires to make an additional application to the Local Finance Board (the “LFB Application”) , in the Division of Local Government Services, Department of community Affairs (the “LFB”) to extend the repayment period of the Special

Emergency Appropriation for a period up to ten (10) years as determined by the LFB; and

WHEREAS, the City believes:

- (a) it is in the public interest to adopt the Ordinance authorizing the Special Emergency Appropriation and the repayment thereof over a period of a total of ten (10) years and to accomplish the purposes set forth therein;
- (b) said purposes or improvements are for the health, welfare, convenience or betterment of the inhabitants of the City;
- (c) the amounts to be expended for said purposes are not unreasonable or exorbitant; and
- (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City.

NOW, THEREFORE BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY (NOT LESS THAN A MAJORITY OF THE FULL MEMBERSHIP OF THE GOVERNING BODY AFFIRMATIVELY CONCURRING) THAT IN ACCORDANCE WITH THE PROVISIONS OF N.J.S.A. 40A:4-53(M) AND 55, AS ENACTED BY P.L. 2020, C.74, THAT:

- 1. The Chief Financial Officer is hereby authorized and directed to prepare and submit an Application and Certification to the Director of the Division of Local Government Services for a deficit in the current fund 2020 budget operations experienced by the City on the prescribed form and shall certify that the deficit in the amount of \$25,128,423.00 in revenue are directly attributable to COVID-19.
- 2. The application and certification prepared by the City's Chief Financial Officer in the form attached hereto as Exhibit A is hereby approved.
- 3. The Municipal Council hereby authorizes and directs the Chief Financial Officer, the Auditor, Municipal Advisor and Bond Counsel for the City to prepare and submit the Application, the Certification, the Ordinance and this Resolution to obtain approval for a COVID-19 Special Emergency Appropriation for a deficit in revenue related to the 2020 budget year current fund operations pursuant to N.J.S.A. 40A:4-53(m) and an extension of the repayment schedule for the special emergency appropriation pursuant to N.J.S.A. 40A:4-55(c).
- 4. A certified copy of this resolution will be filed with the Director of the Division of Local Government Services and the Executive Secretary of the LFB.
- 5. This resolution shall take effect immediately upon adoption.

STATEMENT

This resolution authorizes and approves the Chief Financial Officer to prepare and submit: (a) an Application and Certification to the Director of the Division of Local Government Services related to loss of revenue directly attributable to COVID-19 in the current fund of the 2020 budget; and (b) the Application, the Certification and the Ordinance authorizing a COVID-19 Special Emergency Appropriation with respect to the same and a request for the extension of the repayment schedule for the Special Emergency Appropriation.