



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-0619, Version: 1

Dept/ Agency: Finance

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

Purpose: Resolution providing for emergency temporary appropriation

Name of Project(s):

Amount to be Financed: \$17,000,000.00

Funding Source: Bonds

Local Finance Board meeting date(s): May 11, 2016

Project Information:

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

RESOLUTION PROVIDING FOR AN EMERGENCY TEMPORARY APPROPRIATION PURSUANT TO N.J.S.A. 40A:4-20 FOR AMOUNTS OWED TO HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY

Additional Information:

WHEREAS, emergent conditions have arisen with respect to the payment by the City of Newark, in the County of Essex, New Jersey (the "City"), of amounts owed by the City to Horizon Blue Cross Blue Shield of New Jersey ("Horizon BCBSNJ") in the amount of \$17,000,000.00 (the "Payment") as a result of past due premium amounts for the years 2011 and 2012 and other related amounts due under Horizon BCBSNJ benefit programs for employees and retirees in the years 2013 and 2014 and for which no adequate provision has been made in the 2016 Temporary Appropriation Budget for aforesaid purpose; and

WHEREAS, N.J.S.A. 40A:4-20 provides for the creation of an emergency temporary appropriation for the purpose above mentioned; and

WHEREAS, the total emergency temporary appropriation resolutions adopted in fiscal year 2016, pursuant to the provisions of Chapter 96, P.L. 1951 (N.J.S. 40A:4-20), including this resolution, total \$118,242,200.24; and

WHEREAS, the Payment constitutes full payment by the City for past due premium amounts from 2013 and 2014 under policies of insurance with Horizon BCBSNJ (the "Policies") and callable amounts for employees and retirees under the 2011 and 2012 Policies and such amounts are purposes for which appropriations may lawfully be made by the City for the period between the beginning of the current fiscal year and the date of adoption of a budget for such year; and

WHEREAS, the City, subject to the approval of the Local Finance Board in the Division of Local Government Services Department of Community Affairs (the "Local Finance Board"), intends to reimburse the expenditure of the emergency temporary appropriation provided for herein with proceeds of the City's refunding bonds or refunding bond anticipation notes.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF

NEWARK, COUNTY OF ESSEX, STATE OF NEW JERSEY, THAT: (not less than two-thirds of all the members thereof affirmatively concurring)

1. An emergency temporary appropriation be and the same is hereby made for the payment of the City's obligations to Horizon BCBSNJ, in the amount of \$17,000,000.00.

2. Except to the extent that provision for paying, funding or refunding said emergency temporary appropriation shall previously have been made by the authorization of bonds pursuant to the Local Bond Law approved by the Local Finance Board, said temporary emergency appropriation will be provided for in full in the City's 2016 budget under the title "Payment of Past Due Amounts to Horizon Blue Cross Blue Shield", and is requested to be excluded from the limitation on increases in appropriations; pursuant to N.J.S.A. 40A:4-45.3(c) and to be excluded from the calculation of the adjusted tax levy; pursuant to N.J.S.A. 40A:4-45.45(b)(1).

3. Subject to the approval of the Local Finance Board, the City's intent is to reimburse the expenditure of the emergency temporary appropriation provided for herein with proceeds of the City's refunding bonds or refunding bond anticipation notes.

4. The Chief Financial Officer of the City is hereby authorized and directed to file one (1) certified copy of this resolution with the Director of the Division of Local Government Services.

5. This resolution shall take effect immediately upon adoption.

STATEMENT

Resolution providing for a emergency temporary appropriation in the amount of \$17,000,000.00 for payment of the City's obligations to Horizon blue Cross/Blue Shield of New Jersey.