



## Legislation Text

File #: 16-0620, Version: 1

**REFUNDING BOND ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR THE FUNDING OF A TEMPORARY EMERGENCY APPROPRIATION OF THE CITY TO FUND PAYMENTS TO HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY AND APPROPRIATING AN AMOUNT NOT EXCEEDING \$17,000,000.00 THEREFOR AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,000,000.00 REFUNDING BONDS OR NOTES OF THE CITY FOR FINANCING THE COST THEREOF.**

**Deferred 6PSF-f 050416**

**Deferred 6PSF-c 051816**

**WHEREAS**, pursuant to the Local Budget Law, specifically N.J.S.A. 40A:4-20, the City of Newark, in the County of Essex, New Jersey (the "City"), by the Municipal Council's adoption on April 20, 2016, of a resolution entitled "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", has heretofore authorized an emergency temporary appropriation in the amount of \$17,000,000.00 with respect to the payment of costs in connection with past due premiums and callable amounts owed by the City to Horizon Blue Cross Blue Shield of New Jersey (the "Temporary Emergency Appropriation"); and

**WHEREAS**, the City has determined that it is in the best interests of the City to pay, fund or refund the Temporary Emergency Appropriation through the issuance by the City of its refunding bonds or notes in an aggregate principal amount of up to \$17,000,000.00, as provided in this refunding bond ordinance.

**THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), THAT:**

Section 1. The City of Newark, in the County of Essex, New Jersey (the "City") is hereby authorized to refund all or a part of the City's Temporary Emergency Appropriation and to provide for the payment of costs of issuance.

Section 2. In order to finance the cost of the purpose described in Section 1 hereof, negotiable general obligation refunding bonds and negotiable refunding bond anticipation notes (the "Refunding Notes") are hereby authorized to be issued in the principal amount not to exceed \$17,000,000.00 pursuant to the Local Bond Law.

Section 3. \$300,000.00 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the aggregate principal amount of refunding bonds authorized herein.

Section 4. All Refunding Notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the City, provided that no Refunding Note shall mature

later than one (1) year from its date. The Refunding Notes shall bear interest at such rate or rates, and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with Refunding Notes issued pursuant to this refunding bond ordinance, and the Chief Financial Officer's signature upon the Refunding Notes shall be conclusive evidence as to all such determinations. All Refunding Notes issued hereunder may be renewed from time to time, in accordance with a maturity schedule approved by the Local Finance Board. The Chief Financial Officer is hereby authorized to sell part or all of the Refunding Notes from time to time at public or private sale, and to deliver them to the purchasers thereof upon receipt of payment of the purchase price, plus accrued interest from their dates to the dates of delivery thereof. The Chief Financial Officer is directed to report in writing to the Municipal Council at the meeting next succeeding the date when any sale or delivery of the Refunding Notes pursuant to this refunding bond ordinance is made. Such report must include the amount, description, interest rate and maturity schedule of the Refunding Notes sold, the price obtained and the name of the purchaser.

Section 5. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this refunding bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 6. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the Chief Financial Officer of the City as to the indebtedness to be financed by the issuance of the refunding bonds authorized herein.

Section 7. This refunding Bond Ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law and approval by the Mayor, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this ordinance as finally adopted.

### **STATEMENT**

Refunding Bond Ordinance providing for the temporary emergency appropriation to fund payments to Horizon Blue Cross Blue Shield of New Jersey and appropriating an amount not to exceed \$17,000,000.00 and authorizing the issuance of not to exceed \$17,000,000.00 refunding bonds or notes of the City for financing the cost thereof.