



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

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File #: 16-0768, Version: 1

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**Dept/ Agency:** Finance

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

**Purpose:** Approving Form of Sale of City-Secured Bonds

**Amount to be Financed:** \$18,000,000.00

**Source of Appropriation:** Notes/Bonds

**Purchaser:** New Jersey Environmental Infrastructure Trust

**Project Information:**

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

**RESOLUTION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF ITS “NOTE RELATING TO THE CONSTRUCTION FINANCING PROGRAM OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST”, TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$18,000,000.00, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE BY THE CITY OF NEWARK IN FAVOR OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, ALL PURSUANT TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST CONSTRUCTION FINANCING PROGRAM**

**Additional Information:**

**WHEREAS**, the City of Newark (the “City”), in the County of Essex, New Jersey, has determined that there exists a need within the City to construct a project consisting of the in-place rehabilitation of 6, 8 and 12-inch diameter cast iron water distribution mains by cleaning of internal tuberculation and the application of a 1/8-inch thick cement mortar interior lining (the “Project”), and it is the desire of the City to obtain financing for such Project through participation in the environmental infrastructure financing program (the “Environmental Infrastructure Financing Program”) of the New Jersey Environmental Infrastructure Trust (the “Trust”); and

**WHEREAS**, the City has determined to temporarily finance the construction of the Project prior to the closing with respect to the Environmental Infrastructure Financing Program, and to undertake such temporary financing with the proceeds of a short-term loan to be made by the Trust (the “Construction Loan”) to the City, pursuant to the Construction Financing Program of the Trust (the “Construction Financing Program”); and

**WHEREAS**, in order to (i) evidence and secure the repayment obligation of the City to the Trust with respect to the Construction Loan and (ii) satisfy the requirements of the Construction Financing Program, it is the desire of the City to issue and sell to the Trust the “Note Relating to the Construction Financing Program of the New Jersey Environmental Infrastructure Trust” in a principal amount of up to \$18,000,000.00 (the “Note”); and

**WHEREAS**, it is the desire of the City to authorize, execute, attest and deliver the Note to the Trust pursuant to the terms of the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the Revised Statutes of the State of New Jersey (the “Local Bond Law”), and other applicable law; and

**WHEREAS**, Section 28 of the Local Bond Law allows for the sale of the Note to the Trust, without any public offering, and N.J.S.A. 58:11B-9, allows for the sale of the Note to the Trust without any public offering, all under the terms and conditions set forth therein.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, THAT:**

**Section 1.** In accordance with Section 28 of the Local Bond Law and N.J.S.A. 58:11B-9, the City hereby authorizes the issuance, sale and award the Note in accordance with the provisions hereof. The obligation represented by the Note has been appropriated and authorized by bond ordinance numbers 6PSF-c November 7, 2013 and 6PSF-b(S) April 26, 2016 of the City (collectively, the “Bond Ordinances”), which Bond Ordinances are entitled “A BOND ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR WATER UTILITY CAPITAL IMPROVEMENTS AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$13,250,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$13,250,000.00 IN BONDS OR NOTES OF THE CITY OF NEWARK TO FINANCE THE SAME” and “AN ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING A SUPPLEMENTAL APPROPRIATION OF \$6,500,000.00 FOR REHABILITATION OF WATER MAINS IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$6,500,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$6,500,000.00 IN BONDS OR NOTES OF THE CITY OF NEWARK TO FINANCE THE SAME”, respectively, and which Bond Ordinances were finally adopted by the City at meetings duly called and held on November 7, 2013 and April 26, 2016, respectively, at which times a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law.

**Section 2.** The Chief Financial Officer of the City (the “Chief Financial Officer”) is hereby authorized to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions hereof, (i) the final principal amount of the Note (subject to the maximum limitation set forth in Section 4(a) hereof), and (ii) the dated date of the Note.

**Section 3.** Any determination made by the Chief Financial Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Note by the parties authorized pursuant to Section 4(h) hereof.

**Section 4.** The City hereby determines that certain terms of the Note shall be as follows:

- (a) the principal amount of the Note to be issued shall be an amount up to \$18,000,000.00;
- (b) the maturity of the Note shall be as determined by the Trust;
- (c) the interest rate of the Note shall be as determined by the Trust;
- (d) the purchase price for the Note shall be par;
- (e) the Note shall be subject to prepayment prior to its stated maturity in accordance with the terms and conditions of the Note;

- (f) the Note shall be issued in a single denomination and shall be numbered "CFP-16-1";
- (g) the Note shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America; and
- (h) the Note shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the City Clerk.

**Section 5.** The Note shall be substantially in the form attached hereto as Exhibit A.

**Section 6.** The law firm of DeCotiis, FitzPatrick & Cole, LLP, is hereby authorized to arrange for the printing of the Note, which law firm may authorize McCarter & English, LLP, Bond Counsel to the Trust for the Construction Financing Program, to arrange for same.

**Section 7.** The Authorized Officers of the City are hereby further severally authorized to (i) execute and deliver, and the City Clerk is hereby further authorized to attest to such execution and to affix the corporate seal of the City to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the City and after further consultation with the Trust and its representatives, agents, counsel and advisors, to be executed in connection with the issuance and sale of the Note and the participation of the City in the Construction Financing Program, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery of the Note and the participation of the City in the Construction Financing Program.

**Section 8.** This resolution shall take effect immediately.

**Section 9.** Upon the adoption hereof, the City Clerk shall forward certified copies of this resolution to DeCotiis, FitzPatrick & Cole, LLP, bond counsel to the City, David Zimmer, Executive Director of the Trust, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.

### **STATEMENT**

Resolution determining the form and other details with the issuance and sale of \$18,000,000.00, of Notes through the New Jersey Environmental Infrastructure Trust Program and authorizing the execution and delivery of such note by the City of Newark.