



Legislation Details (With Text)

File #:	19-1364	Version:	2	Name:	Emergency refunding bond ordinance for the Emergency lead service line replacemnt
Type:	Ordinance	Status:		Status:	Adopted
File created:	8/23/2019	In control:		In control:	Finance
On agenda:	8/27/2019	Final action:		Final action:	9/18/2019
Title:	REFUNDING BOND ORDINANCE PROVIDING FOR THE FUNDING OF A TEMPORARY EMERGENCY APPROPRIATION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY, RELATING TO THE PAYMENT OF THE COSTS OF LEAD SERVICE LINES REPLACEMENT, APPROPRIATING \$120,000,000.00 THEREFOR AND AUTHORIZING THE ISSUANCE \$120,000,000.00 REFUNDING BONDS AND/OR NOTES OF THE CITY FOR FINANCING THE COSTS THEREOF. Deferred 6PSF-m 090519				
Sponsors:	Council of the Whole				
Indexes:					
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Date	Ver.	Action By	Action	Result
9/18/2019	2	Municipal Council	Close on Public Hearing and Adopt	Pass
9/5/2019	2	Municipal Council	Maintained on Public Hearing and Deferred	Pass
8/27/2019	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

REFUNDING BOND ORDINANCE PROVIDING FOR THE FUNDING OF A TEMPORARY EMERGENCY APPROPRIATION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY, RELATING TO THE PAYMENT OF THE COSTS OF LEAD SERVICE LINES REPLACEMENT, APPROPRIATING \$120,000,000.00 THEREFOR AND AUTHORIZING THE ISSUANCE \$120,000,000.00 REFUNDING BONDS AND/OR NOTES OF THE CITY FOR FINANCING THE COSTS THEREOF.
Deferred 6PSF-m 090519

WHEREAS, pursuant to the Local Budget Law, specifically N.J.S.A. 40A:4-20, the City of Newark, in the County of Essex, State of New Jersey (the "City"), as a result of the Municipal Council's adoption, of a resolution entitled "RESOLUTION PROVIDING FOR AN EMERGENCY TEMPORARY APPROPRIATION IN THE AMOUNT OF \$120,000,000 PURSUANT TO N.J.S.A. 40A:4-20 TO ACCOMPLISH THE REPLACEMENT OF LEAD SERVICE LINES WITHIN THE CITY ON AN EMERGENCY BASIS" has heretofore authorized an emergency temporary appropriation in the amount of \$120,000,000 ("Emergency Temporary Appropriation") to fund, on an emergency basis, the payment of the costs relating to the replacement of the lead service lines within the City from the water main in the street to the meter inside the structure and all work and materials necessary therefor and relating thereto; and

WHEREAS, the City has determined that it is in the best interests of the City to pay, fund or refund the Emergency Temporary Appropriation in the amount of \$120,000,000 through the issuance by the City of its refunding bonds and/or notes in an aggregate principal amount of \$120,000,000

pursuant to the provisions of N.J.S.A. 40A:2-51(a) and this refunding bond ordinance (the "Refunding").

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY THAT:

Section 1. The City of Newark, in the County of Essex, State of New Jersey (the "City"), is hereby authorized, and there is hereby appropriated the amount not to exceed \$120,000,000 to refund the Emergency Temporary Appropriation (a/k/a a temporary emergency appropriation) pursuant to the provisions of N.J.S.A. 40A:2-51(a) to accomplish the Refunding and to provide for the payment of costs of issuance.

Section 2. An aggregate amount not exceeding \$24,000,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the appropriation authorized herein and in the aggregate principal amount of the refunding bonds authorized herein.

Section 3. In order to finance the purposes described in Sections 1 and 2 hereof, negotiable refunding bonds are hereby authorized to be issued in the aggregate principal amount not to exceed \$120,000,000 pursuant to the Local Bond Law.

Section 4. In anticipation of the issuance of refunding bonds, negotiable refunding bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law. All refunding bond anticipation notes (the "Notes") issued hereunder shall mature at such times as may be determined by the Chief Financial Officer, provided that no Note shall mature later than one (1) year from its date. The 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 Notes issued pursuant to this ordinance and the Chief Financial Officer's signature upon the Notes shall be conclusive evidence as to all such determinations.

All Notes issued hereunder may be renewed from time to time, but all such Notes, including renewals thereof, shall mature in accordance with the maturity schedule for the refunding bonds presented to the Local Finance Board, Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Local Finance Board"); and provided, further, that the period during which the Notes and any renewals thereof and any permanent refunding bonds are outstanding shall not exceed the period for the maturity schedule of the refunding bonds presented to the Local Finance Board.

The Chief Financial Officer is hereby authorized to sell part or all of the 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 date of delivery thereof. The Chief Financial Officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. In the event the Essex County Improvement Authority ("ECIA") purchases the refunding bonds or Notes of the City authorized herein (the "Refunding Bonds") and the ECIA issues revenue bonds or project notes guaranteed by the County of Essex (the "County") to fund such purchase (the "ECIA Bonds"), the City hereby covenants to the ECIA and the County that it shall make payments of principal of and interest on such Refunding Bonds not less than 90 days

prior to the principal and interest payment dates, as applicable, on the ECIA Bonds.

The City further covenants to the ECIA and County that for the term of the ECIA Bonds, the City will identify, pledge and dedicate specific sources of revenue received by the City to the payment of principal of and interest on the Refunding Bonds purchased by the ECIA, which revenue shall be applied by the ECIA to pay principal of and interest on the ECIA Bonds as the same shall become due and payable.

Section 6. The Refunding Bonds shall be deductible from gross debt pursuant to the provisions of N.J.S.A. 40A:2-52.

Section 7. A certified copy of this refunding bond ordinance as adopted on first reading (such copy showing the vote of the Municipal Council) 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 8. The City reasonably expects that it may pay the costs relating to the replacement of lead service lines within the City prior to the issuance of the Refunding Bonds. The City reasonably expects to reimburse the expenditure of such costs with the proceeds of the Refunding Bonds received from the ECIA purchase of such bonds. This Section 8 is intended to be and hereby is a declaration of the City's official intent to reimburse the expenditure of such costs paid prior to the issuance of the Refunding Bonds with the proceeds of a borrowing incurred by the City, in accordance with Treasury Regulation Section 1.150-2. All reimbursed costs will be capital expenditures. All reimbursed expenditures shall be made in accordance with Treasury Regulation Section 1.150-2.

Section 9. This refunding bond ordinance shall take effect upon approval thereof by the Municipal Council, approval by the Mayor and 20 days after the publication thereof, as provided by the Local Bond Law, provided that the Local Finance Board has approved and endorsed its consent upon a certified copy of this refunding bond ordinance as finally adopted.

STATEMENT

Refunding Bond Ordinance for the funding of a temporary emergency appropriation of the City of Newark, in the County of Essex, State of New Jersey, relating to the payment of the costs of Lead Service Lines Replacement, appropriating \$120,000,000.00 therefor and authorizing the issuance of \$120,000,000.00 Refunding Bonds and/or Notes of the City of Newark for financing the costs thereof.