



Legislation Details (With Text)

File #:	20-0793	Version:	1	Name:	Resolution determining form and other details for Pequannock Water Treatment
Type:	Resolution	Status:		Status:	Adopted
File created:	7/2/2020	In control:		In control:	Finance
On agenda:	7/22/2020	Final action:		Final action:	7/22/2020
Title:	Dept/ Agency: Finance Action: () Ratifying (X) Authorizing () Amending Purpose: Confirming Bond Sale Amount to be Financed: \$2,502,566.00 Source of Appropriation: Notes Purchaser: New Jersey Infrastructure Bank (NJIB) 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 OR NOTES RELATING TO THE WATER BANK CONSTRUCTION FINANCING PROGRAM OF THE NEW JERSEY INFRASTRUCTURE BANK, TO BE ISSUED IN THE ORIGINAL OR AGGREGATE PRINCIPAL AMOUNT OF UP TO \$2,502,566.00, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE OR NOTES TO THE NEW JERSEY INFRASTRUCTURE BANK, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE OR NOTES BY THE CITY OF NEWARK IN FAVOR OF THE NEW JERSEY INFRASTRUCTURE BANK, ALL PURSUANT TO THE NEW JERSEY INFRASTRUCTURE BANK CONSTRUCTION FINANCING PROGRAM AND IN CONNECTION WITH THE CITY'S PEQUANNOCK WATER TREATMENT PLANT IMPROVEMENTS. Additional Information:				
Sponsors:	Council of the Whole				
Indexes:					
Code sections:					

Date	Ver.	Action By	Action	Result
7/22/2020	1	Municipal Council	Adopt	Pass

Dept/ Agency: Finance
Action: () Ratifying (X) Authorizing () Amending
Purpose: Confirming Bond Sale
Amount to be Financed: \$2,502,566.00
Source of Appropriation: Notes
Purchaser: New Jersey Infrastructure Bank (NJIB)
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 OR NOTES RELATING TO THE WATER BANK CONSTRUCTION FINANCING PROGRAM OF THE NEW JERSEY INFRASTRUCTURE BANK, TO BE ISSUED IN THE ORIGINAL OR AGGREGATE PRINCIPAL AMOUNT OF UP TO \$2,502,566.00, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE OR NOTES TO THE NEW JERSEY INFRASTRUCTURE BANK, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE OR NOTES BY THE CITY OF NEWARK IN FAVOR OF THE NEW JERSEY INFRASTRUCTURE BANK, ALL PURSUANT TO THE NEW

JERSEY INFRASTRUCTURE BANK CONSTRUCTION FINANCING PROGRAM AND IN CONNECTION WITH THE CITY'S PEQUANNOCK WATER TREATMENT PLANT IMPROVEMENTS.

Additional Information:

WHEREAS, the City of Newark (the "Local Unit"), in the County of Essex, New Jersey, has determined that there exists a need within the Local Unit to: (i) replace the existing gas chlorine system at the Pequannock Water Treatment Plant with an on-site sodium hypochlorite generation system; and (ii) construct an on-site Residual Treatment Facility to manage the sludge produced at the Pequannock Water Treatment Plant by constructing a 40-foot diameter steel thickener tank to produce thickened sludge and a centrifuge to produce dry cake to be removed and disposed of (the "Project"), and it is the desire of the Local Unit to obtain financing for such Project through participation in the environmental infrastructure financing program (the "Environmental Infrastructure Financing Program") of the New Jersey Infrastructure Bank (the "I-Bank"); and

WHEREAS, on May 13, 2020, the Local Unit participated in the I-Bank's pooled financing and the Local Unit issued under Bond Ordinance 6PSF-b adopted on August 3, 2011, as amended by Bond Ordinance 6PSF-e adopted on September 8, 2016 (collectively, the "Original Bond Ordinance"): (a) \$10,987,797.00 aggregate principal amount of its Qualified Water Utility Borrower Bonds, consisting of a \$2,710,000.00 Qualified Water Utility Borrower Bond delivered to the I-Bank and a \$8,277,797.00 Qualified Water Utility Borrower Bond delivered to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection; and (b) a \$1,502,566.00 Note Relating to the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank (Supplemental Loan for Residual Project Costs) (the "Supplemental CFP Note") delivered to the I-Bank; and

WHEREAS, on June 10, 2020 the Local Unit adopted 6PSF-b, an amendment to the Original Bond Ordinance increasing the authorized amount of bonds and notes that may be issued thereunder by \$1,000,000.00, from \$12,650,000.00 to \$13,650,000.00; and

WHEREAS, the Local Unit has determined to temporarily finance the construction of a portion of the costs of the Project prior to the closing with respect to the Environmental Infrastructure Financing Program, including, if required, the refinancing of the Supplemental CFP Note, and to undertake such temporary financing with the proceeds of a short-term loan or loans to be made by the I-Bank (each, a "Construction Loan" and, if more than one Construction Loan is entered into in connection with the Project, the "Construction Loans") to the Local Unit, pursuant to the Water Bank Construction Financing Program of the I-Bank (the "Water Bank Construction Financing Program"); and

WHEREAS, in order to: (i) evidence and secure the repayment obligations of the Local Unit to the I-Bank with respect to the Construction Loan or Construction Loans; and (ii) satisfy the requirements of the Water Bank Construction Financing Program, it is the desire of the Local Unit to issue and sell to the I-Bank one or more of the Local Unit's "Note Relating to the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank" in an original or aggregate principal amount of up to \$2,502,566 (each, a "Note" and, if more than one Note is entered into in connection with the Project, the "Notes"); and

WHEREAS, it is the desire of the Local Unit to authorize, execute, attest and deliver the Note

or Notes to the I-Bank 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 and N.J.S.A. 58:11B-9 allows for the sale of the Note or Notes to the I-Bank 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, NEW JERSEY, THAT:

accordance with Section 28 of the Local Bond Law and N.J.S.A. 58:11B-9, the Local Unit hereby authorizes the issuance, sale and award of the Note or Notes in accordance with the provisions hereof. The obligation represented by the Note or Notes has been appropriated and authorized by Bond Ordinance 6PSF-b adopted on August 3, 2011, of the City of Newark (the “Local Unit”), as amended and restated by Bond Ordinance 6PSF-e adopted on September 8, 2016 and as further amended and restated by Bond Ordinance 6PSF-b adopted on June 10, 2020 (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 VARIOUS WATER UTILITY CAPITAL IMPROVEMENTS AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$11,000,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$11,000,000.00 IN BONDS OR NOTES OF THE CITY TO FINANCE THE SAME”, “AN ORDINANCE FOR THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AMENDING ORDINANCE 6PSF-b, ADOPTED ON AUGUST 3, 2011, PROVIDING FOR IMPROVEMENTS TO THE PEQUANNOCK WATER TREATMENT PLANT AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$12,650,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$12,650,000.00 IN BONDS OR NOTES OF THE CITY TO FINANCE THE SAME” and “AN ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AMENDING ORDINANCE 6PSF-b ADOPTED ON AUGUST 3, 2011, AS AMENDED BY ORDINANCE 6PSF-e ADOPTED ON SEPTEMBER 8, 2016, PROVIDING FOR IMPROVEMENTS TO THE PEQUANNOCK WATER TREATMENT PLANT AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$13,650,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$13,650,000.00 IN BONDS OR NOTES OF THE CITY OF NEWARK TO FINANCE THE SAME”, respectively, and which Bond Ordinances were adopted by the Local Unit at meetings duly called and held on August 3, 2011, September 8, 2016 and June 10, 2020, at which times a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law.

2. The Chief Financial Officer of the Local Unit (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 or each of the Notes (subject to the maximum limitation set forth in Section 4(a) hereof; and (ii) the dated date of the Note or each of the Notes.

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 or Notes by the parties authorized pursuant to Section 4(h) hereof.

4. The Local Unit hereby determines that certain terms of the Note shall be as follows:

- (a) the principal amount of the Note, or the aggregate principal amount of the Notes, to be issued shall be an amount up to \$2,502,566.00;
- (b) the maturity of the Note or Notes shall be as determined by the I-Bank;
- (c) the interest rate of the Note or Notes shall be as determined by the I-Bank;
- (d) the purchase price for the Note or Notes shall be par;
- (e) the Note or Notes shall be subject to prepayment prior to its or their stated maturity in accordance with the terms and conditions of the Note or Notes;
- (f) the Note or each of the Notes shall be issued in a single denomination and shall be numbered as determined by the Chief Financial Officer upon consultation with the I-Bank;
- (g) the Note or each of the Notes 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 or each of the Notes shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer of the Local Unit (each, an "Authorized Officer" and, collectively, the "Authorized Officers") under the official seal or a facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Local Unit Clerk.

5. The Note or Notes shall be substantially in the form attached hereto as Exhibit A.

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

7. The Authorized Officers of the Local Unit are hereby further severally authorized to: (i) execute and deliver, and the Local Unit Clerk is hereby further authorized to attest to such execution and to affix the corporate seal of the Local Unit to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk of the Local Unit, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Local Unit and after further consultation with the I-Bank and its representatives, agents, counsel and advisors, to be executed in connection with the issuance and sale of the Note or the Notes and the participation of the Local Unit in the Water Bank 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 or the Notes and the participation of the Local Unit in the Water Bank Construction Financing Program.

8. This resolution shall take effect immediately.

9. Upon the adoption hereof, the Local Unit Clerk shall forward certified copies of this resolution to William R. Mayer, Esq., DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel to the Local Unit, David Zimmer, Executive Director of the I-Bank, and Richard T. Nolan, Esq., McCarter & English, LLP, Bond Counsel to the I-Bank.

STATEMENT

Resolution determining the form and other details of its note or notes relating to the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank to be issued in the original or aggregate principal amount of up to \$2,502,566.00.