



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-0358, Version: 1

Dept/ Agency: Finance

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

Purpose: Approving Form of Sale of City-Secured Bonds

Amount to be Financed: \$55,000,000.00

Source of Appropriation: Bond Anticipation Notes

Purchaser:

Project Information:

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

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF FY 2016 TAX ANTICIPATION NOTES OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY

Additional Information:

BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AS FOLLOWS:

SECTION 1. In anticipation of the collection of taxes for the fiscal year that commenced January 1, 2016 whether levied or to be levied in such fiscal year, and in anticipation of other revenues for such fiscal year, the City of Newark, in the County of Essex, New Jersey (the "City") hereby authorizes and determines to issue, from time to time, negotiable Tax Anticipation Notes of the City in an aggregate principal amount not to exceed \$55,000,000.00, in accordance with the Local Budget Law (the "Tax Anticipation Notes"). Each such Tax Anticipation Note shall be designated "Tax Anticipation Note, Series 2016A", together with such other designation as may be determined by the Director of Finance of the City. The proceeds of the sale of such Tax Anticipation Notes, unless used to pay outstanding notes issued in anticipation of the collection of taxes of the same fiscal year, shall be applied only to the purposes provided for in the budget or for which taxes are levied or to be levied for such fiscal year, and shall not be applied to any other purpose.

SECTION 2. The amount of Tax Anticipation Notes outstanding at any one time shall not exceed \$55,000,000.00, which is within the gross borrowing power (as certified by the Director of Finance), of the City, and the amount of Tax Anticipation Notes authorized hereby is within the net borrowing power (as certified by the Director of Finance) of the City. The Director of Finance executed a certificate setting forth the gross borrowing power and the net borrowing power of the City in accordance with N.J.S.A. 40A:4-66. Such certificate has been filed in the Office of the City Clerk, and a copy thereof is attached hereto as Exhibit A and is hereby incorporated herein in its entirety.

SECTION 3. All Tax Anticipation Notes issued hereunder shall mature at such times as may be determined by the Director of Finance, provided that all such Tax Anticipation Notes and any renewals thereof shall mature within 120 days after the beginning of the next succeeding fiscal year. The Director of Finance shall determine all matters in connection with the Tax Anticipation Notes

issued pursuant to this resolution, and the Director of Finance's signature upon the Tax Anticipation Notes shall be conclusive evidence as to all such determinations. All Tax Anticipation Notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:4-67. The Director of Finance is hereby authorized to sell part or all of the Tax Anticipation Notes from time to time, at not less than par and accrued interest, at private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price plus accrued interest from their date to the date of delivery thereof.

SECTION 4. The Director of Finance is directed to report in writing to the Governing Body at the meeting next succeeding the date when any sale or delivery of Tax Anticipation Notes pursuant to this resolution is made, the amount, the description, the interest rate and the maturities of the Tax Anticipation Notes sold, the price obtained and the name of the purchaser, and such report shall be entered in full on the minutes of such meeting.

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 Tax Anticipation Notes authorized by this resolution. The Tax Anticipation Notes shall be direct, unlimited obligations of the City. The power and obligation of the City to pay any Tax Anticipation Notes issued pursuant to this resolution and the Local Budget Law shall be unlimited and the City shall have the power and be obligated to levy ad valorem taxes upon all taxable property within the City for the payment of such Tax Anticipation Notes and interest thereon, without limitation of rate or amount.

SECTION 6. All Tax Anticipation Notes issued pursuant to this resolution shall be executed by the Director of Finance and the Mayor of the City, and shall be under the seal of the City and attested by the City Clerk. Such officers are hereby authorized to execute and deliver all documents necessary or convenient in connection with the issuance, sale and delivery of the Tax Anticipation Notes.

SECTION 7. In accordance with the State's fiscal supervision over the City under the Local Government Supervision Act, the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs has approved the City's authorization of the Tax Anticipation Notes.

SECTION 8. A certified copy of this resolution shall be filed with the Director of Local Government Services in the Department of Community Affairs, State of New Jersey.

SECTION 9. This resolution shall take effect immediately.

STATEMENT

This Resolution authorizes the issuance and sale by the City of Tax Anticipation Notes in an amount not to exceed \$55,000,000.00, for the fiscal year that commenced on January 1, 2016.