



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-0311, Version: 1

..Title

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: Bonds

Purchaser: New Jersey Environmental Infrastructure Trust (NJEIT)

Project Information:

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

RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF NOT EXCEEDING \$18,000,000.00 GENERAL OBLIGATION BONDS OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, PURSUANT TO THE STATE FISCAL YEAR 2017 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM FOR FUNDING THE CITY'S WATER MAIN REHABILITATION PROJECT

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 construct that certain water main rehabilitation project (the "Project"), as said Project is more particularly defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Local Unit and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Local Unit and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the State Fiscal Year 2017 New Jersey Environmental Infrastructure Trust Financing Program (the "Program"); and

WHEREAS, the Local Unit has determined to finance the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively; and

WHEREAS, to evidence the Loans, each of the Trust and the State require the Local Unit to authorize, execute, attest and deliver the Local Unit's General Obligation Bonds, Series 2017, to the Trust (the "Trust Loan Bond") and General Obligation Bonds, Series 2017, to the State (the "Fund Loan Bond", and together with the Trust Loan Bond, (the "Local Unit Bonds"), said Local Unit Bonds to be issued in an aggregate principal amount not to exceed \$18,000,000.00, 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"), other applicable law and the Loan

Agreements; and

WHEREAS, N.J.S.A. 40A:2-27(a)(2) of the Local Bond Law allows for the sale of the Trust Loan Bond and the Fund Loan Bond to the Trust and the State, respectively, without any public offering, and N.J.S.A. 58:11B-9(a) allows for the sale of the Trust Loan Bond to the Trust without any public offering, all under the terms and conditions set forth herein.

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

Section 1. In accordance with N.J.S.A. 40A:2-27(a)(2) of the Local Bond Law and N.J.S.A. 58:11B-9(a), the Local Unit hereby sells and awards its (a) Trust Loan Bond to the Trust in accordance with the provisions hereof and (b) Fund Loan Bond to the State in accordance with the provisions hereof, said Local Unit Bonds to be issued in the aggregate principal amount not to exceed \$18,000,000.00. The Local Unit Bonds have been authorized by Bond Ordinance Numbers 6PSF-c November 7, 2013 and 6PSF-b(S) April 26, 2016, of the Local Unit 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" which were finally adopted by the Local Unit at meetings duly called and held on November 7, 2013 and April 26, 2016, respectively (collectively, the "Bond Ordinance"), at which respective time a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law. The principal amount of bonds authorized to be issued pursuant to the respective Bond Ordinances are hereby combined into a single and combined issue in the aggregate principal amount not to exceed \$18,000,000.00, with not to exceed \$11,500,000.00 to be issued under Bond Ordinance Number 6PSF-c November 7, 2013 and not to exceed \$6,500,000.00 to be issued under Bond Ordinance Number 6PSF-b(S) April 26, 2016.

Section 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 established by the Trust and the State under the Loan Agreements and the terms and conditions hereof, the following items with respect to the Trust Loan Bond and the Fund Loan Bond:

- (a) The aggregate principal amounts of the Trust Loan Bond and the Fund Loan Bond to be issued, provided that the aggregate principal amount of the Local Unit Bonds shall not exceed \$18,000,000.00;
- (b) The maturity and annual principal installments of the Local Unit Bonds, which maturity shall not exceed thirty (30) years;
- (c) The date of the Local Unit Bonds;

- (d) The interest rates of the Local Unit Bonds;
- (e) The purchase price for the Local Unit Bonds; and
- (f) The terms and conditions under which the Local Unit Bonds shall be subject to redemption prior to their stated maturities.

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 Local Unit Bonds by the parties authorized under Section 4(c) hereof.

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

- (a) The Trust Loan Bond shall be issued in a single denomination and shall be numbered as shall be specified by the Chief Financial Officer. The Fund Loan Bond shall be issued in a single denomination and shall be numbered as shall be specified by the Chief Financial Officer;
- (b) The Local Unit Bonds shall be issued in fully registered form and shall be payable to the registered owners thereof as to both principal and interest in lawful money of the United States of America; and
- (c) The Local Unit Bonds 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 Local Unit Clerk.

Section 5. The Trust Loan Bond and the Fund Loan Bond shall be substantially in the form set forth in the Trust Loan Agreement and the Fund Loan Agreement, respectively.

Section 6. The law firm of DeCotiis, Fitzpatrick, Cole & Giblin, LLP, is hereby authorized to arrange for the printing of the Local Unit Bonds, which law firm may authorize McCarter & English, LLP, Bond Counsel to the Trust and the State for the Program, to arrange for same. The Local Unit auditor is hereby authorized to prepare the financial information necessary in connection with the issuance of the Local Unit Bonds. The Mayor, the Chief Financial Officer and the Local Unit Clerk are hereby authorized to execute any certificates necessary or desirable in connection with the financial and other information.

Section 7. The terms of the Local Unit Bonds authorized to be set determined by the Chief Financial Officer in accordance with Section 2 hereof shall be ratified and confirmed by a resolution adopted by the affirmative vote of not less than 2/3rds of the full membership of the Governing Body of the Local Unit.

Section 8. The Mayor and the Chief Financial Officer are hereby severally authorized to execute any certificates or documents necessary or desirable in connection with the sale of the Local Unit Bonds, and are further authorized to deliver same to the Trust and the State upon delivery of the Local Unit Bonds and the receipt of payment therefor in accordance with the Loan Agreements.

Section 9. This resolution shall take effect upon adoption.

Section 10. Upon the adoption hereof, the Local Unit Clerk shall forward certified copies of this resolution to DeCotiis, Fitzpatrick & Cole, LLP, Bond Counsel to the Local Unit, and Richard Nolan, Esq., McCarter & English, LLP, Bond Counsel to the Trust.

STATEMENT

Resolution determining the form and other details of not exceeding \$18,000,000.00 General Obligation Bonds of the City of Newark and providing for their sale to the New Jersey Environmental Infrastructure Trust.