



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 19-1301, Version: 1

Dept/ Agency: Finance

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

Purpose: Approving Form of Sale of City-Secured Bonds

Amount to be Financed: \$49,420,000.00

Source of Appropriation: Bond Anticipation Notes

Purchaser: Open Market

Project Information:

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

RESOLUTION OF THE CITY OF NEWARK AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE RENEWAL AND COMPETITIVE SALE OF \$49,420,000.00 GENERAL OBLIGATION NOTES, SERIES 2019, OF THE CITY, APPROVING A CONTINUING DISCLOSURE CERTIFICATE AND NOTICE OF SALE WITH RESPECT TO SAID NOTES, AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH

Additional Information:

WHEREAS, the City of Newark, in the County of Essex, New Jersey (the "City"), has heretofore issued (i) on October 10, 2018, the principal amount of \$49,082,000.00 General Obligation Notes, Series 2018, maturing October 9, 2019 consisting of \$11,185,000.00 Tax Appeal Refunding Notes, Series 2018B and \$37,897,000.00 General Capital Improvement Bond Anticipation Notes, Series 2018C and (ii) on December 21, 2018, aggregate principal amount of \$10,100,000.00 Tax Appeal Refunding Notes, Series 2018D, maturing December 20, 2019 ((i) and (ii) collectively, the "Prior Notes"); and

WHEREAS, the City's Director of Finance/Chief Financial Officer and Business Administrator are desirous of issuing and selling General Obligation Notes, Series 2019, consisting of \$11,523,000.00 Tax Appeal Refunding Notes, Series 2019 (the "Series 2019 TARN Notes") and \$37,897,000.00 General Capital Improvement Bond Anticipation Notes, Series 2019 (the "Series 2019 GO Notes"), in the aggregate principal amount of \$49,420,000.00, to refund a portion of the outstanding Prior Notes and are authorized to do so pursuant to the Local Bond Law, specifically N.J.S.A. 40A:2-28 (the "Local Bond Law") and the Ordinances, as defined below (collectively, Series 2019 TARN Notes and the Series 2019 GO Notes, the "Series 2019 Notes"); and

WHEREAS, in anticipation of the issuance and sale of the Series 2019 Notes, the City expects to sell the Series 2019 Notes on a competitive basis pursuant to a Notice of Sale, the form of which was presented and approved at this meeting and is on file in the Office of the City Clerk and incorporated herein by reference; and

WHEREAS, the City intends to issue the Series 2019 Notes on or about October 8, 2019; and

WHEREAS, in connection with the offering and sale of the Series 2019 Notes, the City intends to distribute a Preliminary Official Statement and a final Official Statement setting forth certain information relating to the City and the sale of the Series 2019 Notes, and to execute a Continuing Disclosure Certificate as required by Rule 15c2-12, as amended, promulgated by the Securities and Exchange Commission (the “Rule”); and

WHEREAS, pursuant to the following bond ordinances of the City: (i) in the case of the Series 2019 TARN Notes: Refunding Bond Ordinance 6PSF-d finally adopted by the Municipal Council of the City on October 21, 2015, Refunding Bond Ordinance 6PSF-e finally adopted by the Municipal Council of the City on October 4, 2017 and Refunding Bond Ordinance 6PSF-c finally adopted by the Municipal Council of the City on November 8, 2018 (collectively, the “TARN Ordinances”); and (ii) in the case of the Series 2019GO Notes, Ordinance 6PSF-a(S) finally adopted by the Municipal Council of the City on March 21, 2017 and Ordinance 6PSF-b finally adopted by the Municipal Council of the City on April 19, 2017 (the “Notes Ordinances” and together with the TARN Ordinances, collectively, the “Ordinances”), approved and published as required by law, all other provisions of the Series 2019 Notes (including, without limitation, maturity date and the interest rate or rates) shall be determined by the Director of Finance/Chief Financial Officer.

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

1. Confirmation of Intention to Issue Notes. Pursuant to the provisions of the Ordinances, the Director of Finance/Chief Financial Officer is hereby authorized and directed to issue, execute and deliver the Series 2019 Notes in accordance with this Resolution. The Series 2019 Notes will be dated and shall mature within one (1) year as shall be determined by the Director of Finance/Chief Financial Officer. The Notes may be renewed from time to time in accordance with the provisions of the Local Bond Law (N.J.S.A. 40A:2-8.1). The Notes shall not be subject to redemption prior to maturity.

2. Notice of Sale. It is hereby delegated to and the Director of Finance/Chief Financial Officer is hereby authorized and directed to sell and award the purchase of the Notes to the successful bidder pursuant to the terms and conditions of the Notice of Sale. The Notice of Sale in substantially the form attached hereto as **Exhibit A** is hereby approved, and the execution of the Notice of Sale by the Director of Finance/Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Director of Finance/Chief Financial Officer, upon the advice of the City’s Bond Counsel (“Bond Counsel”) and the City’s municipal advisor NW Financial Group, LLC (the “Financial Advisor”). The Director of Finance/Chief Financial Officer is authorized and directed to distribute the Notice of Sale in connection with the offering and sale of the Notes.

3. Authorization for Official Statement. The preparation by the City and its Financial Advisor of a Preliminary Official Statement relating to the sale of the Series 2019 Notes is hereby authorized and hereby delegated to the Director of Finance/Chief Financial Officer the authority to approve the Preliminary Official Statement prior to its distribution, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel to the City and the Financial Advisor to the City may advise and the Director of Finance/Chief Financial Officer executing the same may approve, such approval to be evidenced by such City officer’s execution thereof. The Business Administrator or the Director of Finance/Chief Financial Officer are each hereby authorized and directed to deem the Preliminary Official Statement (“POS”) “final” within the meaning of the Rule and

to execute and deliver a certificate to that effect. The Business Administrator and/or the Director of Finance/Chief Financial Officer are each hereby authorized and directed to approve the contents and terms of the final Official Statement in respect of the aforementioned Series 2019 Notes in substantially the form of the Preliminary Official Statement. The Business Administrator or the Director of Finance/Chief Financial Officer are each hereby authorized to execute and deliver such Official Statement on behalf of the City, in substantially such form of the POS, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel and Financial Advisor to the City may advise and the City officer executing the same may approve, such approval to be evidenced by such City officer's execution thereof. The use and distribution of the POS in connection with the offering and sale of the Series 2019 Notes are hereby authorized by the City.

4. Continuing Disclosure. The form of the Continuing Disclosure Certificate is hereby approved in substantially the form presented at this meeting and on file in the Office of the City Clerk and incorporated herein by reference as **Exhibit B**, and the execution of the Continuing Disclosure Certificate by the Director of Finance/Chief Financial Officer of the City is hereby authorized. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of Series 2019 Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, the failure of the City to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default on the Series 2019 Notes; however, any holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Certificate.

5. Forms of Notes. The forms of the Series 2019 Notes certificates substantially in the forms attached hereto as **Exhibit C** are hereby approved. The Series 2019 Notes certificates shall be executed in the name of the City by the Mayor and Chief Financial Officer and whose signatures will be attested to by the City Clerk and the seal of the City affixed thereto in accordance with the provisions of the Local Bond Law.

6. Tax Covenant. The City hereby covenants with the holders from time to time of the Series 2019 Notes that it will make no investment or other use of the proceeds of the Series 2019 Notes or take any further action (or refrain from taking such action) which would cause the Series 2019 Notes to be "arbitrage bonds" or "private activity bonds" within the meaning of the Internal Revenue Code of 1986, as amended, or under any similar statutory provision or any rule or regulation promulgated thereunder (the "Code"), or would cause interest on the Series 2019 Notes not to be excludable from gross income for federal income tax purposes, and that it will comply with the requirements of the Code and said regulations throughout the term of the Series 2019 Notes.

7. Pledge of City. The full faith and credit of the City is hereby pledged for the payment of the principal of and interest on the Series 2019 Notes. The Series 2019 Notes shall be direct obligations of the City, and, unless paid from other sources, the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the principal of and interest on the Series 2019 Notes without limitation as to rate or amount.

8. Further Action. The terms and provisions of the Series 2019 Notes (including, without limitation, registered or book-entry only form, the aggregate principal amount, the maturity date, interest rate and redemption provisions) shall be determined by the Director of Finance/Chief

Financial Officer of the City as authorized by the Local Bond Law and the Ordinances and this Resolution heretofore adopted by the Municipal Council and the Notice of Sale. The Mayor, the Business Administrator, the City Clerk and the Director of Finance/Chief Financial Officer are each authorized and directed to take all actions which are necessary or convenient to effectuate the terms of this Resolution and the issuance, sale and delivery of the Series 2019 Notes, including, but not limited to the execution of the Continuing Disclosure Certificate, the forms of the Notes and closing certificates, documents and opinions in connection therewith, in consultation with and upon the advice of Bond Counsel.

9. Effectiveness. This Resolution shall take effect immediately upon adoption.

STATEMENT

Resolution authorizing the preparation, approval and distribution of a Preliminary Official Statement ("POS") and Final Official Statement, authorizing forms of the Notice of Sale, the Notes Certificates and Continuing Disclosure Certificate and related matters in connection with the sale and issuance of the Series 2019 Notes to refinance a portion of the Prior Notes.