File #: 26-0003, **Version:** 1

Dept/ Agency: Finance
Action: ( ) Ratifying (X) Authorizing ( ) Amending
Purpose: Resolution providing for emergency temporary appropriation
Name of Project(s):
Amount to be Financed: $30,000,000.00
Funding Source: Bonds and/or Bond Anticipation Notes
Local Finance Board meeting date(s): February 12, 2026
Project Information:
(Description/ Project No./ Amount Appropriated/Ordinance No.)
RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY AUTHORIZING AN EMERGENCY TEMPORARY APPROPRIATION PURSUANT TO N.J.S.A. 40A:4-20 TO REPAY A LOAN IN THE AMOUNT OF $30,000,000.00 RECEIVED FROM THE DIVISION OF LOCAL GOVERNMENT SERVICES WITHIN THE DEPARTMENT OF COMMUNITY AFFAIRS OF THE STATE OF NEW JERSEY
Additional Information:

WHEREAS, due to an increase in taxes payable to the County of Essex, New Jersey (the "County"), the City of Newark, in the County of Essex, State of New Jersey (the "City") faced a serious fiscal emergency for its Fiscal Year 2025 budget and requested Fiscal Year 2025 Transitional Aid to Localities ("Transitional Aid") administered by the Division of Local Government Services within the Department of Community Affairs of the State of New Jersey (the "Division"); and

WHEREAS, the Division determined to lend the City $30,000,000.00 in Transitional Aid (the "State Loan") pursuant to an Amended Loan Agreement between the Division and the City, dated August 11, 2025 (the "Agreement"); and

WHEREAS, pursuant to the terms of the Agreement, the State Loan is due and payable to the Division no later than March 3, 2026; and

WHEREAS, the Municipal Council of the City desires to adopt this Resolution providing for a $30,000,000.00 emergency temporary appropriation (the "Emergency Temporary Appropriation") pursuant to N.J.S.A. 40A:4-20 to repay the State Loan; and

WHEREAS, the payment of such Emergency Temporary Appropriation is a purpose for which an appropriation may lawfully be made for the period between the beginning of the current fiscal year and the date of the adoption of the budget for said year; and

WHEREAS, the amount of the Emergency Temporary Appropriation will be included under the appropriate heading in the City's 2026 annual budget as adopted except, to the extent, if any, said Emergency Temporary Appropriation is paid or funded through the authorization of bonds or notes as an appropriation authorized by law pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the

"Local Bond Law"); and

WHEREAS, the Emergency Temporary Appropriation is being made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare of the citizens of the City.

NOW, THEREFORE, BE IT RESOLVED, by the Municipal Council of the City of Newark, in the County of Essex, State of New Jersey (by not less than 2/3 of the full membership of the governing body members affirmatively concurring), in accordance with N.J.S.A. 40A:4-20, **AS FOLLOWS:**

1. The recitals above are fully incorporated herein by this reference.

2. The Emergency Temporary Appropriation in the amount of $30,000,000 is hereby made for the purpose of repaying the State Loan to the Division. The Emergency Temporary Appropriation is being made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare of the citizens of the City prior to the adoption of the annual budget for the 2026 calendar year.

3. Pursuant to N.J.S.A. 40A:4-20, said Emergency Temporary Appropriation shall be included under the appropriate heading in the City's 2026 annual budget as adopted except, to the extent, if any, said emergency appropriation is paid or funded through the authorization of bonds or notes as an appropriation authorized by law pursuant to the Local Bond Law.

4. A certified copy of this resolution shall be filed with the Director of the Division of Local Government Services and a certified copy of this resolution shall be filed with the Clerk of the City of Newark.

5. This resolution shall take effect immediately.

STATEMENT

Resolution authorizing an Emergency Temporary Appropriation pursuant to N.J.S.A. 40A:4-20 to repay a loan in the amount of $30,000,000.00 received from the Division of Local Government Services within the Department of Community Affairs of the State of New Jersey.