

CITY OF WOODBURY, NEW JERSEY

RESOLUTION NO. 20-91

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODBURY, COUNTY OF GLOUCESTER, NEW JERSEY, AUTHORIZING THE PREPARATION AND DISTRIBUTION OF OFFERING DOCUMENTS IN CONNECTION WITH THE SALE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020; AUTHORIZING THE ISSUANCE, SALE AND AWARD OF SAID BONDS; MAKING CERTAIN DETERMINATIONS AND COVENANTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO

BACKGROUND

WHEREAS, on November 18, 2009, the City of Woodbury, County of Gloucester, New Jersey ("City") issued its \$6,550,000 General Obligation Bonds, Series 2009, consisting of (i) \$2,665,000 General Improvement Bonds and (ii) \$3,885,000 Water and Sewer Utility Bonds, dated November 18, 2009, bearing interest at rates ranging from 3.000% to 4.250% per annum ("Prior Bonds"); and

WHEREAS, a portion of the Prior Bonds in the aggregate principal amount of \$3,550,000 maturing on November 1 in the years 2020 through 2029, both inclusive (collectively, the "Callable Bonds"), are, at the option of the City, subject to redemption prior to maturity in whole or in part on any date on or after November 1, 2019 at a redemption price equal to 100% of the Callable Bonds to be redeemed, plus accrued interest thereon; and

WHEREAS, as a result of the low interest rates prevailing in the municipal bond market, the City has the opportunity to economically refinance up to all of the Callable Bonds; and

WHEREAS, on March 25, 2020, the City Council, pursuant to *N.J.S.A. 40A:2-52*, introduced an ordinance entitled, "REFUNDING BOND ORDINANCE PROVIDING FOR THE REFUNDING OF THE CITY'S OUTSTANDING CALLABLE GENERAL OBLIGATION BONDS, SERIES 2009, DATED NOVEMBER 18, 2009; AUTHORIZING THE ISSUANCE OF UP TO \$3,750,000 OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF WOODBURY, COUNTY OF GLOUCESTER, NEW JERSEY, TO FINANCE THE COSTS THEREOF; MAKING CERTAIN DETERMINATIONS AND COVENANTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING" ("Refunding Bond Ordinance"); and

WHEREAS, on April 8, 2020, the City Council, after a public hearing, finally adopted the Refunding Bond Ordinance; and

WHEREAS, pursuant to the Refunding Bond Ordinance, the City is authorized to issue its general obligation refunding bonds, in one or more series, in the aggregate principal amount of up to \$3,750,000 to: (i) current refund and redeem up to all of the Callable Bonds; and (ii) pay the costs and expenses incidental to the issuance and sale of such bonds (collectively, the "Project"); and

WHEREAS, it is the intent of the City Council hereby to: (i) authorize and approve the preparation and distribution of offering documents in connection with the issuance and sale of general obligation refunding bonds; (ii) authorize and approve the issuance, sale and award of the general obligation refunding bonds; (iii) to ratify and confirm certain actions heretofore taken by or on behalf of the City; and (iv) authorize the Mayor, Chief Financial Officer and City Clerk to make certain related determinations and covenants and take certain actions in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODBURY, COUNTY OF GLOUCESTER, NEW JERSEY (NOT LESS THAN TWO-THIRDS OF ALL THE MEMBERS THEREOF AFFIRMATIVELY CONCURRING), PURSUANT TO THE PROVISIONS OF THE LOCAL BOND LAW, CONSTITUTING CHAPTER 169 OF THE LAWS OF 1960 OF THE STATE OF NEW JERSEY, AS AMENDED AND SUPPLEMENTED ("LOCAL BOND LAW"), AS FOLLOWS:

Section 1. Pursuant to the Local Bond Law and the Refunding Bond Ordinance, the issuance of negotiable refunding bonds of the City in the aggregate principal amount of up to \$3,750,000, to be designated, substantially, "City of Woodbury, County of Gloucester, New Jersey, General Obligation Refunding Bonds, Series 2020" ("Refunding Bonds"), for the purposes described in the Refunding Bond Ordinance and in this Resolution, is hereby authorized, approved, ratified and confirmed.

Section 2. The preparation of a preliminary official statement ("Preliminary Official Statement") relating to the Refunding Bonds, and the distribution of said Preliminary Official Statement (in physical or electronic form) by Stifel, Nicolaus & Company, Incorporated, Philadelphia, Pennsylvania, as underwriter ("Underwriter"), to prospective purchasers of the Refunding Bonds and others having an interest therein, is hereby authorized, approved, ratified, confirmed and directed. The Mayor, Chief Financial Officer and City Clerk are each hereby authorized to deem the Preliminary Official Statement "final", as contemplated by paragraph (b)(1) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Section 3. The Chief Financial Officer is hereby authorized to determine in accordance with the Local Bond Law, specifically, N.J.S.A. 40A:2-52 et seq., and pursuant to the terms and conditions established by the Underwriter under the Bond Purchase Contract to be entered into by the City and the Underwriter in connection with the sale of the Refunding Bonds ("Purchase Contract") and the terms and conditions hereof, the following items with respect to the Refunding Bonds:

- (a) the total principal amount of the Refunding Bonds which, in the aggregate, shall not exceed \$3,750,000;
- (b) the annual principal installments of the Refunding Bonds; provided, however, the final maturity shall be no later than November 1, 2029;
- (c) the dated date of the Refunding Bonds and the principal and interest payment dates for the Refunding Bonds;
- (d) the rates of interest the Refunding Bonds are to bear; provided, however, that an overall net present value savings of at least three percent (3%) is achieved with respect to the Callable Bonds;

- (e) the purchase price for the Refunding Bonds; provided, however, that the Underwriters' discount for the Refunding Bonds shall not exceed \$6.00 per \$1,000 principal amount of such Refunding Bonds; and
- (f) the redemption provisions of the Refunding Bonds.

Any determination made by the Chief Financial Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and delivery of the Purchase Contract by the Chief Financial Officer as provided for in Section 5 hereof.

Section 4. The Chief Financial Officer shall report in writing to the City Council at the meeting next succeeding the date when any sale or delivery of the Refunding Bonds pursuant to this resolution is made. Such report must include the aggregate principal amount, the interest rate or rates and the maturity schedule of the Refunding Bonds sold, the price obtained, and the redemption provisions thereof, if any. The Chief Financial Officer shall also, within ten (10) days of the issuance of the Refunding Bonds, file with the Local Finance Board, Division of Local Government Services, New Jersey Department of Community Affairs a report including: (i) a comparison of the debt service schedules for both the Callable Bonds and the Refunding Bonds showing annual present value savings; (ii) a summary of the terms of the Refunding Bonds; (iii) an itemized accounting of all costs of issuance of the Refunding Bonds; (iv) a certification that the issuance of the Refunding Bonds has complied with all conditions required pursuant to *N.J.A.C. 5:30-2.5*; and (v) a certified copy of this Resolution.

Section 5. The Refunding Bonds shall be sold at a negotiated sale to the Underwriter in accordance with the terms and conditions set forth in the Purchase Contract. The Purchase Contract is hereby authorized to be executed and delivered on behalf of the City by the Chief

Financial Officer, in substantially the form on file in the offices of the City, with such changes as the Chief Financial Officer in his/her respective sole discretion, after consultation with, among others, Bond Counsel and the Municipal Advisor (as hereinafter defined) to the City, shall determine, such determination to be conclusively evidenced by the execution of the Purchase Contract by an authorized officer as determined hereunder.

Section 6. The Refunding Bonds will be issued in fully registered form. One certificate shall be issued for the aggregate principal amount of Refunding Bonds maturing in each year. Both the principal of and interest on the Refunding Bonds will be payable in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository ("Securities Depository"). The certificates will be on deposit with The Depository Trust Company. The Depository Trust Company will be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants will be responsible for maintaining records recording the beneficial ownership interests in the Refunding Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 through book-entries made on the books and the records of The Depository Trust Company and its participants. The principal of and interest on the Refunding Bonds will be paid to The Depository Trust Company by the City on the respective maturity dates and due dates and will be credited on the respective maturity dates and due dates to the participants of The Depository Trust Company as listed on the records of The Depository Trust Company as of either : (i) the 1st day of the calendar month containing an interest payment date; or (ii) the 15th day of a calendar month next preceding an interest payment date, as applicable (the

record dates for the Refunding Bonds). The Refunding Bonds will be executed on behalf of the City by the manual or facsimile signatures of the Mayor and Chief Financial Officer, attested by the City Clerk or Deputy City Clerk (such execution shall constitute conclusive approval by the City of the form of the Refunding Bonds), and shall bear the affixed, imprinted or reproduced seal of the City thereon.

Section 7. The City is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with The Depository Trust Company, New York, New York, as may be necessary in order to provide that the Refunding Bonds will be eligible for deposit with The Depository Trust Company and to satisfy any obligation undertaken in connection therewith.

Section 8. In the event that The Depository Trust Company may determine to discontinue providing its service with respect to the Refunding Bonds or is removed by the City and if no successor Securities Depository is appointed, the Refunding Bonds which were previously issued in book-entry form shall be converted to registered bonds in denominations of \$5,000, or any integral multiple thereof ("Registered Bonds"). The beneficial owner under the book-entry system, upon registration of the Registered Bonds held in the beneficial owner's name, will become the registered owner of the Registered Bonds. The City shall be obligated to provide for the execution and delivery of the Registered Bonds in certified form.

Section 9. The Refunding Bonds shall be general obligations of the City. The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and

interest on the Refunding Bonds and, to the extent payment is not otherwise provided, the City shall levy ad valorem taxes on all taxable real property without limitation as to rate or amount for the payment thereof.

Section 10. The preparation of a final official statement ("Official Statement") with respect to the Refunding Bonds is hereby authorized and directed. Within seven (7) business days of the sale of the Refunding Bonds and in sufficient time to accompany any confirmation that requests payment from a customer, the City will deliver sufficient copies of the Official Statement to the Underwriter to comply with Paragraph (b)(4) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended ("Rule 15c2-12"). The Mayor, Chief Financial Officer and City Clerk are each hereby authorized to execute the Official Statement, and the distribution thereof to the Underwriter and others is hereby authorized and directed. The execution of the final Official Statement by the Mayor, Chief Financial Officer or City Clerk shall constitute conclusive evidence of approval by the City of the changes therein from the Preliminary Official Statement. The Mayor, Chief Financial Officer and City Clerk are each hereby authorized to approve any amendments of or supplements to the Official Statement.

Section 11. The appointment of Bowman & Company, LLP, Voorhees, New Jersey ("Printer"), to provide printing, electronic and physical dissemination services for the City with respect to the Preliminary Official Statement and Official Statement (hereinafter defined) is hereby authorized, approved, ratified and confirmed. The Chief Financial Officer is authorized and directed to enter into an agreement with Printer for the services to be provided.

Section 12. The City hereby designates the Refunding Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that it reasonably anticipates that the amount of tax-exempt obligations to be issued by the City during the period from January 1, 2020 to December 31, 2020, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Refunding Bonds.

For purposes of this Section 12, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to currently refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

Section 13. The City hereby covenants that it will not make any use of the proceeds of the Refunding Bonds or do or suffer any other action that would cause: (i) the Refunding Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Refunding Bonds to be included in the gross income of the owners thereof for federal income taxation purposes; or (iii) the interest on the Refunding Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

Section 14. The City hereby covenants as follows: (i) it has not abandoned, sold or otherwise disposed of any facility, equipment or improvement (except through normal retirement) financed directly or indirectly with the proceeds of the Callable Bonds; (ii) it does not intend to, during the term that the Refunding Bonds are outstanding, abandon, sell or otherwise dispose of any facility, equipment or improvement (except through normal retirement) financed directly or indirectly with the proceeds of the Callable Bonds; (iii) it shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code; (iv) it shall take no action that would cause the Refunding Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code; (v) it will not employ a device in connection with the issuance by it of the Refunding Bonds which will enable it to obtain a material financial advantage (based on arbitrage) apart from the savings that may be realized as a result of the lower interest rates on the Refunding Bonds than on the Callable Bonds; (vi) the amount of "excess gross proceeds", as such term is defined in Income Tax Regulation §1.148-10(c)(2), of the Refunding Bonds will not exceed one percent (1%) of the proceeds received from the sale thereof; and (vii) it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Regulation §1.148-0 through 1.148-11, 1.149(b)-1 and 1.149(i)-1, 1.149(g)-1, 1.150-1 and 1.150-2 as such regulations and statutory provisions may be modified insofar as they apply to the Refunding Bonds.

Section 15. The Chief Financial Officer is authorized and directed to engage the services of a qualified financial institution to serve as escrow agent ("Escrow Agent") for the Refunded Bonds (hereinafter defined). The Chief Financial Officer is authorized to execute and deliver an agreement with the Escrow Agent for the services to be provided.

Section 16. The Escrow Agent is hereby authorized, if so directed by the City, to redeem the Callable Bonds on their respective first call dates, at a redemption price equal to 100% of the Callable Bonds to be redeemed, plus interest accrued to the redemption date ("Refunded Bonds"). The Escrow Agent shall mail any required notice of redemption as set forth in the Refunded Bonds and in the Escrow Deposit Agreement (hereinafter mentioned) by and between the City and the Escrow Agent.

Section 17. To provide for the redemption of the Refunded Bonds as set forth in Section 16 above, Chief Financial Officer is authorized to execute and deliver an escrow deposit agreement ("Escrow Deposit Agreement") on behalf of the City and to make the deposit of moneys and investments specified therein ("Escrow Investments").

Section 18. The appointment of Acacia Financial Group, Inc., Mount Laurel, New Jersey ("Municipal Advisor"), to provide municipal advisory services for the City in connection with the authorization, issuance, sale and delivery of the Refunding Bonds is hereby authorized, approved, ratified and confirmed. The Chief Financial Officer is authorized and directed to enter into an agreement with the Municipal Advisor for the services to be provided.

Section 19. In order to assist the Underwriter in complying with the secondary market disclosure requirements of Rule 15c2-12, the Chief Financial Officer is authorized to execute on behalf of the City before the issuance of the Refunding Bonds an agreement with a qualified dissemination agent, providing for the preparation and filing of the necessary reports in accordance with Rule 15c2-12.

Section 20. The appointment of Bowman & Company, LLP, Voorhees, New Jersey, to serve as verification agent ("Verification Agent") to the City, to verify the mathematical accuracy of certain computations made by the Underwriter regarding: (i) the adequacy of the maturing principal of and interest on the Escrow Investments to pay each series of the Refunded Bonds as set forth in the Escrow Deposit Agreement; and (ii) the yields on the Refunding Bonds and the Escrow Investments, is hereby authorized, approved, ratified and confirmed. The Chief Financial Officer is authorized and directed to enter into an agreement with the Verification Agent for the services to be provided.

Section 21. The Chief Financial Officer is authorized to pay the costs associated with the issuance of the Refunding Bonds and refunding of the Refunded Bonds.

Section 22. If necessary or advisable, the appropriate City officials and the City's professional advisors are hereby authorized to (i) obtain one or more ratings on the Refunding Bonds; and (ii) furnish certain information to the various municipal bond insurance companies concerning the City and the Refunding Bonds for the purpose of qualifying the Refunding Bonds for municipal bond insurance. The Chief Financial Officer is authorized to execute such documents as may be necessary or appropriate to effectuate the obtainment of ratings for the Refunding Bonds and the obtainment of municipal bond insurance with respect to the Refunding Bonds if determined to be cost effective.

Section 23. All actions heretofore taken and documents prepared or executed by or on behalf of the City by the Mayor, Chief Financial Officer, City Clerk, other City officials or by the

City's professional advisors, in connection with the authorization and issuance of the Refunding Bonds and the refunding of the Refunded Bonds, as described in the Refunding Bond Ordinance, are hereby ratified, confirmed, approved and adopted in all respects.

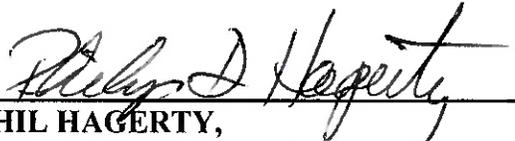
Section 24. The Mayor, Chief Financial Officer and City Clerk are each hereby severally authorized to determine all matters and execute all documents and instruments in connection with the issuance of the Refunding Bonds and refunding of the Refunded Bonds, as described in the Refunding Bond Ordinance, not determined or otherwise directed to be executed by applicable law, or by this or any subsequent resolution, and the signatures of the Mayor, Chief Financial Officer or City Clerk on such documents or instruments shall be conclusive as to such determinations.

Section 25. All resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 26. This Resolution shall take effect immediately upon adoption this 13th day of May 13, 2020.

ADOPTED at the regular meeting of the Mayor and City Council of the City of Woodbury held on May 13, 2020.

CITY OF WOODBURY

By: 
PHIL HAGERTY,
Council President Pro-Tempore

ATTEST:


DANEEN FUSS, City Clerk

Council Member	Ayes	Nays	Abstain	Absent
Councilwoman Carter	✓			
Councilman Fleming	✓			
Councilman Hagerty	✓			
Councilman Johnson	✓			
Councilman McIlvaine	✓			
Councilman Merinuk	✓			
Councilwoman Miller	✓			
Councilwoman O'Connor	✓			
Council President Parker				✓
Mayor Floyd				

CERTIFICATION

I, Daneen D. Fuss hereby certify that the foregoing Resolution was adopted by the City Council, of the City of Woodbury, in the County of Gloucester and State of New Jersey at the meeting held on **May 13, 2020** at City Hall 33 Delaware Street, Woodbury, New Jersey 08096.


Daneen D. Fuss
City Clerk