

SALEM COUNTY IMPROVEMENT AUTHORITY

RESOLUTION 2020-02

January 9, 2020

RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY (THE "AUTHORITY"), IN THE COUNTY OF SALEM, STATE OF NEW JERSEY, ACKNOWLEDGING THE REVIEW AND POSITIVE FINDINGS CONTAINED IN THE LOCAL FINANCE BOARD RESOLUTIONS DATED APRIL 10, 2019 IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF NOT EXCEEDING \$8,900,000 COUNTY-GUARANTEED SOLID WASTE REVENUE BONDS/PROJECT NOTES (LANDFILL EXPANSION PROJECT- PHASE II)

WHEREAS, pursuant to the County Improvement Authorities Law, constituting chapter 183 of the Laws of New Jersey of 1960 (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"), The Salem County Improvement Authority ("Authority") was created by virtue of an ordinance, duly and finally adopted by the governing body of the County of Salem ("County"), State of New Jersey ("State") and is a public body politic and corporate of the State organized and existing under the Act, constituting a political subdivision of the State and established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare; and

WHEREAS, the Authority is authorized, pursuant to Section 11 of the Act (*N.J.S.A. 40:37A-54(a) and (g)*), to issue its bonds, notes or other obligations for the purpose of financing the cost of the provision within the County of "public facilities" (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes, including the acquisition, construction, maintenance and operation of garbage and solid waste disposal systems for the purpose of collecting and disposing of garbage, solid waste or refuse matter, whether owned or operated by the Authority to accomplish such purpose; and

WHEREAS, pursuant to and in accordance with the provisions of the Solid Waste Management Act, constituting chapter 39 of the Laws of New Jersey of 1970 and the acts amendatory thereof and supplemental thereto ("Solid Waste Act"), the County has been designated as a "solid waste management district" and as such, is required to, among other things, develop and formulate a solid waste management plan and such Plan must include the designation of a department, unit or committee of the County government to supervise the implementation of the Plan; and

WHEREAS, in February 1980, the Board of Chosen Freeholders of the County ("Board") approved a Plan in accordance with the provisions of the Solid Waste Act, providing a comprehensive strategy for the solid waste disposal needs of the County, as such Plan has been updated and amended from time to time ("Plan"); and

WHEREAS, pursuant to and in accordance with the provisions of the Solid Waste Act, the Plan has been approved by the New Jersey Department of Environmental Protection ("NJDEP"); and

WHEREAS, in 1980, the Board created the Salem County Utilities Authority to implement the Plan, including the disposal of solid waste generated within the County at the Salem County Solid Waste Facility located in the Township of Alloway, in the County ("Landfill"); and

WHEREAS, on August 20, 2008, the Board approved a plan to dissolve the Salem County Utilities Authority and transfer operation of the Landfill to the Authority, which transfer was approved by the NJDEP on March 4, 2009, and

WHEREAS, the original 39-acre Landfill design, with vertical expansions, contained seven operational cells which provided waste disposal capacity from 1988 through 2012; and

WHEREAS, pursuant to the Plan, and in an effort to address the solid waste disposal needs of the County into the future and to ensure that the Landfill solid waste disposal operations continue uninterrupted upon such time as Cells 1 through 7 reached capacity, in 2011 the Authority received the necessary permits from the NJDEP to conduct a 31-acre, approximately 4,977,582 cubic yard (including final cover), landfill expansion through a four phase construction of an additional five (5) operational cells (Cells 8 through 12) (collectively, the "Landfill Expansion Project"); and

WHEREAS, the Landfill Expansion Project is anticipated to extend the operating life expectancy of the Landfill by approximately 33 years, or until 2045; and

WHEREAS, in 2012 and 2014, respectively, Cell 8 and Cell 9 were constructed and have reached interim capacity, but as a result of the construction of additional cells, they will gain additional capacity; and

WHEREAS, the Authority pursued construction of Cell 11 after Cells 8 and 9 and prior to construction of Cell 10 because construction of Cell 10 requires the demolition of the Authority's office space and the expansion phases of the landfill were designed to be hydraulically independent thereby rendering the construction of Cell 11 more efficient; and

WHEREAS, construction of Cell 11 was completed on October 27, 2017 and said Cell is currently operational with interim capacity expected to be reached by January 1, 2021; and

WHEREAS, the Authority determined that it is in the best interest of the Authority and the public to construct Cell 10 as the next sequential component of the Landfill Expansion Project; and

WHEREAS, the expansion of Cell 10 contemplates the construction of an 8.0-acre, 1,250,000 cubic yard, double composite lined landfill cell built in accordance with the Department of Environmental Protection's regulations protecting groundwater and surface-water quality; and

WHEREAS, construction of Cell 10 is expected to extend the operating life expectancy of the Landfill by 8.44 years; and

WHEREAS, on May 20, 2019, the Authority applied to the New Jersey Infrastructure Bank (the "NJIB") to receive low-cost financial assistance to pay for the costs to construct the Cell 10 Expansion and, in furtherance thereof, has received approval from the NJDEP to issue not to exceed \$8,900,000 aggregate principal amount of its bonds, notes or other evidences of indebtedness, the proceeds of which shall be used by the Authority to pay: (i) the costs of the Cell 10 Expansion; (ii) the completion of such other improvements and work and acquisition of equipment and materials as may be necessary or appropriate for the completion of the capital improvements described above (items (i) and (ii) shall be referred to herein as the "Construction Project"); (iii) the costs of issuing any bonds, notes or other evidences of indebtedness; and (iv) the costs and fees associated with financing the Cell 10 Expansion through the NJIB Financing Program (as hereinafter defined) (collectively, the "Project"); and

WHEREAS, the Authority submitted a petition to NJDEP, pursuant to *N.J.S.A.* 48:3-9, to: (i) request authorization to issue up bonds, notes or other evidences of indebtedness in an amount not to exceed \$8,900,000 for more than a one (1) year period from the date of issuance; and (ii) request an exemption from the State of New Jersey Board of Public Utilities policy requiring the competitive sale of such obligations ("NJDEP Petition"); and

WHEREAS, the NJDEP approved the NJDEP Petition via order on December 11, 2019; and

WHEREAS, to induce prospective purchasers of any bonds, notes or other evidences of indebtedness issued to finance the costs of the Project to purchase the same and provide additional security to the owners thereof, the County has, in accordance with Section 37 of the Act, *N.J.S.A.* 40:37A-80, agreed to unconditionally and irrevocably guaranty the punctual payment of the principal of and interest on any bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project ("County Guaranty") and the County and the Authority intend to enter into a County Guarantee Agreement (the "Guarantee Agreement"), wherein the County shall unconditionally guarantee the punctual payment of the principal of and interest on any bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project; and

WHEREAS, the Authority and the County have also each determined that it will be economical, efficient and otherwise advantageous to each of them and to the residents of the County for the County and the Authority to enter into an agreement providing for certain financial assistance ("Support Agreement"), which Support Agreement shall, among other things, additionally obligate the County, subject to appropriation, to pay to the Authority such sums of money as may be determined annually by the County to be applied to the payment of deficiencies incurred by the Authority for debt service with respect any to bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project from amounts which are available therefore; and

WHEREAS, the Authority adopted a resolution on April 11, 2019 authorizing the issuance and sale of its bonds, notes or other evidences of indebtedness in an amount not to exceed \$8,900,000 to finance the Project.

WHEREAS, the Board of Chosen Freeholders of the County, via ordinance finally adopted April 17, 2019, consented to the undertaking of the financing by the Authority and a guarantee of the Authority's Bonds (as defined herein); and

WHEREAS, pursuant to the authorization set forth in the ordinance finally adopted by the County on April 17, 2019 authorizing the guarantee by the County of the payment of principal of and interest on the County-Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project - Phase II) in an aggregate principal amount not to exceed \$8,900,000 (the "Guarantee Ordinance"), the County and the Authority intend to enter into a Guarantee Agreement, wherein the County shall unconditionally guarantee the punctual payment of the principal of and interest on the Bonds; and

WHEREAS, prior to such authorization, the Authority was required, pursuant to N.J.S.A. 40A:5A-6 and 7, to submit said financing proposal and Guarantee Agreement to the Local Finance Board (as hereinafter defined); and

WHEREAS, the Authority authorized said submission to the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board"), by a resolution duly approved February 14, 2019; and

WHEREAS, the Authority submitted the required application (the "Application") to the Local Finance Board for the County's guarantee of the issuance of its proposed not to exceed \$8,900,000 County-Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project - Phase II) (the "Bonds"); and

WHEREAS, the Local Finance Board held the required hearing on such application on April 10, 2019, pursuant to N.J.S.A. 40A:5A-7; and

WHEREAS, as a result thereof the Local Finance Board adopted resolutions setting forth its findings and conclusions with respect to the Authority's proposed financing of the Project and the entering into of a Guarantee Agreement with the County; and

WHEREAS, N.J.S.A. 40A:5A-7 requires the Authority to adopt a resolution certifying that each member of the Authority has reviewed the findings of the Local Finance Board and that each member evidenced same by the execution of an affidavit by all Authority members.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE SALEM COUNTY IMPROVEMENT AUTHORITY, as follows:

1. We have each reviewed the resolutions of the Local Finance Board, dated April 10, 2019 attached hereto as Exhibit A and Exhibit B (the "LFB Resolutions") setting forth the positive findings of the Local Finance Board and approving the proposed issuance of not to exceed \$8,900,000 County-Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project - Phase II).

2. We each hereby acknowledge the approvals and findings of the Local Finance Board contained in the aforesaid LFB Resolutions.

3. Each of the Members of the Authority are hereby authorized and directed to execute the attached Certification acknowledging their review of the approvals and findings of the Local Finance Board contained in the LFB Resolutions and Archer & Greiner P.C., bond counsel, on behalf of the Authority, is hereby authorized and directed to file this resolution with the attached affidavit with the Local Finance Board in satisfaction of the requirements of N.J.S.A. 40A:5A-7.

4. A copy of each of the LFB Resolutions are attached hereto and incorporated by reference herein.

5. The governing body of The Salem County Improvement Authority hereby states that it has complied with the requirements of N.J.S.A. 40A:5A-7 and does hereby submit a certified copy of this resolution and the required affidavit to the Local Finance Board to evidence such compliance.

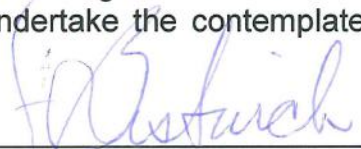
6. This resolution shall take effect immediately.

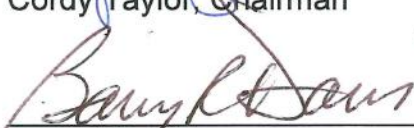
**AFFIDAVIT ACKNOWLEDGING THE FINDINGS OF
THE LOCAL FINANCE BOARD RESOLUTIONS
DATED APRIL 10, 2019**

We, Cordy Taylor, Susan Bestwick, Barry Davis, Lew Schneider and Steven DiMatteo, the undersigned board members of The Salem County Improvement Authority (the "Authority"), being duly sworn according to law upon our oaths, depose and say that:

1. We are the duly appointed and acting officials of the Authority.
2. We have each reviewed the findings of the Local Finance Board contained in the LFB Resolutions, copies of which are attached hereto and incorporated by reference herein.
3. We each hereby acknowledge the findings of the Local Finance Board contained in the LFB Resolutions and agree to undertake the contemplated transaction in accordance therewith.


Cordy Taylor, Chairman

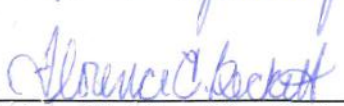

Susan Bestwick, Vice-Chairwoman


Barry Davis, Secretary


Lew Schneider, Treasurer


Steven DiMatteo, Alternate Secretary/
Treasurer

Sworn to and subscribed before me
this 9th day of January, 2020.


Notary Public of the State of New Jersey

FLORENCE E. BECKETT
A Notary Public of New Jersey
My Commission Expires April 15, 2021

Exhibit A



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

PHILIP D. MURPHY
Governor

LT. GOVERNOR SHEILA Y. OLIVER
Commissioner

**LOCAL FINANCE BOARD
RESOLUTION**

WHEREAS, a proposed county guarantee has been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the officials of the Salem County Improvement Authority; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on April 10, 2019, to review the county guarantee by and between the Salem County Improvement Authority and the County of Salem in an amount not to exceed \$8,900,000 for the issuance of County-Guaranteed Solid Waste Revenue Bonds/Project Notes (Landfill Expansion Project - Phase II), Series 2019; and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

- a) that the county guarantee has been determined by reasonable and accepted methods;
- b) that the county guarantee is not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;

BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this county guarantee which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and

BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

Local Finance Board
Salem County Improvement Authority
April 10, 2019

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing body of the Authority shall provide to the Executive Secretary within 45 days the required resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: April 10, 2019


PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

21149/A-3045

Exhibit B



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

PHILIP D. MURPHY
Governor

LT. GOVERNOR SHEILA Y. OLIVER
Commissioner

**LOCAL FINANCE BOARD
RESOLUTION**

WHEREAS, a proposed project financing has been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the Salem County Improvement Authority; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on April 10, 2019, to review a proposed project financing in an amount not to exceed \$8,900,000 for the issuance of County-Guaranteed Solid Waste Revenue Bonds/Project Notes (Landfill Expansion Project - Phase II), Series 2019; and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

- a) that the project cost has been determined by reasonable and accepted methods;
- b) that the method proposed for the funding of the project cost, proposed or maximum terms and provision of the financing and of a proposed service contract are not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;
- c) that the proposed or maximum terms and conditions of the sale are, in light of current market conditions for obligations of similar quality, reasonable;

BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this project financing which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and

Local Finance Board
Salem County Improvement Authority
April 10, 2019

BE IT FURTHER RESOLVED that the Salem County Improvement Authority shall, within 30 days of the closing date of the financing that is the subject of this resolution, file with the Executive Secretary of the Local Finance Board a statement setting forth a complete accounting of the actual issuance costs incurred by the Salem County Improvement Authority in undertaking the financing which statement shall include the following: the name of the Salem County Improvement Authority; the closing date of the financing; the total amount of the financing; the name of the professionals or others who provided services to the Salem County Improvement Authority in undertaking the financing; the estimated dollar amount for each type of issuance cost as set forth in the application submitted by the Salem County Improvement Authority to the Local Finance Board with regard to the financing; and the actual dollar amount for each type of issuance cost incurred by the Salem County Improvement Authority in undertaking the financing; and

BE IT FURTHER RESOLVED that the details of the issuance of any permanent bonds associated with this application as included in the term sheet (closing statement) shall be promptly provided to the Executive Secretary by forwarding a copy of said term sheet (closing statement); and

BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing body of the Authority shall provide to the Executive Secretary within 45 days of receipt of this resolution, the required Authority resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: April 10, 2019


PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

**CERTIFICATE AS TO RESOLUTION ACKNOWLEDGING
LOCAL FINANCE BOARD FINDINGS**

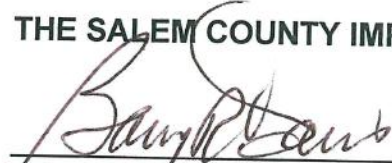
I, BARRY DAVIS, Secretary of The Salem County Improvement Authority (the "Authority"), in the County of Salem, a public body corporate and politic of the State of New Jersey, DO HEREBY CERTIFY as follows:

Attached hereto is a copy of a resolution entitled, "RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY (THE "AUTHORITY"), IN THE COUNTY OF SALEM, STATE OF NEW JERSEY, ACKNOWLEDGING THE REVIEW AND POSITIVE FINDINGS CONTAINED IN THE LOCAL FINANCE BOARD RESOLUTIONS DATED APRIL 10, 2019 IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF NOT EXCEEDING \$8,900,000 COUNTY-GUARANTEED SOLID WASTE REVENUE BONDS/PROJECT NOTES (LANDFILL EXPANSION PROJECT- PHASE II)" (the "Resolution"), which Resolution was duly adopted at a meeting of the Authority duly called, advertised and held on January 9, 2020 in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., at which meeting a quorum was present and acting throughout, which copy of said Resolution has been compared by me with the original thereof as officially recorded in the Minute Book of the Authority and that said copy is a true, complete and correct copy of said Resolution, and that said Resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Authority hereto this 9th day of January, 2020.

THE SALEM COUNTY IMPROVEMENT AUTHORITY

[SEAL]



BARRY DAVIS,
Secretary of The Salem County
Improvement Authority

AFFIDAVIT CERTIFICATE

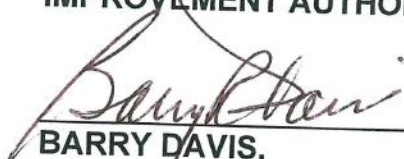
I, BARRY DAVIS, Secretary of The Salem County Improvement Authority (the "Authority"), in the County of Salem, a public body corporate and politic of the State of New Jersey, DO HEREBY CERTIFY as follows:

Attached hereto is a copy of an affidavit entitled, "AFFIDAVIT ACKNOWLEDGING THE FINDINGS OF THE LOCAL FINANCE BOARD RESOLUTIONS DATED APRIL 10, 2019" (the "Affidavit"), which Affidavit was executed in connection with a resolution entitled, "RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY (THE "AUTHORITY"), IN THE COUNTY OF SALEM, STATE OF NEW JERSEY, ACKNOWLEDGING THE REVIEW AND POSITIVE FINDINGS CONTAINED IN THE LOCAL FINANCE BOARD RESOLUTIONS DATED APRIL 10, 2019 IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF NOT EXCEEDING \$8,900,000 COUNTY-GUARANTEED SOLID WASTE REVENUE BONDS/PROJECT NOTES (LANDFILL EXPANSION PROJECT-PHASE II)" (the "Resolution"), which Resolution was adopted at a regular meeting of the governing body of the Authority duly called, advertised and held on January 9, 2020, in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., at which meeting a quorum was present and acting throughout, and that said copies of the Affidavit and Resolution have been compared by me with the originals thereof as officially recorded in the records of the Authority and that they are correct, true and complete copies thereof and of the whole of the Affidavit and Resolution, and that said Affidavit and Resolution have not been altered, amended or repealed but remain in full force and effect on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Authority this 9th day of January, 2020.

THE SALEM COUNTY
IMPROVEMENT AUTHORITY

[SEAL]


BARRY DAVIS,
Secretary of The Salem County
Improvement Authority