



Approved as to Form and Legality

Date Adopted

Committee

\_\_\_\_\_  
Salem County Counsel

July 17, 2019

Administrative

**A RESOLUTION OF THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF SALEM, NEW JERSEY AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT WITH THE SALEM COUNTY IMPROVEMENT AUTHORITY RELATING TO THE ISSUANCE BY THE SALEM COUNTY IMPROVEMENT AUTHORITY OF ITS COUNTY GUARANTEED SOLID WASTE REVENUE BONDS OR PROJECT NOTES (LANDFILL EXPANSION PROJECT – PHASE II) IN ONE OR MORE SERIES, IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,900,000; AND DETERMINING CERTAIN MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, The Salem County Improvement Authority ("Authority") has been duly created, by a resolution of the Board of Chosen Freeholders ("Board") of the County of Salem, State of New Jersey ("County"), as a public body corporate and politic of the State of New Jersey (the "State"), pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Laws of New Jersey of 1960, and the acts amendatory thereof and supplemental thereto (*N.J.S.A. 40:37A-44 et seq.*) ("Act"); 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 or project notes 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 ("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 ("Implementing Agency"); and

**WHEREAS**, pursuant to and in accordance with provisions of the Solid Waste Act, the Board has developed and adopted a Plan in February of 1980, and such Plan has been amended or modified from time to time; and

**WHEREAS**, in 1980, the Board created the Salem County Utilities Authority as the Implemented Agency 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; and

**WHEREAS**, on March 4, 2009, the New Jersey Department of Environmental Protection ("NJDEP") approved the transfer, and, thereafter, on April 1, 2009, operation of the Landfill was transferred to the Authority; 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 are currently being filled with full capacity to be reached between September and December of 2016; and

**WHEREAS**, in 2016 Cell 11 was constructed and is currently being filled and will reach interim capacity by January 1, 2021; and

**WHEREAS**, as a result of the expected interim capacity of the Landfill as described above, the Authority has determined to construct Cell 10 to further the Landfill Expansion Project and continue operation of the Landfill ("Cell 10 Expansion"); and

**WHEREAS**, in particular Cell 10 Expansion includes the construction of a an approximate 8 acre double composite lined landfill cell, leachate collection system, leachate pumping and conveyance system, and environmental monitoring system; and

**WHEREAS**, the Authority anticipates receiving or has heretofore received approval from the New Jersey Infrastructure Bank ("NJIB") to receive low-cost financial assistance to pay for the costs to construct the Cell 10 Expansion and, in furtherance thereof, anticipates receiving or has received approval from the NJDEP to issue up to \$8,900,000.00 aggregate principal amount of its County Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project – Phase II), in one or more series ("Bonds/Project Notes"), the proceeds of which shall be used by the Authority to pay: (i) the costs of the Cell 10 Expansion; (ii) the costs of issuing the Bonds/Project Notes; and (iii) 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 has adopted a supplemental bond resolution authorizing, *inter alia*, the issuance of the Bonds/Project Notes to finance the costs of the Project (the "Bond Resolution"); and

**WHEREAS**, the Bonds/Project Notes shall be issued by the Authority in two (2) series as is required by the NJIB's financing program guidelines ("NJIB Financing Program"), with such series of Bonds/Project Notes sold to each of the State of New Jersey, acting by and through the NJDEP, and to the Trust; and

**WHEREAS**, the Authority will issue the Bonds/Project Notes pursuant to the Act, the Bond Resolution and other related documents; and

**WHEREAS**, the Bonds/Project Notes shall be direct and limited obligations of the Authority, payable from and secured by revenues derived from the operation of the Landfill, all funds held under the Bond Resolution (except the Rebate Fund) and all income derived from the investment of such funds; and

**WHEREAS**, to induce prospective purchasers of the Bonds/Project Notes 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*, adopted a guaranty ordinance (the "Guaranty Ordinance") and shall enter into a guaranty agreement unconditionally and irrevocably guaranty the punctual payment of the principal of and interest on the Bonds/Project Notes; and

**WHEREAS**, the County and the Authority 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 a support agreement ("Support Agreement") providing for certain financial assistance, which Support Agreement shall, among other things, additionally obligate the County, subject to annual appropriation by the County, 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 to the Bonds/Project Notes from amounts which are available therefor; and

**WHEREAS**, there has heretofore been prepared and submitted to the County the form of the Support Agreement to be entered into by and between the Authority and the County; and

**WHEREAS**, the County is now desirous of authorizing and approving the execution and delivery of the Support Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF SALEM, STATE OF NEW JERSEY, AS FOLLOWS:**

**Section 1.** Pursuant to the applicable sections of the Municipalities and Counties - General and Regulatory Powers Law (*N.J.S.A. 40:48-1 et seq.*), the County is hereby authorized and directed to enter into, and perform its obligations under, the Support Agreement, which Support Agreement, *inter alia*, obligates 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 the payment of debt service with respect to the Bonds/Project Notes issued by the Authority to finance the costs of the Project from amounts which are available therefor. The Support Agreement, in substantially the form attached hereto as Exhibit "A", is hereby approved with such changes, amendments or modifications as may be approved by General Counsel and Bond Counsel to the County and Bond Counsel to the Authority.

**Section 2.** The Freeholder Director and Chief Financial Officer/Treasurer of the County are each hereby authorized and directed to execute and deliver the Support Agreement on behalf of the County and the Clerk of the Board and Deputy Clerk of the Board are each authorized to attest to the signature of the Freeholder Director or Chief Financial Officer/Treasurer of the County and to affix the seal of the County to the Support Agreement. All representatives, officials and employees of the County are hereby authorized and directed to enforce, perform and implement provisions of the Support Agreement.

**Section 3.** The following additional matters are hereby determined, declared, recited and stated:

(a) The maximum principal amount of Bonds/Project Notes to be issued by the Authority for which the Support Agreement shall relate shall not exceed \$8,900,000.

(b) The Bonds/Project Notes shall have a net interest rate not to exceed five percent (5%) and shall mature within thirty (30) years of the date of their original issue.

(c) The obligations of the County authorized herein, the specific terms of which shall be evidenced by the signature of the Freeholder Director or the Chief Financial Officer/Treasurer of the County on the Support Agreement, shall remain effective until the earlier of: (i) the final payment date of the Bonds/Project Notes and any series of additional or refunding bonds issued in connection with the Project, or (ii) prior redemption and defeasance of the Bonds/Project Notes and any series of additional or refunding bonds issued in connection with the Project by the Authority.

**Section 4.** The Freeholder Director, Chief Financial Officer/Treasurer, Clerk of the Board or any other representative of the County are each hereby authorized and directed to execute and deliver any and all certificates, documents, agreements and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the execution and delivery of the Support Agreement, the undertaking and completion of the Project and all related transactions contemplated by this Resolution.

**Section 5.** To the extent any clause, phrase, sentence, paragraph or provision of this Resolution shall be declared invalid, illegal or unconstitutional, the remaining provisions hereof shall continue to be in full force and effect.

**Section 6.** All resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

**Section 7.** This resolution shall take effect immediately.

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 BENJAMIN H. LAURY, Freeholder Director  
 Board of Chosen Freeholders

I hereby certify the foregoing to be a true resolution adopted by the Board of Chosen Freeholders of the County of Salem on July 17, 2019.

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 STACY L PENNINGTON  
 Clerk of the Board

RECORD OF VOTE

FREEHOLDER	AYE	NAY	ABSTAIN	ABSENT	RESOLUTION MOVED	RESOLUTION SECONDED
G. Ostrum, Jr.	✓					✓
C. Hassler	✓					
L. Ware	✓					
R.S. Griscorn	✓				✓	
B. Laury	✓					

✓ Indicates Vote

Department Initials

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