

BOROUGH OF CLAYTON
RESOLUTION 217-16
A RESOLUTION SUPPORTING SENATE BILL 2663 and ASSEMBLY BILL 4234

Whereas, almost all local units of government and Boards of Education in New Jersey including the Borough of Clayton secure insurance through governmental entities known as joint insurance funds (hereinafter JIFs); and

Whereas, existing law limits JIFs to investments otherwise authorized for local governmental entities and Boards of Education; and

Whereas, insurance mechanisms such as JIFs have different cash flow needs than local government and Boards of Education; and

Whereas, existing law greatly limits the potential investment earnings, currently less than 1% on investments of approximately \$1 billion; and

Whereas, S-2663 and A-4234 would permit JIFs to invest in debt obligations of any governmental entity established under the laws of the State of New Jersey and federal agencies or governmental corporations; and

Whereas, while the range of investments permitted by S-2663 and A-4234 is still very conservative, it would save the taxpayers at least \$10 million per year; and

Whereas, S-2663 and A-4234 would also reduce interest expense for local units of government and Boards of Education by creating an additional purchaser of their bonds; and

Whereas, S-2663 and A-4234 would also permit JIFs to join together and create a joint investment and cash management program further increasing investment income.

NOW THEREFORE BE IT RESOLVED by the (name of local unit) that:

1. The Legislature is urged to adopt S-2663 and A-4234 and;
2. A copy of this resolution shall be sent to all area legislators as well as the Governor, Commissioner of the Department of Banking and Insurance and the Commissioner of the (Department of Community Affairs or Department of Education as appropriate).

ADOPTED, at a regular council meeting of the Borough of Clayton which was held on Thursday, December 8, 2016.

BOROUGH OF CLAYTON



TOM BIANCO, Mayor

ATTEST: 
CHRISTINE NEWCOMB, Clerk