

ORDINANCE NO. 2009-27

**ORDINANCE AUTHORIZING THE LEASING OF CERTAIN
CAPITAL EQUIPMENT BY THE BOROUGH OF RED BANK,
NEW JERSEY FROM THE MONMOUTH COUNTY
IMPROVEMENT AUTHORITY AND THE EXECUTION OF A
LEASE AND AGREEMENT RELATING THERETO**

BE IT ORDAINED by the Borough Council of the Red Bank, New Jersey (not less than two-thirds of all members thereof affirmatively concurring), as follows:

Section 1. Pursuant to Section 78 of the County Improvement Authorities Law, N.J.S.A. 40:37A-44 *et seq.*, the Borough of Red Bank (the "Municipality") is hereby authorized to unconditionally and irrevocably lease certain items of capital equipment from The Monmouth County Improvement Authority (the "Authority") pursuant to a Lease and Agreement, substantially in the form submitted to this meeting (the "Lease"), a copy of which is on file in the office of the Clerk to the Municipality. The Mayor is hereby authorized to execute the Lease on behalf of the Municipality in substantially such form as submitted to this meeting and with such changes as may be approved by the Mayor, which approval shall be conclusively evidenced by the execution thereof, and the Clerk to the Municipality is hereby authorized to affix and attest the seal of the Municipality.

Section 2. The following additional matters are hereby determined, declared, recited and stated:

(a) In recognition of the fact that the lease payments of the Municipality under the Lease will be based, in part, on the amount of bonds issued by the Authority to finance the acquisition of the leased equipment and the interest thereon, the maximum amount of bonds which the Authority shall issue to finance the acquisition of the equipment to be leased to the Municipality shall not exceed \$490,000 and the interest rate on said bonds shall not exceed five and fifty hundredths percent (5.50%) per annum;

(b) The items to be leased from the Authority shall be as set forth in Schedule A hereto; provided that the Mayor or any authorized municipal representative (as defined in the Lease) may substitute or add items of equipment in accordance with the provisions of the Lease; and

(c) The lease term applicable to a particular item of leased equipment shall not exceed the useful life of such item.

(d) For the Equipment there is hereby appropriated the amount of \$520,000, which sum includes the sum of \$30,000 as the down payment (the "Down Payment") required by the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended and supplemented. The Down Payment is now available by virtue of provision in one or more previously adopted budgets for down payments for capital improvement purposes.

Section 3. This ordinance shall take effect twenty (20) days after the first publication thereof after final adoption as provided by law.

First Reading: July 27, 2009

Final Reading: August 10, 2009