

ORDINANCE NO. 2013-15

**BOND ORDINANCE AUTHORIZING THE ACQUISITION OF VARIOUS CAPITAL EQUIPMENT
AND THE COMPLETION OF VARIOUS CAPITAL IMPROVEMENTS IN AND FOR
THE BOROUGH OF RED BANK, COUNTY OF MONMOUTH, NEW JERSEY;
APPROPRIATING THE SUM OF \$1,669,900 THEREFOR; AUTHORIZING THE ISSUANCE
OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE
BOROUGH OF RED BANK, COUNTY OF MONMOUTH, NEW JERSEY IN THE AGGREGATE
PRINCIPAL AMOUNT OF UP TO \$1,586,405; MAKING CERTAIN DETERMINATIONS
AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION
WITH THE FOREGOING**

Mr. DuPont offered the following ordinance on final reading and moved its adoption:

BE IT ORDAINED by the Borough Council of the Borough of Red Bank, County of Monmouth, 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. The purposes described in Section 7 hereof are hereby authorized as general improvements to be made or acquired by the Borough of Red Bank, County of Monmouth, New Jersey ("Borough").

Section 2. It is hereby found, determined and declared as follows:

- (a) the estimated amount to be raised by the Borough from all sources for the purposes stated in Section 7 hereof is \$1,669,900; and
- (b) the estimated amount of bonds or bond anticipation notes to be issued for the purposes stated in Section 7 hereof is \$1,586,405; and
- (c) a down payment in the amount of \$83,495 for the purposes stated in Section 7 hereof is currently available in accordance with the requirements of Section 11 of the Local Bond Law, N.J.S.A. 40A:2-11.

Section 3. The sum of \$1,586,405, to be raised by the issuance of bonds or bond anticipation notes, together with the sum of \$83,495, which amount represents the required down payment, are hereby appropriated for the purposes stated in this bond ordinance ("Bond Ordinance").

Section 4. The issuance of negotiable bonds of the Borough in an amount not to exceed \$1,586,405 to finance the costs of the purposes described in Section 7 hereof is hereby authorized. Said bonds shall be sold in accordance with the requirements of the Local Bond Law.

Section 5. In order to temporarily finance the purposes described in Section 7 hereof, the issuance of bond anticipation notes of the Borough in an amount not to exceed \$1,586,405 is hereby authorized. Pursuant to the Local Bond Law, the Chief Financial Officer is hereby authorized to sell part or all of the bond anticipation notes from time to time at public or private sale and to deliver the same to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their date to delivery thereof. The Chief Financial Officer is hereby directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the bond anticipation notes pursuant to this Bond Ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

Section 6. The amount of the proceeds of the obligations authorized by this Bond Ordinance which may be used for the payment of interest on such obligations, accounting, engineering, legal fees and other items as provided in Section 20 of the Local Bond Law, N.J.S.A. 40A:2-20, shall not exceed the sum of \$330,000.

Section 7. The improvements hereby authorized and the purposes for which said obligations are to be issued; the estimated costs of each said purpose; the amount of down payment for each said purpose; the maximum amount obligations to be issued for each said purpose and the period of usefulness of each said purpose within the limitations of the Local Bond Law are as follows:

<u>Purpose/Improvement</u>	<u>Estimated Total Cost</u>	<u>Down Payment</u>	<u>Amount of Obligations</u>	<u>Period of Usefulness</u>
A. Acquisition and Installation of Lighting Equipment at Shrewsbury Avenue and Marine Park; together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto, all as more particularly described in information on file in the office of the Borough Clerk	\$72,000	\$3,600	\$68,400	5 years
B. Various Improvements to Marine Park including, but not limited to, Electrical Repairs, Electrical Cabinet Relocation, Tennis Court Restoration and Fence Replacement, Flagpole Replacement, Irrigation and Related Landscaping, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto, all as more particularly described in information on file in the office of the Borough Clerk	301,520	15,076	286,444	15 years
C. Various Improvements to Tower Hill Radio Tower including, but not limited to, Site Restoration and the Acquisition and Installation of a Steel Radio Tower, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto, all as more particularly described in information on file in the office of the Borough Clerk	125,000	6,250	118,750	15 years
D. Various Improvements to Count Basie Park including, but not limited to, the Acquisition and Installation of Fencing and Grandstands, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto	62,000	3,100	58,900	15 years
E. Various Improvements to the Municipal Building including, but not limited to, Cooling Tower, Roof Repair and/or Replacement, Siding Renovation and Security Equipment, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto	357,600	17,880	339,720	15 years
F. Various Improvements to 106 Monmouth Street including, but not limited to, Exterior Paint and Repair, together with the acquisition of all materials and equipment and completion of all work necessary	42,000	2,100	39,900	5 years

therefore or related thereto				
G. Various Improvements to Independent Fire House including, but not limited to, Water Line Installation and Roof Replacement, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto	27,300	1,365	25,935	15 years
H. Various Recreational Improvements and/or Repairs at East Side Park, Count Basie Park and Riverside Gardens including, but not limited to, Tennis Court Resurfacing, Soccer Field Resurfacing, Basketball Court Resurfacing, Acquisition and Installation of Fencing, Drainage Improvements, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto, all as more particularly described in information on file in the office of the Borough Clerk	222,480	11,124	211,356	15 years
I. Acquisition of a Records Management System including the Acquisition of Related Hardware and Software, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto, all as more particularly described in information on file in the office of the Borough Clerk	390,000	19,500	370,500	5 years
J. Various Improvements to the Boys and Girls Club including, but not limited to, Roof Replacement and Mold Removal, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto	70,000	3,500	66,500	15 years
Total	\$1,669,900	\$83,495	\$1,586,405	

Section 8. Grants or other monies received from any governmental entity, if any, will be applied to the payment of, or repayment of, obligations issued to finance the costs of the purposes described in Section 7 above.

Section 9. The average period of useful life of the purposes for the financing of which the Bond Ordinance authorizes the issuance of bonds or bond anticipation notes authorized for such several purposes, is not less than 11.98 years.

Section 10. The supplemental debt statement provided for in Section 10 of the Local Bond Law, N.J.S.A. 40A:2-10, was duly filed in the office of the Clerk prior to the passage of this Bond Ordinance on first reading and a complete executed duplicate original thereof has been filed in the Office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. The supplemental debt statement shows that the gross debt of the Borough, as defined in Section 43 of the Local Bond Law, N.J.S.A. 40A:2-43, is increased by this Bond Ordinance by \$1,586,405 and that the obligations authorized by this Bond Ordinance will be within all debt limitations prescribed by said Local Bond Law.

Section 11. The full faith and credit of the Borough are irrevocably pledged to the punctual payment of the principal of and interest on the bonds or bond anticipation notes

authorized by this Bond Ordinance and, to the extent payment is not otherwise provided, the Borough shall levy *ad valorem* taxes on all taxable real property without limitation as to rate or amount for the payment thereof.

Section 12. The Capital Budget is hereby amended to conform with the provisions of this Bond Ordinance to the extent of any inconsistency therewith, and the resolution promulgated by the Local Finance Board showing full detail of the amended Capital Budget and Capital Program as approved by the Director of the Division of Local Government Services, is on file with the Clerk and available for inspection.

Section 13. The Borough hereby declares its intent to reimburse itself from the proceed of the bonds or bond anticipation notes authorized by this Bond Ordinance pursuant to Income Tax Regulation Section 1.150-2(e), promulgated under the Internal Revenue Code of 1986, as amended ("Code") for "original expenditures", as defined in Income Tax Regulation Section 1.150-2(c)(2), made by the Borough prior to the issuance of such bonds or bond anticipation notes.

Section 14. The Borough hereby covenants as follows:

- (a) it shall take all actions necessary to ensure that the interest paid on the bonds or bond anticipation notes authorized by the Bond Ordinance is exempt from the gross income of the owners thereof for federal income taxation purposes, and will not become a specific item of tax preference pursuant to Section 57(a)(5) of the Code;
- (b) it will not make any use of the proceeds of the bonds or bond anticipation notes or do or suffer any other action that would cause the bonds or bond anticipation notes to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder;
- (c) it shall calculate or cause to be calculated and pay, when due, the rebatable arbitrage with respect to the "gross proceeds" (as such term is used in Section 148(f) of the Code) of the bonds or bond anticipation notes;
- (d) it shall timely file with the Internal Revenue Service, such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; and
- (e) it shall take no action that would cause the bonds or bond anticipation notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 15. The improvements authorized hereby are not current expenses and are improvements that the Borough may lawfully make. No part of the cost of the improvements authorized hereby has been or shall be specially assessed on any property specially benefited thereby.

Section 16. All ordinances, or parts of ordinances, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 17. In accordance with the Local Bond Law, this Bond Ordinance shall take effect twenty (20) days after the first publication thereof after final passage.

Seconded by Mr. Zipprich and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Ms. Lewis	(x)	()	()	()
Mr. Zipprich	(x)	()	()	()
Mr. DuPont	(x)	()	()	()
Ms. Horgan	(x)	()	()	()
Ms. Lee	(x)	()	()	()
Mr. Murphy	(x)	()	()	()

Dated: July 10, 2013