

BOROUGH OF RED BANK, NEW JERSEY

REFUNDING BOND ORDINANCE NO. 2011-3

REFUNDING BOND ORDINANCE PROVIDING FOR THE RETIREMENT OF UNFUNDED ACCRUED LIABILITIES OF THE BOROUGH OF RED BANK, COUNTY OF MONMOUTH, NEW JERSEY, IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNDER AN EARLY RETIREMENT INCENTIVE PROGRAM PREVIOUSLY ADOPTED BY THE BOROUGH; AUTHORIZING THE ISSUANCE OF UP TO \$575,000 OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS OF THE BOROUGH OF RED BANK, COUNTY OF MONMOUTH, NEW JERSEY, TO FINANCE THE COST THEREOF; MAKING CERTAIN DETERMINATIONS AND COVENANTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING

**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, 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 Borough of Red Bank, County of Monmouth, New Jersey ("Borough"), is hereby authorized to retire its unfunded accrued liabilities in the Public Employees' Retirement System under an early retirement incentive program previously adopted by the Borough (collectively, the "ERI Pension Fund Liabilities").

**Section 2.** To effectuate the retirement of the ERI Pension Fund Liabilities, negotiable refunding bonds of the Borough are hereby authorized to be issued in an amount not to exceed \$575,000 ("Refunding Bonds"), pursuant to the Local Bond Law. The exact principal amount of Refunding Bonds to be issued and terms thereof shall be determined pursuant to a resolution adopted by the Borough Council by not less than two-thirds of all the members thereof.

**Section 3.** An aggregate amount not exceeding \$25,000 for the items of expense listed in and permitted by Section 51.b. of the Local Bond Law, N.J.S.A. 40A:2-51.b., has been included in the aggregate principal amount of the Refunding Bonds authorized herein.

**Section 4.** The purpose of the Refunding Bonds is to retire the ERI Pension Fund Liabilities and to effect an interest cost savings for the Borough.

**Section 5.** Each Refunding Bond authorized herein shall be designated, substantially, "Borough of Red Bank, County of Monmouth, New Jersey, Taxable General Obligation Refunding Bond, Series 201\_" and shall be in the form prescribed and permitted by the Local Bond Law, as Bond Counsel may advise, and as the Borough shall approve.

**Section 6.** The Refunding Bonds may be sold at public or private sale pursuant to a resolution of the Borough Council adopted by not less than two-thirds of all the members thereof.

**Section 7.** A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the Chief Financial Officer of the Borough as to the outstanding indebtedness to be refunded by the issuance of the Refunding Bonds.

**Section 8.** This refunding bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this refunding bond ordinance as finally adopted.

First Reading: February 14, 2011

Final Reading: March 16, 2011