

BOROUGH OF RED BANK

RESOLUTION NO. 15-297

RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$11,383,563 GENERAL OBLIGATION BONDS, SERIES 2015 OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF SUCH BONDS, AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE AUTHORITY'S 2015 POOLED GOVERNMENTAL LOAN PROGRAM

Councilman Zipprich offered the following resolution and moved its adoption:

WHEREAS, the Borough of Red Bank (the "Borough"), in the County of Monmouth, State of New Jersey, has determined that there exists a need within the Borough to finance the costs of various capital improvements throughout the Borough, consisting of various water and sewer utility, parking utility and general capital improvements (collectively, the "Capital Improvements Project"); and

WHEREAS, the Borough Council has duly adopted various bond ordinances (the "Ordinances") to appropriate moneys and authorize the issuance of bonds or bond anticipation notes to undertake the Capital Improvements Project; and

WHEREAS, the Borough has determined to finance the Capital Improvements Project with the proceeds of a loan (the "Loan") to be made to the Borough by the Monmouth County Improvement Authority (the "MCIA") in connection with the 2015 Pooled Governmental Loan Program, currently scheduled to close on or about December 23, 2015 (the " 2015 MCIA Bond Program"); and

WHEREAS, in order for the Borough to receive the Loan from the MCIA, it is necessary to combine the bonds authorized under said Ordinances into one consolidated issue of general obligation bonds in the aggregate principal amount of \$11,383,563 (to be issued in one series or more separate series aggregating said amount and to memorialize the applicable obligations of the general or utility funds of the Borough, as and if applicable), pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); and

WHEREAS, to evidence the Loan, the MCIA also requires the Borough to authorize, execute, attest and deliver the Borough's \$11,383,563 General Obligation Bonds, Series 2015 (to be issued in one or more separate series aggregating said amount and to memorialize the applicable obligations of the general or utility funds of the Borough, as and if applicable) (the "Bonds") in accordance with the provisions hereof and pursuant to the terms of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law") and other applicable law; and

WHEREAS, section 27(a)(2) of the Local Bond Law allows for the sale of the Bonds to the MCIA without any public offering, all under the terms and conditions set forth herein and in a Bond Purchase Agreement by and between the Borough and the MCIA to be dated as of the date of the sale of such Bonds; and

NOW, THEREFORE, BE IT RESOLVED by a two-thirds vote of the full membership of the Borough Council of the Borough of Red Bank, in the County of Monmouth, State of New Jersey, as follows:

Section 1. Pursuant to the provisions of N.J.S.A. 40A:2-26(f), the bonds of the Borough, authorized pursuant to the bond ordinances of the Borough heretofore adopted and described in Section 2 hereof, shall be combined into a single issue of General Obligation Bonds, Series 2015 in the aggregate principal amount of not exceeding \$11,383,563 to be issued in one or more separate series aggregating said amount and to memorialize the applicable obligations of the general or utility funds of the Borough.

Section 2. The principal amount of bonds authorized by each ordinance to be combined into a single issue as above provided, the bond ordinances authorizing the Bonds described by reference to the ordinance number, description and date of final adoption, amount of issue and average period of usefulness determined in each of the bond ordinances are respectively as set forth in Exhibit B hereto:

Section 3. The following matters are hereby determined with respect to the combined issue of Bonds:

- (a) The average period of usefulness, computed on the basis of the respective amounts of Bonds presently authorized to be issued pursuant to each of the bond ordinances and the respective periods or average periods of usefulness therein determined, is not more than 20 years.
- (b) The Bonds of the combined issue shall be designated "General Obligation Bonds, Series 2015" (or such other designation if such Bonds are issued in two separate series to memorialize the applicable obligations of the general or utility funds of the Borough) and shall mature within the average period of usefulness hereinabove determined.
- (c) The Bonds of the combined issue shall be sold and issued in accordance with the provisions of the Local Bond Law that are applicable to the sale and issuance of bonds authorized by a single bond ordinance and accordingly may be sold with other issues of bonds.

Section 4. The following additional matters are hereby determined, declared, recited and stated:

- (a) None of the Bonds described in Section 2 hereof have been sold or issued heretofore, and the several bond ordinances described in Section 2 have not been rescinded heretofore and now remain in full force and effect as authorizations for the respective amounts of bonds set opposite the descriptions of the bond ordinances set forth in Section 2 hereof.
- (b) The several purposes or improvements authorized by the respective bond ordinances described in Section 2 hereof are purposes for which bonds may be issued lawfully pursuant to the Local Bond Law and some of such improvements or purposes, if applicable and permitted by law, a deduction may be taken in any annual or supplemental debt statement.

Section 5. In accordance with the provisions of N.J.S.A. 40A:2-27(a)(2), the Borough hereby sells and awards the Borough's \$11,383,563 General Obligation Bonds, Series 2015 (collectively, the "Bonds") to the MCIA in accordance with the provisions hereof and in accordance with the terms of a Bond Purchase Agreement by and between the Borough and the MCIA (the "Bond Purchase Agreement"). The Mayor of the Borough (the "Mayor") and Chief Financial Officer of the Borough (the "Chief Financial Officer") are each hereby authorized and directed on behalf of the Borough, in consultation with Bond Counsel (as hereinafter defined), to negotiate the terms of such Bond Purchase Agreement, to be dated the date of sale of the Bonds, to approve the terms of aforesaid Bond Purchase Agreement and to execute and deliver said Bond Purchase Agreement to the MCIA. The Bonds have been referred to and described in the Ordinances being finally adopted at duly called and held meetings of the Borough Council and published as required by law and which Ordinances were combined for purposes of sale pursuant to this resolution, all pursuant to terms of the Local Bond Law and other applicable law.

Section 6. The Chief Financial Officer is hereby authorized and directed to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions established by the MCIA and the terms and conditions hereof and set forth in the Bond Purchase Agreement, the following items with respect to the Bonds, except those terms and conditions which are set forth in the Bond Purchase Agreement:

- (a) The aggregate principal amount of the Bonds to be issued, provided that the total amount of Bonds issued shall not exceed the aggregate principal amount of \$11,383,563 (which may be issued in one series or two separate series aggregating said amount and to memorialize the applicable obligations of the general or utility funds of the Borough);

- (b) The maturity and principal installments of the Bonds, which maturity shall not exceed 20 years;
- (c) The date of the Bonds;
- (d) The interest rates of the Bonds;
- (e) The purchase price of the Bonds; and
- (f) The terms and conditions under which the Bonds shall be subject to redemption prior to their stated maturities.

Section 7. Any determination made by the Chief Financial Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Bonds by the parties authorized under Section 8(c) hereof.

Section 8. The Borough Council hereby determines that certain terms of the Bonds shall be as follows:

- (a) The Bonds shall be issued in a single denomination and shall be numbered GO-1 (or such other designation if such Bonds are issued in two separate series to memorialize the applicable obligations of the general or utility funds of the Borough);
- (b) The Bonds shall be issued in fully registered form and shall be payable to the registered owners thereof as to both principal and interest in lawful money of the United States of America; and
- (c) The Bonds shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Clerk of the Borough (the "Borough Clerk").

Section 9. The Bonds shall be in the form set forth in Exhibit A attached hereto with such additions, deletions and omissions as may be necessary for the Borough to comply with the requirements of the 2015 MCIA Bond Program, upon the advice of Bond Counsel.

Section 10. The law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough ("Bond Counsel"), the Borough Engineer, the Borough Attorney and the Borough Auditor are each hereby authorized and directed to perform all actions necessary to consummate the issuance of the Bonds and the Capital Improvements Project for which the Bonds are issued, including but not limited to, drafting and arranging for the printing and execution of the Bonds and all applicable documentation necessary to memorialize and consummate the issuance of the Bonds and the undertaking of the Capital Improvements Project, preparing all necessary financial information, all engineering and design work, preparation of plans and specifications and conducting all necessary studies, searches and analysis in connection with the issuance of the Bonds and the undertaking of the Capital Improvements Project. The Mayor, the Chief Financial Officer, the Borough Clerk, the Borough Attorney and any other Borough representative (including Bond Counsel or the Borough Auditor) are each hereby authorized and directed to execute and deliver any certificates necessary or desirable in connection with the financial and other information.

Section 11. The Mayor, the Chief Financial Officer, the Borough Clerk and any other Borough representative, are each hereby authorized and directed to (i) execute any certificates or documents necessary or desirable in connection with the sale of the Bonds, including the Bond Purchase Agreement, or the undertaking of the Capital Improvements Project, and each are hereby further authorized and directed to deliver same to the County and/or MCIA, as applicable, upon delivery of the Bonds and the applicable receipts of payment therefore, or in accordance with the 2015 MCIA Bond Program and (ii) perform such other actions as they deem necessary, desirable or convenient, in consultation with Bond Counsel, in relation to the execution and delivery thereof.

Section 12. Upon the adoption hereof, the Borough Clerk shall forward certified copies of this resolution: (a) via facsimile, to (i) Marion Masnick of the MCIA at facsimile number 732-409-4821, and (ii) Anthony J. Pannella, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough, at facsimile number 732-726-6528; and (b) via certified first class mail, to (i) Marion Masnick of the MCIA at The Monmouth County Improvement Authority, Hall of Records, Main Street, Freehold, New Jersey 07728, and (ii) Anthony J. Pannella, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough at 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095.

Section 13. This resolution shall take effect immediately.

Seconded by Councilwoman Schwabenbauer and adopted on roll call by the following vote:

| | Yes | No | Abstain | Absent |
|----------------------------|-------|-----|---------|--------|
| Councilwoman Lee | () | () | () | (x) |
| Councilwoman Burnham | (x) | () | () | () |
| Councilwoman Horgan | (x) | () | () | () |
| Councilwoman Schwabenbauer | (x) | () | () | () |
| Councilman Zipprich | (x) | () | () | () |
| Councilman DuPont | () | () | () | (x) |

Dated: November 23, 2015

EXHIBIT A

**UNITED STATES OF AMERICA
BOROUGH OF RED BANK
IN THE COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

GENERAL OBLIGATION BOND, SERIES 2015

NUMBER GO-1

DATE OF ORIGINAL ISSUE: December 23, 2015

REGISTERED OWNER: Monmouth County Improvement Authority

PRINCIPAL SUM: Eleven Million Three Hundred Eighty-Three Thousand Five Hundred Sixty-Three Dollars (\$11,383,563)

THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, a body politic and corporate of the State of New Jersey (the "Borough"), hereby acknowledges itself indebted and for value received promises to pay to the order of the Monmouth County Improvement Authority (the "Authority"), c/o _____, _____, _____ (the "Trustee"), Account Number _____, the Principal Sum specified above payable in the amounts and on the dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof, and to pay interest on such sum from the Date of Original Issue of this Bond until payment in full at the interest rates per annum and in the amounts and dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee five Business Days prior to each June 1 and December 1, commencing June 1, 2016, in an amount equal to the interest accruing to each such June 1 and December 1. This Bond as to principal will be payable five Business Days prior to the due date therefor at the corporate trust office of the Trustee. Upon the occurrence of an event of default by the Authority under the bond resolution adopted by the Authority on _____, 2015 (as the same may be supplemented and amended, the "Resolution") which event of default is directly attributable to a default hereunder or to a default by the Borough under its Bond Purchase Agreement with the Authority relating to the Authority's purchase of this Bond, or in the event of default in any payments of principal of or interest on this Bond, the Trustee may by notice to the Chief Financial Officer of the Borough at the Borough Hall, 90 Monmouth Street, Red Bank, New Jersey 07701, accelerate the principal amount of this Bond all as provided in the Resolution. Amounts not paid when due hereunder shall bear interest at the Late Payment Rate until paid. This Bond shall be prepayable as set forth in Section 1303 of the Resolution.

Both principal of and interest on this Bond is payable in lawful money of the United States of America and in immediately available funds.

As used herein, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State of New Jersey or the State of New York or a day on which the Trustee is legally authorized to close. "Late Payment Rate" shall mean a rate per annum equal to the lower of (i) the greater of (a) three percent above the interest rate that JPMorgan Chase publicly announces from time to time as its prime lending rate, such interest rate to change on the effective date of each announced change in such rate, and (b) the rate then payable on this bond, and (ii) the maximum interest rate allowed by law.

This Bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"),

and is one of the General Obligation Bonds referred to in and issued pursuant to a resolution duly adopted by the Borough Council on November 23, 2015 entitled, "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$11,383,563 GENERAL OBLIGATION BONDS, SERIES 2015 OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF SUCH BONDS, AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE AUTHORITY'S 2015 POOLED GOVERNMENTAL LOAN PROGRAM" and the various bond ordinances referred to therein, all finally adopted and published as required by law.

The full faith and credit of the Borough are hereby irrevocably pledged for the punctual payment of the principal of and the interest on, and all other amounts due under, this Bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or the statutes of the State of New Jersey to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that this Bond, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by such Constitution or statutes.

The Borough agrees to pay (i) all costs and expenses, including legal fees, in connection with the administration and enforcement of this Bond, and (ii) its share of the amounts payable pursuant to Section 9(vi)(C) of the Bond Purchase Agreement between the Borough and the Authority.

IN WITNESS WHEREOF, the Borough of Red Bank, in the County of Monmouth, State of New Jersey has caused this Bond to be executed in its name by the manual or facsimile signatures of its Mayor and its Chief Financial Officer, its corporate seal to be hereunto imprinted or affixed, this Bond and the seal to be attested to by the manual signature of the its Clerk, and this Bond to be dated the Date of Original Issue as specified above.

**BOROUGH OF RED BANK,
IN THE COUNTY OF MONMOUTH,
STATE OF NEW JERSEY**

ATTEST:

(SEAL)

PASQUALE MENNA,
Mayor

PAMELA BORGHI,
Clerk

EUGENIA POULOS,
Chief Financial Officer

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (Please Print or Type Name and Address of Assignee) the within Bond and irrevocably appoints _____ as Attorney to transfer this Bond on the registration books of the _____ with full power of substitution and revocation.

NOTICE

The signature of this assignment must correspond with the name as it appears on the face of the within Bond in every particular.

Dated:

Signature of Guarantee:

SCHEDULE A

BOROUGH OF RED BANK
IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY

GENERAL OBLIGATION BOND, SERIES 2015

Schedule of Principal and Interest Payments

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest</u> | <u>Principal and Interest</u> |
|----------------------|-------------------------|-----------------|---------------------------------------|
|----------------------|-------------------------|-----------------|---------------------------------------|

EXHIBIT B

Borough of Red Bank,
in the County of Monmouth, State of New Jersey
\$11,383,563 General Obligation Bonds, Series 2015
List of Bond Ordinances Combined for Sale Purposes

| Ordinance Number | Description and Date of Final Adoption | Useful Life | Amount of Bonds |
|---|---|--------------------|------------------------|
| 2008-24, amended by 2009-04 and 2009-24 | Various water and sewer improvements, finally adopted | 20 years | \$289,773 |
| 2013-07 | Various water and sewer improvements, finally adopted | 40 years | \$500,000 |
| 2013-14 | Various water and sewer improvements, finally adopted | 34 years | \$205,440 |
| 2013-15 | Various capital improvements and equipment, finally adopted | 12 years | \$1,576,405 |
| 2014-03 | Various water and sewer improvements, finally adopted | 27.8 years | \$2,208,000 |
| 2014-08 | Various capital improvements, finally adopted | 14.25 years | \$2,140,350 |
| 2014-12 | Various capital Improvements, finally adopted | 15 years | \$566,200 |
| 2015-11 | Various water and sewer improvements, finally adopted | 34 years | \$130,000 |
| 2015-13 | Various capital improvements, finally adopted | 15 years | \$191,800 |
| 2015-14 | Various capital improvements, finally adopted | 12 years | \$765,595 |
| 2015-08 | Various capital improvements, finally adopted | 20 years | \$1,533,000 |

| | | | |
|---------|---|----------|---------------------|
| 2015-10 | Various water and sewer improvements, finally adopted | 20 years | \$877,000 |
| 2015-09 | Various parking utility improvements, finally adopted | 20 years | \$300,000 |
| 2015-__ | Various capital improvements, finally adopted | 12 years | \$100,000 |
| | | | \$11,383,563 |

CERTIFICATION

I, PAMELA BORGHI, Clerk of the Borough of Red Bank, in the County of Monmouth, State of New Jersey (the "Borough"), RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$11,383,563 GENERAL OBLIGATION BONDS, SERIES 2015 OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF SUCH BONDS, AND PROVIDING FOR THE SALE OF SUCH BONDS AND NOTES TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE AUTHORITY'S 2015 POOLED GOVERNMENTAL LOAN PROGRAM", is a copy of a resolution which was duly adopted by the Borough Council at a meeting duly called and held on November 24, 2015 in full compliance with the Open Public Meetings Act, N.J.S.A. 10:4-6 *et seq.*, at which meeting a quorum was present and acting throughout and which resolution has been compared by me with the original thereof as contained in the minutes as officially recorded in my office in the Minute Book of such governing body and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to within and aforesaid resolution has not been repealed, amended or rescinded but remains in full force and effect on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Borough this ____ day of _____, 2015.

(SEAL)

PAMELA BORGHI,
Clerk of the Borough of Red Bank