

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 11-60

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ITS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011;
MAKING CERTAIN COVENANTS; AND AUTHORIZING SUCH FURTHER ACTIONS
AND MAKING SUCH DETERMINATIONS AS MAY BE NECESSARY OR
APPROPRIATE TO EFFECTUATE THE ISSUANCE AND SALE OF THE BONDS**

Mr. Murphy offered the following resolution and moved its adoption:

WHEREAS, the Borough of Red Bank, County of Monmouth, New Jersey ("Borough") has unfunded accrued liabilities in the Public Employees' Retirement System under an early retirement incentive program previously adopted ("ERI Pension Fund Liabilities"); and

WHEREAS, the Borough has the opportunity to economically refinance the ERI Pension Fund Liabilities and realize financial savings; and

WHEREAS, on February 14, 2011, the Borough Council of the Borough of Red Bank, County of Monmouth, New Jersey ("Borough Council"), pursuant to N.J.S.A. 40A:2-51.3, introduced an ordinance entitled, "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" ("Refunding Bond Ordinance"); and

WHEREAS, pursuant to N.J.S.A. 40A:2-51.3 et seq., the Local Finance Board, Division of Local Government Services, New Jersey Department of Community Affairs ("Local Finance Board"), at a meeting held on March 9, 2011, adopted a resolution authorizing the Borough to adopt the Refunding Bond Ordinance; and

WHEREAS, on March 16, 2011, the Borough Council, after a public hearing, duly and finally adopted the Refunding Bond Ordinance; and

WHEREAS, pursuant to the Refunding Bond Ordinance, the Borough is authorized to issue its refunding bonds in the aggregate principal amount of up to \$575,000 to fund and retire the ERI Pension Fund Liabilities, as described in the Refunding Bond Ordinance; and

WHEREAS, it is the desire of the Borough at this time to issue a series of its general obligation refunding bonds in the aggregate principal amount of up to \$575,000 to fund and retire the ERI Pension Fund Liabilities ("Refunding Bonds"); and

WHEREAS, it is also the intent of the Borough Council hereby to: (i) authorize and approve the preparation and distribution of offering documents in connection with the issuance and sale of said Refunding Bonds (as hereinafter defined); (ii) authorize the issuance, sale and award of the Refunding Bonds; and (iii) authorize the Borough Administrator, Chief Financial Officer and Borough Clerk to make certain related determinations and covenants and take certain actions in connection therewith.

NOW, THEREFORE, BE IT RESOLVED 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), AS FOLLOWS:

Section 1. Pursuant to the Refunding Bond Ordinance, the issuance of negotiable refunding bonds of the Borough in the aggregate principal amount of up to \$575,000 to be designated, substantially, "The Borough of Red Bank, County of Monmouth, New Jersey, Taxable General Obligation Refunding Bonds, Series 2011" ("Refunding Bonds"), for the purposes described in the Refunding Bond Ordinance and in this Resolution, is hereby authorized, approved, ratified and confirmed.

Section 2. The Bonds shall be dated their date of issuance and shall mature April 1 in the years and amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2012	\$33,000	2017	\$56,000
2013	34,000	2018	60,000
2014	41,000	2019	65,000
2015	46,000	2020	75,000
2016	49,000	2021	81,000

The above maturity schedule with respect to the Refunding Bonds may be adjusted by the Chief Financial Officer; provided, however, the final maturity of the Refunding Bonds shall not extend beyond April 1, 2021, and shall otherwise comply with the requirements of N.J.S.A. 40A2-51. Interest on the Bonds shall be payable initially on October 1, 2011 and on April 1 and October 1 in each year until maturity.

Section 3. The Chief Financial Officer of the Borough is hereby authorized to solicit one or more proposals from qualified banking institutions for the sale of the Refunding Bonds, and to award the Refunding Bonds to that financial institution offering to purchase the Refunding Bonds on terms most advantageous to the Borough ("Purchaser"), so long as the conditions of approval set forth by the New Jersey Local Finance Board have been met, and the aforementioned terms and conditions are memorialized in the Certificate of Determination and Award to be executed and delivered on behalf of the Borough by the Chief Financial Officer ("Award Certificate").

Section 4. The Chief Financial Officer of the Borough is hereby authorized to determine, in accordance with the N.J.S.A. 40A:2-59 and the conditions of approval as set forth by the New Jersey Local Finance Board, the following items with respect to the Refunding Bonds:

- (a) the principal amount of the Refunding Bonds which, in the aggregate, shall not exceed \$575,000;
- (b) the rates of interest the Refunding Bonds are to bear provided, however, that an overall net present value savings of at least three percent (3%) is achieved with respect to the ERI Pension Fund Liabilities;
- (c) the purchase price for the Refunding Bonds; and
- (d) the redemption provisions of the Refunding Bonds.

Any determination made by the Chief Financial Officer of the Borough pursuant to the terms hereof shall be conclusively evidenced by the execution and delivery of the Award Certificate by the Borough Administrator or Chief Financial Officer of the Borough as provided for in Section 3 hereof.

Section 5. The Borough official making the determinations and approving the sale described in Section 4 shall report in writing to the Borough Council at the meeting next succeeding the date when any sale or delivery of the Refunding Bonds pursuant to this resolution is made. Such report must include the aggregate principal amount, the interest rate or rates and the maturity schedule of the Refunding Bonds sold and the price obtained.

Section 6. The Refunding Bonds will be issued in bearer or registered form. Both the principal of and interest on the Refunding Bonds will be payable in lawful money of the United States of America. The Refunding Bonds will be executed on behalf of the Borough by the manual or facsimile signatures of the Mayor and the Chief Financial Officer of the Borough,

attested by the Borough Clerk (such execution shall constitute conclusive approval by the Borough of the form of the Refunding Bonds), and shall bear the affixed, imprinted or reproduced seal of the Borough thereon.

Section 7. The Refunding Bonds shall be general obligations of the Borough. The full faith and credit of the Borough are irrevocably pledged to the punctual payment of the principal of and interest on the Refunding Bonds 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 8. The Borough Administrator and Chief Financial Officer of the Borough are each hereby authorized to pay the costs associated with the issuance of the Refunding Bonds and refunding of the ERI Pension Fund Liabilities; provided, however, that such costs do not exceed the maximum amounts set forth in the application, as amended, submitted by the Borough to the Local Finance Board in connection with the adoption of the Refunding Bond Ordinance

Section 9. All actions heretofore taken and documents prepared or executed by or on behalf of the Borough by the Mayor, Chief Financial Officer, Borough Administrator, Borough Clerk, other Borough officials or by the Borough's professional advisors, in connection with the authorization and issuance of the Refunding Bonds and the funding of the Borough's ERI Pension Liabilities, as described in the Refunding Bond Ordinance, are hereby ratified, confirmed, approved and adopted in all respects.

Section 10. The Mayor, Borough Administrator and Chief Financial Officer of the Borough are each hereby severally authorized to determine all matters and execute all documents and instruments in connection with the issuance of the Refunding Bonds and the funding of the Borough's ERI Pension Fund Liabilities, as described in the Refunding Bond Ordinance, not determined or otherwise directed to be executed by applicable law, or by this or any subsequent resolution, and the signatures of the Borough Administrator and Chief Financial Officer of the Borough on such documents or instruments shall be conclusive as to such determinations.

Section 11. All resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 12. This Resolution shall take effect immediately upon adoption this 16th day of March, 2011.

Seconded by Mr. DuPont 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: March 16, 2011