

ORDINANCE
2016 - 8

AN ORDINANCE OF THE BOROUGH OF ISLAND HEIGHTS, COUNTY OF OCEAN, STATE OF NEW JERSEY, AUTHORIZING RECONSTRUCTION OF RIVER AVENUE, AND APPROPRIATING \$223,600.00 THEREFORE AND PROVIDING FOR THE ISSUANCE OF \$49,020.00 IN GENERAL IMPROVEMENT BONDS OR NOTES TO FINANCE THE SAME

BE IT ORDAINED by the Mayor and Council of the Borough of Island Heights, County of Ocean, State of New Jersey as follows:

SECTION 1: The capital project described in Section 3 of this Ordinance is hereby authorized to be made by the Borough of Island Heights in the County of Ocean, State of New Jersey. For said capital project, there is hereby appropriated the sum of \$223,000.00, including a \$172,000 State of New Jersey Department of Transportation 2015 Municipal Aid Program Grant (“NJDOT Grant”). Said sum being inclusive of all appropriations heretofore made, including the sum of \$2,580 as the down payment for said capital project, by law and now available therefore by virtue of a provision in the Capital Improvement Fund of the Borough. No down payment is required pursuant to N.J.S.A. 40A:2-11(c) for improvements to the capital project referenced in Section 3 as the improvements or purposes are being funded by the NJDOT Grant the cost of which is \$172,000.

SECTION 2: In order to finance the cost of the project, negotiable bonds are hereby authorized to be issued in the principal amount of \$49,020 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

SECTION 3: The capital project hereby authorized and the purpose of financing for which the bonds are to be issued is for repair and reconstruction of River Avenue. The estimated maximum amount of bonds or notes to be issued for the capital project is as stated in Section 2 hereof. The estimated cost of the capital project is equal to the amount of the appropriation herein made therefore.

SECTION 4: All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer provided that no note shall mature later than one (1) year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with notes issued pursuant to this Ordinance. All notes issued hereunder may be reviewed from time to time according to the provisions of N.J.S.A. 40A:2-8(a). The Chief Financial Officer is hereby authorized to sell part of all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof.

SECTION 5: The Borough hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital budget of the Borough of Island Heights is hereby amended to conform with the provisions of this Ordinance to the extent of any inconsistency herewith. The Resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director of Local Government Services is on file with the Clerk and available there for public inspection.

SECTION 6: The following matters are hereby determined declared, recited and stated:

- (a) The capital project described in Section 3 of this bond are not a current expense, they are capital projects;
- (b) The average period of usefulness of the capital project within the limitations of The Local Bond Law, according to the reasonable life thereof, computed from the date of the bonds authorized by this Bond Ordinance is 15 years;
- (c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed with the Office of the Clerk and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such statement shows that the gross debt of the Borough as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this Bond Ordinance by \$49,020.00. The obligations authorized herein will be within all debt limitations prescribed by that law; and
- (d) An aggregate amount not exceeding \$51,600.00 for the items of expense listed in and permitted under Section 40A:2-20 of said law may be included as part of the cost of said improvements and is included in the foregoing estimate thereof.

SECTION 7: Any grant moneys received for the purposes described in Section 3 hereof shall be applied either to direct payment of the cost of the improvements or if other then the Grants referred to in Section 1 hereof, to payment of the obligations issued pursuant to this Ordinance. The amount of the obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

SECTION 8: The Borough hereby declares the intent of the Borough to issue the bonds or bond anticipation notes in the amount authorized in Section 2 of this Bond Ordinance and to use proceeds to pay to reimburse expenditures for the costs of the purposes described in Section 3 of this Bond Ordinance. This Section 8 is a declaration of intent within the meaning and for purposes of Treasury Regulation §1.150-2 or any successor provisions of federal income tax law.

SECTION 9: The Chief Financial Officer of the Borough is hereby authorized to prepare and to update from time to time as necessary, a financial disclosure document to be distributed in connection with the sale of obligations of the Borough and to execute such disclosure documents on behalf of the Borough. The Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Borough pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the

“Rule”) for the benefit of holders and beneficial owners of obligations of the Borough and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Borough fails to comply with its undertaking, the Borough shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

SECTION 10: In the event all of the money set forth above for each purpose is not necessary for any of said purposes, then such money shall be forwarded for the completion of any of the other purposes provided for in this Ordinance.

SECTION 11: The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this Bond Ordinance. The obligations shall be direct, unlimited obligations of the Borough and the Borough shall be obligated to levy ad valorem taxes upon all taxable property within the Borough for the payment of the obligations and interest therein without limitations, rate or amount.

SECTION 12: This Bond Ordinance shall take effect twenty (20) days after the first publication thereof and after final adoption as provided by the Local Bond Law.

NOTICE

NOTICE IS HEREBY GIVEN that the forgoing Ordinance was duly introduced and passed upon first reading at a regular meeting of the governing body of the Borough of Island Heights held on May 24, 2016. Further, notice is hereby given that said Ordinance was considered for final passage and adopted at the regular meeting of the governing body to be held at the Island Heights Municipal Building, 1 Wanamaker Municipal Complex. Island Heights, New Jersey at 7:00 PM on June 28, 2016.

JOSEPH KOSTECKI. Borough Clerk