

ORDINANCE NO. 2016 - 09

BOND ORDINANCE OF THE BOROUGH OF ISLAND HEIGHTS, IN THE COUNTY OF OCEAN, NEW JERSEY, PROVIDING FOR VARIOUS WATER AND SEWER IMPROVEMENTS IN AND FOR THE BOROUGH OF ISLAND HEIGHTS AND APPROPRIATING \$937,500 THEREFOR. AND PROVIDING FOR THE ISSUANCE OF \$937,500 IN BONDS OR NOTES OF THE BOROUGH OF ISLAND HEIGHTS TO FINANCE THE SAME.

BE IT ORDAINED BY THE BOROUGH OF COUNCIL OF THE BOROUGH OF ISLAND HEIGHTS, IN THE COUNTY OF OCEAN, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

Section 1. The several improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the Borough of Island Heights, in the County of Ocean, New Jersey (the "Borough") as general improvements. For the several improvements or purposes described in Section 3 hereof, there is hereby appropriated the sum of \$937,500. No down payment is required in connection with the improvements or purposes for which obligations are authorized as provided in Section 3 hereof as said purposes are deemed to be self-liquidating and the obligations authorized herein are deductible from the gross debt of the Borough, as more fully explained in Section 6(e) of this bond ordinance

Section 2. In order to finance the cost of the several improvements or purposes not covered by application of the down payment or otherwise provided hereunder, negotiable bonds are hereby authorized to be issued in the principal amount of \$937,500 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 several improvements hereby authorized and the several purposes for which the bonds or notes are to be issued, the estimated cost of each improvement and the appropriation therefore, the estimated maximum amount of bonds or notes to be issued for each improvement and the period of usefulness are as follows:

Purpose:

A. To inspect, repair or replace water and/or sewer lines thru out the Borough, as more fully described on a list on file in the Borough Clerk's office, and including all work and materials necessary therefor or incidental thereto.

Appropriation and Estimated Cost: \$637,500

Amount of Bond or Notes: \$637,500

Period or Average Period of Usefulness: 40 years

B. Upgrade of electrical work at the various pump stations to include and not limited to the replacement of electrical control panels, installation of a cellular central station monitoring system, alarm monitoring systems at each pump station, transfer switches at each pump station and a trailer mounted generator with lighting to be utilized at each pump station, as more fully described on a list on file in the Borough Clerk's office, and including all work and materials necessary therefor or incidental thereto.

Appropriation and Estimated Cost: \$300,000

Amount of Bond or Notes: \$300,000

Period or Average Period of Usefulness: 15 years

(b) The maximum account of bonds or notes to be issued for the several improvements or purposes is as stated in Section 2 hereof.

(c) The estimated cost of the several improvements or purposes is equal to the amount of the appropriation herein made thereof.

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 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 bond ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:2-8(a). The chief financial officer is hereby authorized to sell part or all of the notes from time to time, at not less than par and accrued interest, 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. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the 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 notes sold, the price obtained and the name of the purchaser.

Section 5. The capital budget or temporary capital budget (as applicable) of the Borough is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget amended temporary capital budget (as applicable) and capital program

as approved by the Director of the Division of Local Government Services is on file with the Borough Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The several improvements or purposes described in Section 3 of this bond ordinance are not current expenses. They are improvements or purposes the Borough may lawfully undertake as a general improvement, and no part of the costs thereof have been or shall be specifically assessed on property specially benefited thereby.

(b) The average period of usefulness of the several improvements or purposes, within the limitations of the Local Bond Law, computed on the basis of the respective amounts or obligations authorized for each improvement or purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 32 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in 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 in the Department of Community Affairs of the 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 \$937,500, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$187,500 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purpose or improvement.

(e) This bond ordinance authorized obligations of the Borough solely for a purpose described in N.J.S.A. 40:2-7(h). The obligations authorized herein are to be issued for a purpose that is deemed to be self-liquidating pursuant to N.J.S.A. 40A:2-47(a) and are deductible from gross debt pursuant to N.J.S.A. 40A:2-44(c).

(f) The Borough reasonably expects to commence acquisition and/or construction of the project described in Section 3 hereof, and to advance all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are advanced, the Borough further reasonably expects to reimburse such expenditures from the proceeds of the bonds or notes authorized by this bond ordinance. This Section 6(f) 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, in an aggregate not to exceed the amount of bonds or notes authorized in Section 2 hereof.

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 improvement or to payment of the obligations issued pursuant to this bond ordinance. The amount of obligations authorized hereunder shall be reduced to the extent that such funds are so used.

Section 8. The full faith and credit of the Borough is 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 the taxable real property within the Borough for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 9. The Borough hereby covenants to take any action necessary to refrain from taking such action in order to preserve the exclusion from gross income of interest on the

bonds and notes authorized hereunder which are issued as tax-exempt bonds as is or may be required under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

Section 10. To the extent that any previous ordinance or resolution is inconsistent herewith or contradictory hereto, said ordinance or resolution is hereby repealed or amended to the extent necessary to make it consistent herewith.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

The foregoing ordinance is hereby approved.

#### NOTICE

NOTICE IS HEREBY GIVEN that the forgoing Ordinance was duly introduced and passed upon first reading at a meeting of the governing body of the Borough of Island Heights, in the County of Ocean, NJ held on June 13, 2016. Further, notice is hereby given that said Ordinance was considered for final passage and adopted at a public meeting held on August 9, 2016 at 7:00 p.m. at the Island Heights Municipal Building, 1 Wanamaker Municipal Complex, Island Heights, New Jersey.

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KATHERINE FENTON-NEWMAN, CMR  
Acting Municipal Clerk