

CITY COUNCIL

The City of Orange Township, New Jersey

DATE _____

NUMBER 40-2019

TITLE:

BOND ORDINANCE PROVIDING FOR THE REHABILITATION AND/OR REDEVELOPMENT OF TRANSMISSION MAINS, DISTRIBUTION MAINS AND WELLS, BY AND IN THE CITY OF ORANGE TOWNSHIP, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY, APPROPRIATING \$9,750,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$9,750,000 BONDS OR NOTES TO FINANCE THE COST THEREOF

BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF ORANGE TOWNSHIP, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring), AS FOLLOWS:

SECTION 1. The improvements described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the City of Orange Township, in the County of Essex, State of New Jersey (the "City") as general improvements. For the said improvements stated in Section 3, there is hereby appropriated the aggregate sum of \$9,750,000. Pursuant to the provisions of N.J.S.A. 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), no down payment is required as this bond ordinance authorizes obligations for environmental infrastructure projects which are funded by a loan from the New Jersey Infrastructure Bank (the "I-Bank") and the State of New Jersey, acting by and through the Department of Environmental Protection.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet the \$9,750,000 appropriation, negotiable bonds of the City are hereby authorized to be issued in the principal amount of \$9,750,000 pursuant to and within all limitations prescribed by the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the City in a principal amount not exceeding \$9,750,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by said Local Bond Law.

SECTION 3. The improvements hereby authorized and purposes for the financing of which said debt obligations are to be issued are for the (i) relocation of the existing transmission main under the Glen Avenue Bridge for the stabilization of the pipe located in the stream, (ii) replacement of approximately 3,000 linear feet of water distribution mains to establish fire protection measures and improvement system pressure, (iii) replacement of 120 fire hydrants and valves, (iv) structural and security upgrades, electrical remediation, installation of standby emergency generator for, as applicable, Well 2 and Well 5, (v) implementation of SCADA system upgrades at all wells and the rehabilitation of Well 7 and Well 8, (vi) improvements to Walker Road storage tank, (vii) installation of security measures and fencing for the Walker Road holding tank, Orange Reservoir, Campbell's Pond and Pump House 1A, and preservation of the


CITY ATTORNEY

Walker Road retaining wall. All improvements shall include, as applicable, all field work, materials, equipment, engineering, design, architectural, environmental consulting work, preparation of plans and specifications, permits, bid documents, conducting and preparation of reports and studies, equipment rental, labor and appurtenances necessary therefore or incidental thereto.

a. The aggregate estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$9,750,000.

b. The aggregate estimated cost of said improvements or purposes is \$9,750,000.

SECTION 4. In the event the United States of America, the State of New Jersey, and/or the County of Essex make a loan, contribution or grant-in-aid to the City for the improvements authorized hereby and the same shall be received by the City prior to the issuance of the bonds or notes authorized in Section 2 hereof, then the amount of such bonds or notes to be issued shall be reduced by the amount so received from the United States of America, the State of New Jersey, and/or the County of Essex. In the event, however, that any amount so loaned, contributed or granted by the United States of America, the State of New Jersey, and/or the County of Essex shall be received by the City after the issuance of the bonds or notes authorized in Section 2 hereof, then such funds shall be applied to the payment of the bonds or notes so issued and shall be used for no other purpose. This Section 4 shall not apply however, with respect to any contribution or grant in aid received by the City as a result of using such funds from this bond ordinance as "matching local funds" to receive such contribution or grant in aid.

SECTION 5. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the City, provided that no note shall mature later than one (1) year from its date unless such bond anticipation notes are permitted to mature at such later date in accordance with the provisions of the New Jersey Infrastructure Trust Act, N.J.S.A. 58:11B-1 ("NJIT Act"). 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 of the City shall determine all matters in connection with the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time in accordance with the provisions of Section 8.1 of the Local Bond Law and, as applicable, the provisions of the NJIT Act. The Chief Financial Officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price and accrued interest thereon 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 principal amount, the description, the interest rate, and the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

SECTION 6. The City hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

SECTION 7. The following additional matters are hereby determined, declared, recited and stated:

a. The purposes described in Section 3 of this bond ordinance are not current expenses and are improvements which the City may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

b. The average period of usefulness of said improvements is within the limitations of said Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 40 years.

c. The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the Clerk of the City and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services within the Department of Community Affairs of the State of New Jersey, and such statement shows that the gross debt of the City, as defined in the Local Bond Law, is increased by the authorization of the bonds and notes provided for in this bond ordinance by \$9,750,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

d. An aggregate amount not exceeding \$2,437,500 for items of expense listed in and permitted under section 20 of the Local Bond Law is included in the estimated cost indicated herein for the improvements hereinbefore described.

e. This bond ordinance authorizes obligations of the City solely for purposes described in N.J.S.A. 40A:2-7(h). The obligations authorized herein are to be issued for purposes that are 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).

SECTION 8. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the debt obligations authorized by this bond ordinance. The debt obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the debt obligations and the interest thereon without limitation as to rate or amount.

SECTION 9. The City reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid

prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 9 is intended to be and hereby is a declaration of the City's official intent to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations §1.150-2. All reimbursement allocations will occur not later than eighteen (18) months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized herein is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than three (3) years after the expenditure is paid.

SECTION 10. The City covenants to maintain the exclusion from gross income under section 103(a) of the Code, of the interest on all bonds and notes issued under this ordinance.

SECTION 11. The bonds authorized herein shall be designated as "Qualified Bonds", pursuant to the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq. (the "Municipal Qualified Bond Act"), and shall contain a recital that it is issued pursuant to Title 40A of the New Jersey Statutes and is entitled to the benefits of the provisions of the Municipal Qualified Bond Act. The City shall certify to the State Treasurer the name and address of the paying agent, the maturity schedule, the interest rate and the dates of payment of debt service on such Qualified Bonds within ten (10) days after the date of issuance of such Qualified Bonds.

SECTION 12. This bond ordinance shall take effect twenty (20) days after the first publication hereof after final adoption, as provided by the Local Bond Law.

ADOPTED ON FIRST READING

DATED: October 1, 2019

JOYCE LANIER, City Clerk
City of Orange Township

ADOPTED ON SECOND/FINAL READING

DATED:

JOYCE LANIER, City Clerk
City of Orange Township

TENCY A. EASON
Council President

Approved by the Mayor on this _____ day
of _____, 2019

DWAYNE D. WARREN, ESQ.
Mayor

ORDINANCE NO 40-2019

**REGULAR MEETING –OCTOBER 1, 2019
INTRODUCTION-FIRST READING**

MOTION TO ADOPT: Williams

SECOND: Johnson, Jr.

YEAS: Coley, Jackson, Johnson, Jr., Summers-Johnson Williams, Wooten & Council Pres. Eason

NAYS: None

ABSTENTIONS: None

ABSENCES: None

SECOND READING PUBLIC/FINAL HEARING November 18, 2019