

**CITY COUNCIL**

**The City of Orange Township, New Jersey**

DATE \_\_\_\_\_

NUMBER 8-2023

**TITLE:**

**BOND ORDINANCE PROVIDING FOR VARIOUS ACQUISITIONS AND IMPROVEMENTS TO THE CITY'S WATER AND SEWER SYSTEMS, BY AND IN THE CITY OF ORANGE TOWNSHIP, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY; APPROPRIATING \$2,500,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,500,000 BONDS OR NOTES OF THE WATER AND SEWER UTILITY OF THE CITY TO FINANCE THE COSTS 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 or purposes described in Section 3 of this bond ordinance are hereby authorized as general improvements or purposes to be undertaken by the Water and Sewer Utility (the "Utility") of the City of Orange Township, in the County of Essex, State of New Jersey (the "City"). For the said improvements or purposes stated in Section 3, there is hereby appropriated the amount of \$2,500,000 by the Utility of the City. Pursuant to the provisions of N.J.S.A. 40A:2-7(h) and 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), no down payment is required as the Utility is self-liquidating.

**SECTION 2.** For the financing of said improvements or purposes described in Section 3 hereof, negotiable bonds of the Utility are hereby authorized to be issued in a principal amount not exceeding \$2,500,000 pursuant to, and within the 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 \$2,500,000 are hereby authorized to be issued pursuant to, and within the limitations prescribed by, the Local Bond Law.

**SECTION 3.** (a) The improvements hereby authorized and purposes for the financing of which said obligations are to be issued are for various acquisitions and improvements to the City's water and sewer system, including, but not limited to, as applicable, the purchase, acquisition, installation, rehabilitation, replacement, cleaning or repairs to wells, wellhouse, generators, sewers, sewer mains, sewer drains, meters, water mains, pipes, storm water improvements, water lines, hydrants, cameras, wiring, roof replacement, bathroom improvements, SCADA servers, and pump stations, and curb boxes.

(b) The estimated maximum amount of bonds or notes of the City to be issued for said purposes is \$2,500,000.

(c) The estimated cost of said improvements or purposes is \$2,500,000.

(d) All such improvements or purposes described above shall include, but are not limited to, as applicable, all engineering and design work, consulting, surveying, construction planning, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, tree cutting and removal, and also shall include all work, materials, equipment, accessories, labor and appurtenances necessary therefor or incidental thereto.

**SECTION 4.** In the event the United States of America, the State of New Jersey, and/or the County of Essex make a contribution or grant in aid to the City for the improvements and purposes 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 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 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. 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 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 a 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, 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 of the Utility of the City, as applicable. The capital budget or temporary capital budget of the Utility 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 of the Utility of the City, 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 improvements or 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 for the Utility of the City, 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 and purposes within the limitations of said Local Bond Law, according to the reasonable life thereof computed from the date of said bonds authorized by this bond ordinance, is 20 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 New Jersey Department of Community Affairs, 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 obligations provided for in this bond ordinance by \$2,500,000 and the obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An amount not exceeding \$50,000 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 purposes or improvements described in Section 3 hereof.

(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 obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City and, unless paid from other sources, the City shall be obligated to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of the 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.

**SECTION 10.** The City covenants to maintain the exclusion from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, of the interest on all bonds and notes issued under this bond ordinance on a tax-exempt basis.

**SECTION 11.** The Chief Financial Officer of the City 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 City, which are authorized herein, and to execute such disclosure document on behalf of the City. The Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the City 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 City, 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 City fails to comply with its undertaking, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

**SECTION 12.** 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 13.** 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:**

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**Joyce L. Lanier**  
**City Clerk**

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**Tency A. Eason**  
**Council President**

**Approved:**

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**Dwayne D. Warren, Esq.**  
**Mayor**

**State of New Jersey**  
**Department of Community Affairs**  
**Supplemental Debt Statement**

Local Government: Orange City Prepared As Of: 3/16/2023

Budget Year Ending December 31 (Month D-D) 2023 (Year)

Name: Nile Clements Phone: \_\_\_\_\_  
 Title: \_\_\_\_\_ Email: nclements@orangenj.gov  
 Address: 29 N. Day St.  
Orange, NEW JERSEY 07050 CFO Cert #: \_\_\_\_\_

Nile Clements, Being duly sworn, deposes and says: Deponent is the Chief Financial Officer of Orange City here and in the statement hereinafter mentioned called the local unit. The Supplemental Debt Statement annexed hereto and hereby made a part hereof is a true statement of the debt condition of the local unit as of the date therein stated and is computed as provided by the Local Bond Law of New Jersey.

Bonds and Notes for School Purposes	Net Debt as per Annual Debt Statement	Decrease		Increase		Net Debt
		(Since December 31, last past)				
	\$0.00	\$	\$	\$	\$	\$0.00
Bonds and Notes for Self-Liquidating Purposes	\$0.00	\$	\$	\$	\$	\$0.00
Other Bonds and Notes	\$38,578,712.00	\$6,410.26	\$	\$	\$	\$38,572,301.74

2 Net Debt at the time of this statement is ..... \$38,572,301.74

The amounts and purposes separately itemized of the obligations about to be authorized, and any deductions which may be made on account of each such item are: (see Note "C" below)

Bond Ordinance	Purposes	Amount	Deduction	Net
Ordinance 7-2023	Permanent PFAS Treatment System	\$10,500,000.00	\$10,500,000.00	\$0.00
Ordinance 8-2023	Various Acquisitions & Improvements to Water & Sewer system	\$2,500,000.00	\$2,500,000.00	\$0.00
		\$13,000,000.00	\$13,000,000.00	\$0.00

4 The net debt of the local unit determined by the addition of the net debt amounts stated in items 2 and 3 above is: \$38,572,301.74

5 Equalized valuation basis (the average of the equalized valuations of real estate, including improvements and the assessed valuation of class II railroad property of the local unit for the last 3 preceding years) as stated in the Annual Debt Statement or the revision thereof last filed.

Year	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	
(1) 2020		\$1,407,593,289.00
(2) 2021		\$1,591,837,104.00
(3) 2022		\$2,069,622,141.00

6 Equalized Valuation Basis - Average of (1), (2) and (3) ..... \$1,689,684,178.00

7 Net Debt (Line 4 Above) expressed as a percentage of such equalized valuation basis (Line 6 above) is: 2.283%

**Notes**

- A If authorization of bonds or notes is permitted by an exception to the debt limit, specify the particular paragraph of N.J.S.A. 40A:2-7 or other section of law providing such exception
- B This form is also to be used in the bonding of separate (not Type I) school districts as required by N.J.S.A. 18A:24-16, and filed before the school district election. In such case pages 3 and 4 should be completed to set forth the computation supporting any deduction in line 3 above
- C Only the account of bonds or notes about to be authorized should be entered. The amount of the "down payment" provided in the bond ordinance should not be included nor shown as a deduction



**COMPUTATION OF SCHOOL INDEBTEDNESS AND DEDUCTIONS  
UNDER PROVISIONS OF N.J.S.A. 18A: 24-17**

**N.J.S.A. 18A:24-19 (Lines 1 to 7)**

1	Average of equalized valuations (page 1, line 3)	\$1,689,684,178.00
2	Gross School District Debt outstanding and authorized but not issued (not including proposed issue)	\$
3	Less: Sinking funds held for payment of School Debt, by Sinking Fund Commission	\$
4	Net debt for school purposes (line 2, minus line 3)	\$0.00
5	Debt deduction for school purposes' % (as per line below)	%
	(a) 2½% Kindergarten or Grade 1 through Grade 6	
	(b) 3 % Kindergarten or Grade 1 through Grade 8	
	(c) 3½% Kindergarten or Grade 1 through Grade 9	
	(d) 4 % Kindergarten or Grade 1 through Grade 12	
6	Available debt deduction (excess, if any, of line 5 over line 4)	\$0.00
7	School Bonds about to be authorized	\$

**Note: Omit lines 8 to 13, if line 6 equals or exceeds line 7. or if shown on line 17**

**N.J.S.A. 18A:24-22 (Lines 8 to 13)**

8	Excess of line 7 over line 6	\$0.00
9	Municipal Debt Limit (3½% of line 1 above)	\$59,138,946.23
10	Net Debt	\$38,572,301.74
11	Available Municipal Borrowing Margin (excess, if any, of line 9 over line 10)	\$20,566,644.49
12	Use of Municipal Borrowing Margin (line 8 not exceeding line 11)	\$0.00
13	Remaining Municipal Borrowing Margin after authorization of proposed School Bonds (line 11 minus line 12)	\$20,566,644.49

**Note: Omit lines 14 to 16, if line 11 equals or exceeds line 8, or if shown on line 17**

**N.J.S.A. 18A:24-24 (lines 14 to 16)**

14	Amount of line 7	\$
15	Amount of Deduction:	
	(a) Amount of line 6	\$0.00
	(b) Amount of line 11	\$20,566,644.49
	<b>Total</b>	\$20,566,644.49
16	Excess of line 14 over line 15	\$0.00

**SPECIAL DEBT STATEMENT**  
**BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7(f)**

1	Amount of accumulated debt incurring capacity under RS 40:1-16(d) as shown on the latest Annual Debt Statement		\$
2	Obligations heretofore authorized in excess of debt limitation and pursuant to:		
	(a) N.J.S.A. 40A:2-7(d)	\$	
	(b) N.J.S.A. 40A:2-7(f)	\$	
	(c) N.J.S.A. 40A:2-7(g)	\$	
	Total		\$0.00
3	Available debt incurring capacity (N.J.S.A. 40A:2-7(f))		\$
4	Obligations about to be authorized pursuant to N.J.S.A. 40A:2-7(f) (If item 3 equals or exceeds item 4, obligations may be authorized)		\$

**BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7(g)**

1	Total appropriations made in local unit budget for current fiscal year for payment of obligations of local unit included in Annual Debt Statement or revision thereof last filed as of preceding December 31, 2022		\$
2	Less the amount of such obligations which constitute utility and assessment obligations		\$
3	Excess of item 1 over item 2		\$0.00
4	Amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district		\$
5	Amount equal to 2/3 of the sum of item 3 and item 4		\$0.00
6	(a) Amount of obligations heretofore authorized under N.J.S.A. 40A:2-7(g) in current fiscal year	\$	
	(b) Amount of authorizations included in 6(a) which were heretofore repealed	\$	
	(c) Excess of item 6(a) over item 6(b)		\$0.00
7	Excess of item 5 over item 6(c)		\$0.00
8	Obligations about to be authorized		\$
9	Borrowing capacity still remaining after proposed authorization		\$0.00

(item 7 less item 8) (If item 7 equals or exceeds item 8, obligations may be authorized)