

CITY COUNCIL

The City of Orange Township, New Jersey

DATE _____

NUMBER 15-2024

TITLE: REFUNDING BOND ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,100,000 AGGREGATE PRINCIPAL AMOUNT OF WATER-SEWER UTILITY REFUNDING BONDS, SERIES 2024 BY THE CITY OF ORANGE TOWNSHIP, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY FOR THE PURPOSE OF RESTRUCTURING THE OUTSTANDING 2014 REFUNDING BONDS PREVIOUSLY ISSUED BY THE CITY, AND APPROPRIATING THE PROCEEDS OF SUCH REFUNDING BONDS TO SUCH PURPOSE AND AUTHORIZING THE ISSUANCE OF SUCH REFUNDING BONDS PURSUANT TO THE PROVISIONS OF THE MUNICIPAL QUALIFIED BOND ACT

WHEREAS, pursuant to the Local Bond Law, N.J.S.A. §40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), the City of Orange Township, in the County of Essex, State of New Jersey (the “City”) issued its \$7,815,000 aggregate principal amount of Water-Sewer Utility Refunding Bonds, Series 2014, dated April 24, 2014 (the “2014 Bonds”), of which \$7,735,000 are maturing on and after June 1, 2024 (collectively, the “Refunded Bonds”); and

WHEREAS, the City Council has determined that refunding bonds can be issued to refund and restructure the Refunded Bonds by extending the final maturity of the 2014 Bonds to decrease its annual debt service payments and the reduce the MQBA debt service coverage ratio for the City over the next few years; and

WHEREAS, the City has determined to provide for the refunding and restructuring of the 2014 Bonds through the issuance by the City of Water-Sewer Utility Refunding Bonds, Series 2024 in an aggregate principal amount not to exceed \$7,900,000 (the “Refunding Bonds”), as provided in this refunding bond ordinance.

NOW, THEREFORE, 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 members thereof affirmatively concurring) AS FOLLOWS:

Section 1. In order to finance the purposes described in Section 2 hereof, negotiable refunding bonds of the City, designated as Water-Sewer Utility Refunding Bonds, Series 2024, are hereby authorized to be issued in an aggregate principal amount not to exceed \$8,100,000 (the “Refunding Bonds”). The proceeds of the Refunding Bonds are hereby appropriated to the purposes described in Section 2 hereof.

Section 2. (a) The purposes for which the Refunding Bonds are to be issued are (i) refunding and restructuring the 2024 through 2027 maturities of the 2014 Bonds, including the payment of the principal and interest accrued and to accrue thereon to their respective dates of maturity and (ii) paying the cost of issuance relating to the Refunding Bonds, including printing,



A. MUZERA

advertising, accounting, financial and legal services, rating agency fees, underwriter’s discount, and the bond insurance premium, if any.

(b) The Refunded Bonds mature in the principal amounts in each of the years and bear interest at the rates per annum as follows:

| <u>Year</u> <u>(June 1)</u> | <u>2014 Refunding Bonds</u> | <u>Interest</u> <u>Rate</u> |
|--------------------------------|-----------------------------|--------------------------------|
| 2024 | \$ 975,000 | 4.00% |
| 2025 | 2,150,000 | 4.00 |
| 2026 | 2,250,000 | 4.00 |
| 2027 | 2,360,000 | 4.00 |

(c) The aggregate cost of issuing the Refunding Bonds, as provided by N.J.S.A. §40A:2-51(b) (which amount includes all items described in Section 2(a)(ii) hereof) shall not exceed \$200,000. Such amount is included in the maximum authorized aggregate principal amount set forth in Section 1 hereof.

(d) A portion of the proceeds from the sale of the Refunding Bonds shall be deposited in trust to provide for the payment upon maturity of the Refunded Bonds. Any moneys in trust may be invested as provided in N.J.S.A. §40A:2-60, and any moneys in excess of the amounts required for such purpose may be used for any lawful purpose of the City.

Section 3. Any further provisions as to terms of sale, deposit, security, regulation, investment, reinvestment, disposition or application of the proceeds of the Refunding Bonds, and matters in connection therewith, shall be determined by resolution of the City adopted prior to the issuance of the Refunding Bonds.

Section 4. The City Council hereby delegates to the Chief Financial Officer of the City the power to sell the Refunding Bonds at a private sale or a public sale, to determine the terms of the Refunding Bonds and to perform such other actions and make such other determinations, subject to the limitations to be set forth in a subsequent resolution of the City.

Section 5. The City Council hereby authorizes and delegates to the Chief Financial Officer, in consultation with Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the City, PKF O’Connor Davies, LLP, the Auditor to the City, and Lerch, Vinci & Bliss, LLP, the Budget Consultant to the City, the authority to negotiate, approve the terms of and to execute on behalf of the City a Bond Purchase Agreement for the purchase and sale of the Refunding Bonds with an underwriter to be determined by a subsequent resolution of the City.

Section 6. The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the City 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 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 bonds and notes provided for in this Refunding Bond Ordinance and the said bonds and notes authorized by this Refunding Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law, and will be decreased by the amount of the Refunded Bonds.

Section 7. All other matters relating to the Refunding Bonds shall be performed or determined by subsequent resolution of the City, or the performance or determination thereof shall be delegated by resolution of the City to a financial officer of the City.

Section 8. A certified copy of this refunding bond ordinance, as introduced and adopted upon first reading, shall be filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption hereof, together with the statement signed by the Chief Financial Officer of the City required by N.J.S.A. §40A:2-55.

Section 9. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the Refunding Bonds authorized by this refunding bond ordinance. The Refunding Bonds 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 Refunding Bonds and the interest thereon without limitation as to rate or amount.

Section 10. After passage upon first reading of this refunding bond ordinance, the City Clerk is hereby authorized and directed to publish the full text of this refunding bond ordinance, together with the “NOTICE OF PENDING BOND ORDINANCE” (with appropriate completions, insertions and corrections), at least once in a newspaper qualified under N.J.S.A. §40A:2-19, at least seven (7) days prior to the date set for public hearing and further consideration for final passage (which date shall be at least ten (10) days after introduction and first reading). The City Clerk is further directed to comply with all provisions of N.J.S.A. §40A:2-17(b) regarding postings, publications, and the provision of copies of this refunding bond ordinance. The Clerk is hereby authorized and directed to set the date of the public hearing for April 16, 2024.

Section 11. After final adoption of this refunding bond ordinance by the City Council, the City Clerk is hereby directed to publish the full text of this refunding bond ordinance, as finally adopted, together with the “NOTICE OF ADOPTION OF BOND ORDINANCE” (with appropriate completions, insertions and corrections), at least once in a newspaper qualified under N.J.S.A. §40A:2-19.

Section 12. The City Council hereby covenants on behalf of the City to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the Refunding Bonds authorized hereunder as is or may be required under the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder, 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 13. The Refunding 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 14. This bond ordinance shall take effect twenty (20) days after the first publication hereof after final adoption, as provided in the Local Bond Law, but not prior to the time that the consent of the Local Finance Board, Division of Local Government Services in the New Jersey Department of Community Affairs has been endorsed upon a certified copy of this refunding bond ordinance as finally adopted, as provided by N.J.S.A. §40A:2-55.

ADOPTED ON FIRST READING

DATED: April 2, 2024

JOYCE LANIER
Clerk of the City of Orange Township

ADOPTED ON SECOND READING

DATED: April 16, 2024

JOYCE LANIER
Clerk of the City of Orange Township

APPROVAL BY THE MAYOR ON THIS _____ DAY OF APRIL, 2024.

DWAYNE WARREN, Mayor

CERTIFICATION

I, Joyce Lanier, Clerk of the City of Orange Township, in the County of Essex, State of New Jersey (the "City"), DO HEREBY CERTIFY the foregoing Ordinance was introduced and adopted upon first reading on April 2, 2024 by the City Council of the City at a regular meeting, at which meeting a quorum was present and acting throughout, and which meeting was held in accordance with the requirements of the Open Public Meetings Law, and said Ordinance will be further considered for final adoption on April 16, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this ____ day of April, 2024.

(SEAL)

JOYCE LANIER,
Clerk of the City of Orange Township