

**BURROUGH OF FANWOOD
COUNTY OF UNION**

ORDINANCE 21-20-S

**BOND ORDINANCE PROVIDING AN APPROPRIATION OF
\$375,000 FOR IMPROVEMENTS TO THE CARRIAGE HOUSE
FOR AND BY THE BOROUGH OF FANWOOD IN THE COUNTY
OF UNION, NEW JERSEY AND, AUTHORIZING THE ISSUANCE
OF \$356,250 BONDS OR NOTES OF THE BOROUGH FOR
FINANCING PART OF THE APPROPRIATION.**

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

SECTION 1:

The improvements described in Section 3 of this bond ordinance (the "Improvements") are hereby authorized to be undertaken by the Borough of Fanwood, New Jersey (the "Borough") as general improvements. For the said Improvements there is hereby appropriated the amount of \$375,000, such sum includes the sum of \$18,750 as the down payment (the "Down Payment") required by the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended and supplemented (the "Local Bond Law"). The Down Payment is now available by virtue of provision in the Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

SECTION 2:

In order to finance the cost of the Improvements not covered by application of the Down Payment, negotiable bonds of the Borough are hereby authorized to be issued in the principal amount of \$356,250 pursuant to the provisions of the Local Bond Law (the "Bonds"). In anticipation of the issuance of the Bonds and to temporarily finance said improvements or purposes, negotiable bond anticipation notes of the Borough are hereby authorized to be issued in the principal amount not exceeding \$356,250 pursuant to the provisions of the Local Bond Law (the "Bond Anticipation Notes" or "Notes").

SECTION 3:

(a) The Improvements authorized and the purposes for which obligations are to be issued hereunder, are as set by Resolution 16-08-117, adopted by the Borough Council on August 15, 2016 approved by the voters of the Borough in the General Election of 2016, and by Ordinance 18-07-R, adopted by the Borough Council on June 18, 2018, are limited to the acquisition, development and maintenance of lands for recreation and conservation purposes, acquisition of farmland for farmland preservation purposes, historic preservation of historic properties, structures, facilities, sites, areas or objects and acquisition of such for historic preservation purposes or the payment of debt service or indebtedness issued or incurred by the Borough for any of the purposes described above in accordance with Chapter 24 of the Public Laws of 1997 and as amended, and in particular is the improvements to the Carriage House in the Borough all as shown on and in accordance with the plans and specifications therefor on file in the Borough.

(b) The estimated maximum amount of Bonds or Notes to be issued for the purpose of financing a portion of the cost of the Improvements is \$356,250.

(c) The estimated cost of the Improvements is \$375,000 which amount represents the initial appropriation made by the Borough.

SECTION 4:

All Bond Anticipation Notes issued hereunder shall mature at such times as may be determined by the chief financial officer of the Borough (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 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 subject to the provisions of Section 8(a) of the Local Bond Law. 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 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 Borough Council of the Borough at the meeting next succeeding the date when any sale or delivery of the Notes pursuant to this 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 of the Borough 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, Division of Local Government Services, Department of Community Affairs, State of New Jersey is on file with the Borough Clerk and is available for public inspection.

SECTION 6:

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

(a) The Improvements described in Section 3 of this bond ordinance are not current expenses, and are capital improvements or properties that the Borough may lawfully make or acquire as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The period of usefulness of the Improvements, within the limitations of the Local Bond Law, and 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 in the office of the Borough Clerk and a complete executed duplicate thereof has been filed in the office of the Director, 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 \$356,250 and the obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law. Pursuant to the provisions of N.J.S.A. 40A:2-44(h), the obligations authorized hereunder constitute a deduction from the gross debt of the Borough to the extent of \$356,250 and that to that extent shall not be considered in determining the Borough's net debt for debt incurring purposes.

(d) An aggregate amount not exceeding \$73,000 for items of expense listed in and permitted under Section 20 of the Local Bond Law is included in the estimated cost of the Improvements, as indicated herein.

SECTION 7:

Any funds received from time to time by the Borough as contributions in aid of financing the purposes described in Section 3 of this Ordinance shall be used for financing said Improvements by application thereof either to direct payment of the cost of said Improvements or to the payment or reduction of the authorization of the obligations of the Borough authorized therefor by this Bond Ordinance. Any such funds received may, and all such funds so received which are not required for direct payment of the cost of said Improvements shall, be held and applied by the Borough as funds applicable only to the payment of obligations of the Borough authorized by this Bond Ordinance.

SECTION 8:

The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and 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 property within the Borough for the payment of the obligations and the interest thereon without limitation of rate or amount.

SECTION 9:

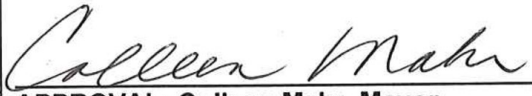

The Chief Financial Officer of the Borough is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the Borough and to execute such disclosure document on behalf of the Borough. The Chief 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:

This Bond Ordinance constitutes a declaration of official intent under Treasury Regulation Section 1.150-2. The Borough reasonably expects to pay expenditures with respect to the Improvements prior to the date that Borough incurs debt obligations under this Bond Ordinance. The Borough reasonably expects to reimburse such expenditures with the proceeds of debt to be incurred by the Borough under this Bond Ordinance. The maximum principal amount of debt expected to be issued for payment of the costs of the Improvements is \$356,250.

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.

Certified to be a true copy of an ordinance introduced and adopted upon first reading by the Council of the Borough of Fanwood at the duly held Meeting on the 4th day of October, 2021.	
Introduction: October 4, 2021	 APPROVAL: Colleen Mahr, Mayor
MOTION: Councilmember Erin McElroy Barker SECOND: Councilmember Anthony Carter	
YES: Councilmembers Anthony Carter, Jeffrey Banks, Francine Glaser and Erin McElroy-Barker	
NO: None	
ABSTAIN: None	
ABSENT: Councilmembers Katherine Mitchell and Patricia Walsh	
Public Hearing: October 18, 2021	
Adoption: October 18, 2021	
Motion: Councilmember Jeffrey Banks Second: Councilmember Katherine Mitchell	
YES: Councilmembers Jeffrey Banks, Anthony Carter, Francine Glaser, Katherine Mitchell and Patricia Walsh	
NO:	 ATTEST: Kathleen Holmes, Borough Clerk
ABSTAIN:	
ABSENT: Councilmember Erin McElroy-Barker	