

N 017

**BOROUGH OF NEW PROVIDENCE
ORDINANCE 2008-12**

"BOND ORDINANCE PROVIDING A SUPPLEMENTAL APPROPRIATION OF \$175,000 FOR THE ACADEMY STREET PROJECT IN AND BY THE BOROUGH OF NEW PROVIDENCE, IN THE COUNTY OF UNION, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF \$166,250 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION"

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

- Section 1. The improvement described in Section 3 of this bond ordinance has heretofore been authorized to be undertaken by the Borough of New Providence, in the County of Union, New Jersey (the "Borough") as a general improvement. For the improvement or purpose described in Section 3, there is hereby appropriated the supplemental amount of \$175,000, such sum being in addition to the \$300,000 appropriated therefor by Section 3(d) of Bond Ordinance #2007-08 of the Borough, finally adopted April 23, 2007 ("Bond Ordinance #2007-08") and including the sum of \$8,750 as the additional down payment required by the Local Bond Law. The additional down payment is now available by virtue of provision for down payment or for capital improvement purposes in one or more previously adopted budgets.
- Section 2. In order to finance the additional cost of the improvement or purpose not covered by application of the additional down payment, negotiable bonds are hereby authorized to be issued in the principal amount of \$166,250 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.
- (a) The improvement heretofore authorized and the purpose for the financing of which the bonds are to be issued is the Academy Street Project, consisting of the reconstruction of the street and parking lot, as more fully described in Section 3(d) of Bond Ordinance #2007-08, including all work and materials necessary therefor and incidental thereto.
 - (b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is \$451,250, including the \$285,000 bonds or

notes authorized by Bond Ordinance #2007-08 and the \$166,250 bonds or notes authorized herein.

- (c) The estimated cost of the improvement or purpose is \$475,000, including the \$300,000 appropriated by Bond Ordinance #2007-08 and the \$175,000 appropriated herein.

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 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 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 governing body 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 Borough hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Borough is hereby amended to conform with the provisions of this 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 6. The following additional matters are hereby determined, declared, recited and stated:

- (a) The improvement or purpose described in Section 3 of this bond ordinance is not a current expense. It is an improvement or purpose that the Borough may lawfully undertake as a general improvement, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

- (b) The period of usefulness of the improvement or purpose within the limitations of the Local Bond Law, 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 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 \$166,250, and the obligations authorized herein will be within all debt limitations prescribed by that Law.
- (d) An aggregate amount not exceeding \$145,000 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. Of this amount, \$120,000 was estimated for these items of expense in Bond Ordinance #2007-8 and an additional \$25,000 is estimated therefor herein.

Section 7. Any grant moneys received for the purpose 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 ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 8. 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 9. The full faith and credit of the Borough 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 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 10. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

Introduced: July 14, 2008
Public Hearing: July 28, 2008
Adopted: July 28, 2008

BOROUGH OF NEW PROVIDENCE
COUNTY OF UNION
STATE OF NEW JERSEY

John A. Thoms, Mayor

Attest:

Wendi B. Barry, Borough Clerk