

ORDINANCE 2024-02

**A BOND ORDINANCE PROVIDING FOR VARIOUS WATER
AND SEWER UTILITY CAPITAL IMPROVEMENTS IN AND
BY THE BOROUGH OF ISLAND HEIGHTS, COUNTY OF
OCEAN, STATE OF NEW JERSEY, APPROPRIATING FIVE
HUNDRED THOUSAND DOLLARS (\$500,000.00)
THEREFORE AND AUTHORIZING THE ISSUANCE OF FIVE
HUNDRED THOUSAND DOLLARS (\$500,000.00) OF BONDS
OR NOTES OF THE BOROUGH FOR FINANCING THE
COST THEREOF**

THE MAYOR AND COUNCIL OF THE BOROUGH OF ISLAND HEIGHTS (not less than two-thirds of the full membership thereof affirmatively concurring), DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Appropriation for Project-Down Payment

The improvements described in Section 3 of this Bond Ordinance are hereby respectfully authorized as general capital improvements to be made to the water and sewer utility systems of the Borough of Island Heights, in the County of Ocean, State of New Jersey (the "Borough"). For said improvements or purposes stated in Section 3, there are hereby appropriated the sums of money therein stated as the appropriations made for said improvements or purposes, said sums being inclusive of all appropriations heretofore made therefore and amounting in the aggregate to FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00). No down payment is required as the purposes authorized herein are deemed self-liquidating and the obligations authorized herein are deductible from the gross debt of the Borough, as more fully explained in Section 6(e) of this bond ordinance.

Section 2. Authorization of Bonds

For the financing of said improvements or purposes and to meet the FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) appropriation, negotiable bonds of the Borough are hereby authorized to be issued in the maximum principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) pursuant to the Local Bond Law of New Jersey (the "Local Bond Law") and any other law applicable thereto. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes stated in Section 3, negotiable note(s) of the Borough in the maximum principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. Description of Project

The improvements hereby authorized and the purposes for the financing of which said obligations are to be issued, the appropriations made for and the estimated costs of such purposes (including all work or materials necessary therefore or incidental thereto), and the estimated maximum amount of bonds or notes to be issued for such purposes are as follows:

<u>IMPROVEMENT OR PURPOSE</u>	<u>APPROPRIATION AND ESTIMATED COST</u>	<u>AMOUNT OF BONDS OR NOTES</u>
Various Improvements, Repairs and Upgrades to the Municipal Water and Sewer Systems Infrastructure, including all other necessary or desirable structures, appurtenances and work or materials, all as shown on and in accordance with the plans and specifications therefore on file in the office of the Borough Clerk and hereby approved, including the costs of surveying, construction planning, engineering, preparation of plans and specifications, permits, bid documents and construction inspection and administration.	\$500,000.00	\$500,000.00
TOTAL	<u>\$500,000.00</u>	<u>\$500,000.00</u>

Section 4. Authorization of Notes

In anticipation of the issuance of said bonds and to temporarily finance said improvements, negotiable notes of the Borough in a principal amount equal to the said principal of bonds not exceeding FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) are hereby authorized to be issued pursuant to the limitations prescribed by the Local Bond Law. All such note(s) shall mature at such time as may be determined by the Chief Financial Officer or such other Financial Officer designated by Resolution for these purposes (both being hereinafter referred to in this Section as Chief Financial Officer); provided that no note shall mature later than one (1) year from its issue date. Such note(s) shall bear interest at a rate or rates and shall be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with any note(s) issued pursuant to this Ordinance, and the signature of the Chief Financial Officer upon such note(s) shall be conclusive evidence as to all such determinations. The Chief Financial Officer is hereby authorized to sell the note(s) from time to time at public or private sale in such amounts as the Chief Financial Officer may determine and not less than par, and to deliver the same from time to time to the purchasers thereof upon receipt of the purchase price plus accrued interest from their dates to the date of delivery thereof as payment thereof. Such Chief Financial Officer is authorized and directed to report in writing to the Mayor and the Council of the Borough at the meeting next succeeding the date when any sale or delivery of the note(s) pursuant to this Ordinance is made. Such report shall include the amount, the description, the interest rate, the maturity schedule of the note(s) sold, price obtained and the name of the purchaser. All note(s) issued hereunder may be renewed from time to time for periods not exceeding one (1) year for the time period specified in and in accordance with the provisions and limitations of N.J.S.A. 40A:2-8(a) of the Local Bond Law. The Chief Financial Officer is further directed to determine all matters in connection with said note or notes and not determined by this Ordinance. The Chief Financial Officer's signature upon said note(s) shall be conclusive evidence of such determination.

Section 5. Capital Budget

The capital budget of the Borough of Island Heights is hereby amended to conform with the provisions of this bond ordinance. The resolution in the form promulgated by the Local Finance Board showing full detail of the capital budget and capital program is on the file with the Clerk and is available there for public inspection.

Section 6. Additional Matters

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

- a. The said purposes described in Section 3 of this bond ordinance are not current expenses and are properties or improvements which the Borough may lawfully require or make as a general improvement, and no part of the cost thereof has been or shall be specifically assessed on property specifically benefited thereby.
- b. The period of usefulness of said purposes authorized herein as determined in accordance with the Local Bond Law is forty (40) 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 duplicate thereof has been electronically 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, and 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 for in this bond ordinance by FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), and that the net debt of the Borough determined as provided in the Local Bond Law is not increased by this bond ordinance. The said obligations authorized by this bond ordinance will be within the debt limitations prescribed by the Local Bond Law.
- d. Amounts not exceeding **ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)** in the aggregate for interest on said obligations, costs of issuing said obligations, architectural, engineering and inspection costs, legal expenses, a reasonable proportion of the compensation and expenses of employees of the Borough in connection with the acquisition of such improvement and property as authorized herein, and other items of expense listed in and permitted under Section 40A:2-20 of the Local Bond Law have been included as part of the costs of said improvement and are included in the foregoing estimate thereof.
- e. This bond ordinance authorizes obligations of the Borough solely for purposes described in N.J.S.A. 40A:2-7(h). The obligations authorized herein are to be issued for a purpose that is 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 7. Ratification of Prior Actions

Any action taken by any officials of the Borough in connection with the improvements described in Section 3 hereof are hereby ratified and confirmed notwithstanding that such actions may have been taken prior to the effective date of this bond ordinance and shall be deemed to have been taken pursuant to this bond ordinance.

Section 8. Application of Grants

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 bond ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 9. Full Faith and Credit

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

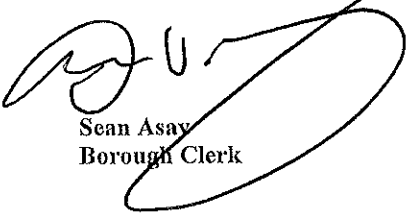
Section 10. Official Intent to Reimburse Expenditures

The Borough reasonably expects to reimburse any expenditures towards the cost of the improvement or purpose described in Section 3 of this bond ordinance and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. No funds from sources other than the bonds or notes authorized herein has been or is reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside by the Borough, or any member of the same "control group" as the Borough, within the meaning of Treasury Regulations Section 1.150-1(f), pursuant to their budget or financial policies with respect to any expenditures to be reimbursed. This Section is intended to be and hereby is a declaration of the Borough's official intent to reimburse any expenditures towards the costs of the improvement or purpose 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 Section 1.103-18, and no action (or inaction) will be an artifice or device in accordance with Treasury Regulation Section yield restrictions or arbitrage rebate requirements.

Section 11. Effective Date

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

This Bond Ordinance has been finally adopted by the Borough of Island Heights, County of Ocean, State of New Jersey on February 6, 2024 at the occurrence of their Regular Meeting.

A handwritten signature in black ink, appearing to read 'Sean Asay', is written over the text of the signature block.

Sean Asay
Borough Clerk