

ORDINANCE 2024-07

AN ORDINANCE OF THE BOROUGH OF ISLAND HEIGHTS, COUNTY OF OCEAN, STATE OF NEW JERSEY, A BOND ORDINANCE APPROPRIATING ONE MILLION DOLLARS (\$1,000,000.00) AND AUTHORIZING THE ISSUANCE OF NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000.00) IN BONDS OR NOTES OF THE BOROUGH OF ISLAND HEIGHTS FOR THE PURCHASE OF A NEW FIRE TRUCK

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

Section 1. Appropriation for Project-Down Payment

The improvement described in Section 3 of this bond ordinance is hereby authorized as a general capital improvement to be made or acquired by the Borough of Island Heights, in the County of Ocean, State of New Jersey (the “**Borough**”). For the said improvement or purpose stated in Section 3, there is hereby appropriated the sum of money therein stated as the apportionment made for said improvement or purpose, said sum being inclusive of all appropriations heretofore made therefor and amounting in the aggregate to ONE MILLION DOLLARS (\$1,000,000.00), including the aggregate sum of FIFTY THOUSAND DOLLARS (\$50,000.00) as the down payment for said improvements or purposes as required pursuant to N.J.S.A. 40A:2-11 and more particularly described in Section 3 and now available by virtue of an emergency appropriation by the Borough Council.

Section 2. Authorization of Bonds

For the financing of said improvement or purpose and to meet the part of said ONE MILION DOLLARS (\$1,000,000.00) in appropriations not provided for by application hereunder of said down payment, negotiable bonds of the Borough are hereby authorized to be issued in the principal amount of NINE HUNDRED FIFTY THOUSAND DOLLARS (950,000.00) pursuant to the Local Bond Law of New Jersey (the “**Local Bond Law**”). In anticipation of the issuance of said bonds and to temporarily finance said improvement or purpose, negotiable notes of the Borough in a principal amount not exceeding NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000.00) are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. Description of Project

The improvement hereby authorized and the purpose for the financing of which said obligations are to be issued, the appropriation made for and estimated cost of each such purpose, and the estimated maximum amount of bonds or notes to be issued for such purpose, is as follows:

IMPROVEMENT OR PURPOSE	APPROPRIATION AND ESTIMATED COST	ESTIMATED MAXIMUM AMOUNT OF BONDS AND NOTES
Purchase of New Fire Truck, including all apparatus, equipment and supplies necessary and incidental to such purchase.	\$1,000,000.00	\$950,000.00
TOTAL	<u>\$1,000,000.00</u>	<u>\$950,000.00</u>

The excess of the appropriation made for each of the improvements or purposes aforesaid over the estimated maximum amount of bonds or notes to be issued therefor, as above stated, is the amount of the said down payment for said purpose.

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 NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000.00) 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 she 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. His 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, recited and stated:

- (a) The said purposes described in Section 3 of this bond ordinance are not current expenses and each is a property or improvement which the Borough may lawfully acquire or make as a general improvement, 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 purposes within the limitations of the Local Bond Law and taking into consideration the respective amounts of said obligations authorized for the several purposes, 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 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 **NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000.00)**, and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by the Local Bond Law.
- (d) Amounts not exceeding **TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00)** in the aggregate for interest on said obligations, costs of issuing said obligations, engineering and inspection costs, legal expenses, a reasonable proportion of the compensation and expenses of employees of the Borough in connection with the construction or acquisition of such improvements and properties 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 improvements and are included in the foregoing estimate thereof.

Section 7. Ratification of Prior Actions

Any actions 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 purposes described in Section 3 hereof shall be applied either to direct payment of the cost of the improvements 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 the punctual payment of the principal of 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 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 costs of the improvements or purposes 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 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 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 first publication of a summary thereof after final adoption, as provided by the Local Bond Law.

BY ORDER OF THE MAYOR AND COUNCIL OF THE BOROUGH OF ISLAND HEIGHTS.

The foregoing Ordinance was duly adopted by the Mayor and Council of the Borough of Island Heights at their Regular Meeting conducted on July 16, 2024 in the Borough.


Sean Asay
Borough Clerk