

TOWNSHIP OF PEQUANNOCK

ORDINANCE NO. 2016-13

BOND ORDINANCE RE-APPROPRIATING \$16,540,000 AND RE-AUTHORIZING THE ISSUANCE OF \$15,965,000 BONDS AND NOTES OF THE TOWNSHIP OF PEQUANNOCK, IN THE COUNTY OF MORRIS, NEW JERSEY TO PROVIDE FOR THE VILLAGE AREA SEWER EXTENSION PROJECT AND RELATED IMPROVEMENTS PREVIOUSLY AUTHORIZED AND SUPERSEDING BOND ORDINANCE #2010-22, AS AMENDED AND SUPPLEMENTED BY #2014-02, AS AMENDED BY 2015-11 OF THE TOWNSHIP, AMENDING SUCH BOND ORDINANCE AND DIRECTING THE SPECIAL ASSESSMENT OF PART OF THE COST THEREOF

BE IT ORDAINED by the Township Council of the Township of Pequannock, in the County of Morris, New Jersey (the "Township") (not less than two-thirds of all members thereof affirmatively concurring), as follows:

For the several improvements or purposes described in Section 3 of this bond ordinance which have previously been authorized Bond Ordinance #2010-22, as amended and supplemented by Ordinance #2014-02, as amended by Ordinance #2015-11, finally adopted November 23, 2010, as amended and supplemented February 25, 2014, as amended August 11, 2015 (together the "Original Bond Ordinance") and which are hereby superseded, reauthorized and amended, there are hereby re-appropriated the respective sums of money therein stated as the appropriations made for the improvements or purposes, such sums amounting in the aggregate to \$16,540,000, including the sum of \$575,000 as the down payment for the improvements or purposes required by the Local Bond Law. The down payment has been made available by virtue of provisions for down payment or for capital improvement purposes in one or more previously adopted budgets.

In order to finance the cost of the several improvements or purposes not covered by application of the down payment, negotiable bonds are hereby re-authorized to be issued in the principal amount of \$15,965,000 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.

The purposes for which the bonds are to be issued, the bond ordinance superseded, the appropriation and the estimated cost for the improvement, the down payment and the estimated maximum amount of bonds or notes to be issued for the improvement and the period of usefulness for the improvement are respectively as follows:

<u>Previously Adopted Ordinances # Superseded</u>	<u>Description of Previously Adopted Ordinance and Date of Adoption</u>	<u>Appropriation and Estimated Cost</u>	<u>Down Payment</u>	<u>Estimated Maximum Amount of Bonds or Notes</u>	<u>Average Period of Usefulness</u>
2010-22, as amended and supplemented by 2014-02, as amended by 2015-11	The Village Area Sewer Extension Project, finally adopted November 23, 2010, as amended and supplemented February 25, 2014, as amended August 11, 2015.	\$16,540,000	\$575,000	\$15,965,000	40 years

Schedule A of the Original Bond Ordinance of the Township is hereby amended to include the following Block and Lot numbers in addition to those included in the original Schedule A:

Block#	Lot#	Block#	Lot#
1401	4	1401	30
1401	4.01	1401	31
1401	6		

All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no bond anticipation note shall mature later than one year from its date. The bond anticipation 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 bond anticipation notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the bond anticipation notes shall be conclusive evidence as to all such determinations. All bond anticipation 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 bond anticipation 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 bond anticipation notes pursuant to this bond anticipation ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

The Township hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Township is hereby amended to conform with the provisions of this bond 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 7. Notice is hereby given to the owners of all lots and parcels of real estate benefitted by the improvement described in Section 3 hereof and affected by the improvement described therein that the Township intends to make and to levy special assessments against all such lots and parcels of real estate in an aggregate amount of not exceeding \$7,000,000. Such special assessments shall be made and levied in the manner provided by law and shall be as nearly as possible in proportion to and not in excess of the peculiar benefit, advantage or increase in value that the respective lots and parcels of real estate shall be deemed to receive by reason of the improvement. It is expected that the Township will contribute \$9,540,000 to the cost of the improvement; however, if the amount of the special assessments as finally confirmed is less than \$7,000,000, then the Township will also contribute the difference to the cost of the improvement.

Section 8. The owner of any land upon which an assessment for the local improvement shall have been made may pay such assessment in the number of equal yearly installments

determined herein with legal interest on the unpaid balance of the assessment. The first of such installments shall be due and payable two months after the confirmation of the assessment, and each subsequent annual installment and interest shall be payable in each successive year at such time as the governing body shall determine by resolution, provided that any owner of land so assessed shall have the privilege of paying the whole of any assessment or any balance of installments with accrued interest thereon at one time. In case any such installment shall remain unpaid for thirty (30) days after the time it shall become due and payable, the whole assessment or the balance thereof shall become and be immediately due and payable, shall draw interest at the rate imposed upon the arrearage of taxes in the Township and shall be collected in the same manner as provided by law for other past-due assessments. Such assessment shall remain a lien upon the land described herein until the assessment, with all installments and accrued interest thereon, shall be paid and satisfied. Notwithstanding anything herein to the contrary, the Township shall have the right to waive default as may be permitted by law.

Section 9. The following additional matters are hereby determined, declared, recited and stated:

- (a) The purposes described in Section 3 of this bond ordinance are not current expenses. They are improvements that the Township may lawfully undertake as general improvements and no part of the costs thereof have been or shall be specially assessed on property specially benefitted thereby.
- (b) The average period of usefulness, computed on the basis of the respective amounts of obligations authorized for each purpose and the reasonable lives thereof within the limitations of the Local Bond Law, is 40 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 Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$15,965,000, and the obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law.
- (d) All ordinances or other proceedings making appropriations or authorizing the issuance of bonds or bond anticipation notes for the improvements or purposes described in Section 3 of this bond ordinance, including particularly the ordinances referred to in Section 3 are hereby repealed to the extent of any inconsistency herewith and to the extent, if any, that they authorize the issuance hereafter of bonds or bond anticipation notes for the purpose of financing such improvements or purposes or that they make appropriations for such improvements or purposes in excess of the amounts herein stated as the appropriations therefor. Any such bonds or bond anticipation notes heretofore issued and now outstanding pursuant to these ordinances, any moneys expended and any expenses incurred pursuant to appropriations made by these ordinances or other proceedings and are hereby ratified and confirmed and shall be accounted for and deemed to have been issued, expended or incurred pursuant to this amending and superseding bond ordinance.

(e) An aggregate amount not exceeding \$2,300,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 may be included as part of the costs of the purposes or improvements authorized herein and is included in the foregoing estimates thereof.

(f) The number of annual installments within which the special assessments are to be levied on the lots and parcels of real estate benefitted by the improvement is 20.

Section 10. Any grant moneys received for the purposes described in Section 3 hereof shall be applied either to direct payment of the costs of the improvements or to payment of the obligations issued pursuant to this Township. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 11. The Township hereby declares the intent of the Township to issue the bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3(a) of this bond ordinance. This Section 8 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

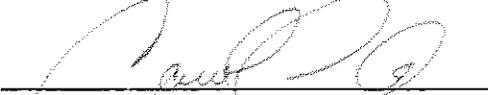
Section 12. The chief financial officer of the Township is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the Township and to execute such disclosure document on behalf of the Township. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Township 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 Township 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 Township fails to comply with its undertaking, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 13. The full faith and credit of the Township 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 Township, and the Township is obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the obligations and the interest thereon without limitation of rate or amount.

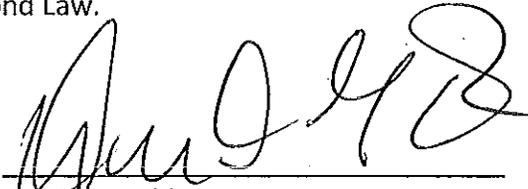
Section 14. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

Introduced: October 11, 2016

Adopted: October 25, 2016



Carol J. Marsh, Township Clerk



David G. Kohle, Mayor