

**THE TOWNSHIP OF DOWNE IN
THE COUNTY OF CUMBERLAND, NEW JERSEY**

BOND ORDINANCE NO. 2017 - 4

BOND ORDINANCE PROVIDING FOR SEWER IMPROVEMENTS IN AND BY THE TOWNSHIP OF DOWNE, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, APPROPRIATING \$1,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,000,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF AND THE EXECUTION OF CERTAIN DOCUMENTS RELATED THERETO.

WHEREAS, the Township of Downe, in the County of Cumberland, New Jersey (“Township”) and the County of Cumberland (“County” and together with the Township, the “Parties”) recognize the benefits and economies to be achieved by utilizing shared services for the performance of services that can be done more efficiently in combination rather than separately; and

WHEREAS, this ordinance is being adopted in connection with, and in anticipation of, a shared service agreement to be entered into by the Parties pursuant to the Uniformed Shared Services Consolidation Act, N.J.S.A. 40A:65-1, et seq. to provide sewer services that each local unit is legally able to provide on their own (the “Shared Services Agreement”); and

WHEREAS, the Township desires to provide sewage collection and a sewer treatment plant as more specifically described in Section 3(a) hereof (the “Sewer Services Project”) for certain areas within the Township including the Bayside Communities of Fortescue and Gandy’s Beach; and

WHEREAS, the Parties and the State of New Jersey Department of Environmental Protection (the “Department”) anticipate executing, either jointly or severally, a Memorandum of Agreement (the “MOA”) pursuant to which the State of New Jersey (the “State”) will fund the Sewer Services Project for the communities of Fortescue and Gandy’s Beach within the Township through the New Jersey Environmental Infrastructure Trust Financing Program (the “NJEIT”) including an initial loan of One Million Dollars (\$1,000,000.00) (the “Loan”) to initiate permit approval and design of the Sewer Services Project; and

WHEREAS, in order to comply with the provisions of the NJEIT the Loan needs to be made to the County for the benefit of the Township; and

WHEREAS, pursuant to the MOA, the County would be obligated to repay all monies loaned or extended to the County for the benefit of the Township which might need to be repaid to the State or the Department through the NJEIT; and

WHEREAS, the Parties have agreed to work cooperatively with respect to the financing, construction, operation and guarantee of repayment of indebtedness with respect to the Sewer Services Project and the Township wishes to adopt this ordinance pursuant to the MOA and the Shared Services Agreement and in case it should ever be required to repay the County for any repayment the County must make to the State, Department or NJEIT for repayment of the Loan for the Sewer Services Project.

NOW THEREFORE BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF DOWNE, IN THE COUNTY OF CUMBERLAND, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. Appropriation for Sewer Services Project. The improvement described in Section 3(a) of this bond ordinance is hereby authorized to be undertaken by the Township as a general improvement. For the improvement or purpose described in Section 3(a), there is hereby appropriated the sum of \$1,000,000. Pursuant to N.J.S.A. 40A:2-11(c) no down payment is required as the Sewer Services Project will be funded through a loan from the NJEIT and/or the Department. The within appropriation is intended to enable the Township to generate funding, to the extent necessary, to repay the County of Cumberland (the "County") any and all amounts which the County shall be obligated to pay to the State, the Department or NJEIT in connection with the Sewer Services Project.

Section 2. Funding of Sewer Services Project. To provide funds to permanently fund the obligations of the Township under the Shared Services Agreement and the MOA with regard to the Sewer Services Project, negotiable bonds are hereby authorized to be issued in the principal amount of \$1,000,000 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 aforesaid

notwithstanding, consistent with the Shared Services Agreement, the Township anticipates receiving principal forgiveness from the Department and/or NJEIT in an amount at least equal to the principal amount of the Loan.

Section 3. Project Description. (a) The improvement hereby authorized and the purpose for the financing of which the bonds and notes are to be issued is sanitary sewer improvements, including the planning and design and construction of a sewer treatment plant (including batch plants), the construction and installation of piping, pumps, forcemain and pump stations, all necessary paving and grading and site work, and all work and materials necessary therefor and incidental thereto, for areas of the Township, including the Bayside Community of Fortescue and Gandy's Beach.

(b) The estimated maximum amount of bonds or bond anticipation notes to be issued for the improvement or purpose is as stated in Section 2 hereof.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

Section 4. Bond Anticipation Notes. All bond anticipation notes issued hereunder shall mature at such times 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 bond anticipation note shall mature later than one year from its date, unless such bond anticipation notes are permitted to mature at such later date in accordance with applicable law. 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 any 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 or other applicable 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 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.

Section 5. Capital Budget. 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 6. Additional Matters. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvement or purpose described in Section 3(a) of this bond ordinance is not a current expense. It is an improvement or purpose that the Township 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 40 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Township 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 \$1,000,000, and the obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law.

(d) An aggregate amount not exceeding \$200,000 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.

Section 7. Official Intent to Reimburse Expenditures. The Township reasonably expects to reimburse any expenditures towards the cost 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 Township, or any member of the same “control group” as the Township, 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 Township’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 8. Application of Grants. Any grant moneys received for the purpose described in Section 3(a) 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 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 shall be 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 10. Secondary Market Disclosure. 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 11. Execution of Documents. The Mayor and/or Chief Financial Officer and Clerk of the Township are each hereby authorized to execute and have attested any agreements, documents, certificates or instruments necessary or appropriate to carry out the purposes of this Bond Ordinance, including without limitations, the MOA and Shared Services Agreement, to provide for the payment of monies owed to the County in connection with the improvements described herein.

Section 12. Covenants. The Township hereby covenants to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the bonds and notes authorized hereunder as is or may be required under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

Section 13. Ratification of Prior Actions. Any action taken by any officials of the Township 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 14. Effective Date. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

Nadine Lockley, Acting Township Clerk

FIRST READING:	November 13, 2017
PUBLICATION:	November 20, 2017
FINAL READING:	December 11, 2017
PUBLICATION WITH STATEMENT:	December 17, 2017

NOTICE OF PENDING BOND ORDINANCE AND SUMMARY

The Bond Ordinance, the summary terms of which are included herein, was introduced and passed upon first reading at a regular meeting of the Township Committee held on November 13, 2017, at the Downe Township Municipal Complex. It will be further considered for final passage, after public hearing thereon, at a regular meeting of the Township Committee to be held on December 11, 2017, at 7:00 o'clock P.M. at the Downe Township Municipal Complex. During the week prior to and up to and including the date of such meeting, copies of the full ordinance will be available at no cost and during regular business hours, at the Clerk's office located in the Downe Township Municipal Complex, 288 Main Street, Newport, New Jersey, for the members of the general public who shall request the same. The summary of the terms of such Bond Ordinance follows:

Title: "BOND ORDINANCE PROVIDING FOR SEWER IMPROVEMENTS IN AND BY THE TOWNSHIP OF DOWNE, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, APPROPRIATING \$1,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,000,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF AND THE EXECUTION OF CERTAIN DOCUMENTS RELATED THERETO."

Purpose(s): To provide funds to pay the obligations of the Township to repay the County of Cumberland under a Shared Service Agreement and Memorandum of Understanding with regard to the Construction of a new Sewer Treatment Plant for areas of the Township including the Bayside Community of Fortescue and Gandy's Beach

Appropriation: \$1,000,000

Bonds/Notes Authorized: \$1,000,000

Grants (if any) Appropriated: \$1,000,000 (New Jersey Department of Environmental Protection)

Section 20 Costs: \$200,000

Useful Life: 40 years

Nadine Lockley, Acting Township Clerk

This Notice is published pursuant to N.J.S.A. 40A:2-17.

BOND ORDINANCE STATEMENTS AND SUMMARY

The Bond Ordinance, the summary terms of which are included herein, has been finally adopted by the Township Committee of the Township of Downe, in the County of Cumberland, State of New Jersey on December 11, 2017, and the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement. Copies of the full ordinance are available at no cost and during regular business hours, at the Clerk's office located in the Downe Township Municipal Complex, 288 Main Street, Newport, New Jersey, for members of the general public who request the same. The summary of the terms of such Bond Ordinance follows:

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