



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

	YES	NO	ABSTAIN	ABSENT
Bart, E.	X			
Byrne, S.	X			
Jordan, L.	X			
Rothman, M	X			
Campbell, R.	X			

Resolution Number: R-65-2024  
Dated: May 13, 2024  
Offered By: JORDAN  
Seconded By: BYRNE

**RESOLUTION OF THE TOWNSHIP OF DOWNE, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF ITS NOTES RELATING TO THE CONSTRUCTION FINANCING FOR THE NEW WASTEWATER TREATMENT PLANT AND SEWER SERVICE LINE INSTALLATION PROJECT, TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$35,000,000 TO THE COUNTY OF CUMBERLAND, NEW JERSEY AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTES TO THE COUNTY OF CUMBERLAND, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTES BY THE TOWNSHIP OF DOWNE IN FAVOR OF THE COUNTY OF CUMBERLAND FOR THE CONSTRUCTION FINANCING OF THE NEW WASTEWATER TREATMENT PLANT AND SEWER SERVICE SYSTEM**

**WHEREAS**, in accordance with the terms of the Local Bond Law of the State of New Jersey, and the acts amendatory thereof and supplemental thereto, constituting Chapter 2 of Title 40A of the Revised Statutes of the State (the "**Local Bond Law**"), and that certain bond ordinance adopted on April 22, 2024, entitled "**SEWER UTILITY BOND ORDINANCE REPLACING AND SUPERCEDING IN ALL RESPECTS BOND ORDINANCE NO. 2024-01, ADOPTED ON JANUARY 22, 2024, BY THE TOWNSHIP OF DOWNE, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, WHICH BOND ORDINANCE REPLACED AND SUPERCEDED IN ALL RESPECTS BOND ORDINANCE NO. 2020-7, ADOPTED ON MAY 11, 2020, TO INCREASE THE APPROPRIATION AMOUNT FOR THE CONSTRUCTION OF THE NEW WASTEWATER TREATMENT FACILITY AND SEWER SYSTEM TO SERVE THE FORTESCUE AND GANDY'S BEACH SECTIONS OF THE TOWNSHIP, AND AUTHORIZING THE ISSUANCE OF SEWER UTILITY BONDS IN AN AMOUNT NOT TO EXCEED \$35,000,000**", as thereafter amended or supplemented from time to time (the "**Bond Ordinance**"), the Township of Downe, a public body corporate and politic of the State of New Jersey (the "**Township**"), determined that there exists a need to finance the construction of a new centralized sewer collection system and wastewater treatment plant within the Township in the bayside communities of Fortescue and Gandy's Beach (collectively, the "**Sewer System Project**"); and

**WHEREAS**, the Sewer System Project has been determined to be necessary because many of the homes located in the Fortescue and Gandy's Beach communities (the "**Affected Area**") have inadequate or deteriorated on-site sewage disposal systems consisting of disposal fields or seepage

pits that provide insufficient sewage treatment because of a very shallow water table and/or frequent inundation by flood waters; and

**WHEREAS**, other homes in the Affected Area utilize sewage holding tanks that require regular pumping but are now in disrepair and leak due to years of lack of maintenance and inundation by flood waters; and

**WHEREAS**, due to these conditions, long-term untreated wastewater discharges to the Delaware Bay endanger the public health and safety, and adversely impact the local economy by restricting or eliminating local recreational and commercial use of the Delaware Bay for activities such as swimming, fishing and shellfish harvesting; and

**WHEREAS**, the Sewer System Project has a projected total cost of \$33,644,200 (the "**Project Cost**"), which amount the Township is unable to finance on its own as such amount would exceed the debt service limitation of the Township; and

**WHEREAS**, in order to reduce the amount to be financed for the Sewer System Project, the Township has secured a combination of (i) low interest loans from the New Jersey Infrastructure Bank ("**NJIB**"), with some of the loaned amounts being subject to principal forgiveness, (ii) low interest loans from the United State Department of Agriculture (the "**USDA**"), which shall be provided along with grant funding for the Sewer System Project, and (iii) a stand-alone grant through a Federal earmark; as part of the preceding funding package, the Township has obtained conditional grant financing and/or loan forgiveness for an aggregate amount of \$23,139,000 of the Project Cost (the "**Grant Funds**");

**WHEREAS**, the remaining amount of \$10,505,200 shall be financed by the Township (the "**Financed Amount**") and paid from the revenues of a self-liquidating municipal sewer utility (the "**Utility**") created pursuant to N.J.S.A. 40:62 et seq., and approved by the Local Finance Board Division of Local Government Services (the "**LFB**") on both January 10, 2024 and April 10, 2024; and

**WHEREAS**, because most of the Grant Funds are only available on a reimbursement basis virtually all of the entire Project Cost must initially be made available; and

**WHEREAS**, the County of Cumberland (the "**County**") has determined that the Sewer System Project has significant importance to the local economy and to the residents of the Township and the County; and

**WHEREAS**, the Uniform Shared Service and Consolidation Act, N.J.S.A. 40A:65-1, et seq. (the "**Shared Services Act**"), authorizes local units of the State of New Jersey, including counties and municipalities, to enter into agreements with any other local unit or units for the joint provisions within their several jurisdictions of any service which any party to the agreement is empowered to render within its own jurisdiction; and

**WHEREAS**, the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "**Local Bond Law**"), further authorizes counties and municipalities to issue bond anticipation notes and bonds to fund sewer system improvements; and

**WHEREAS**, the County has filed an application with the NJIB for the construction loan financing of the Sewer Project and the NJIB has made financing available for the Sewer Project on the condition that such financing be administered through the County; and

**WHEREAS**, the County has determined to assist the Township in the financing and provision of the improvements for the Project necessary to improve the sewer services in the Affected Area, through the execution of a shared services agreement (the “**Shared Services Agreement**”) to utilize 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 with the Township, and the issuance of a project note of the County to the NJIB to make the funds needed for the Project available to the Township (the “**County Note**”); and

**WHEREAS**, the County Note shall be secured by a bond anticipation note of the Township issued to the County in substantially like amount and payment terms as contained in the County Note (the “**Township Note**”); and

**WHEREAS**, the County will issue the County Note for the full cost of the Project in the anticipated principal amount of \$33,644,200, which amount shall be available to be drawn down on a requisition basis for the construction of the Project; and

**WHEREAS**, during construction of the Sewer System Project, USDA will make grant funds available in the aggregate amount of approximately \$6,972,000 to the Township for the Sewer System Project, leaving the County to draw down the approximate difference of \$26,672,200; and

**WHEREAS**, upon completion of the Sewer System Project, it is anticipated that (i) principal forgiveness from the NJIB in the aggregate approximate amount of \$5,500,000, (ii) a USDA grant of approximately \$6,667,000, (iii) a federal earmark of approximately \$4,000,000, (iv) USDA loans in the aggregate approximate amount of \$3,854,200 (the “**USDA Loans**”), and (v) the residual of the NJIB loan through the County (the “**NJIB Loan**”) in the approximate amount of \$6,651,000, will be available to pay the existing County Note in full; and

**WHEREAS**, it is anticipated that the debt service on the Township Note shall be paid by the Township from the sewer utility rates charged by the Township’s self-liquidating sewer utility (the “**Utility**”) to the ratepayers of the Township’s Utility in such amounts as have been approved by the LFB, and the respective loans shall ultimately be secured by the *ad valorem* taxing power of the Township; and

**WHEREAS**, the County and the Township have determined that it will be most cost-effective and in the best interest of the County and the Township to enter into the Shared Services Agreement pursuant to the Shared Services Act so that: (i) the Township may undertake and complete the Sewer System Project, (ii) the County may make NJIB funding available to the Township to undertake and complete the Sewer System Project, (iii) the Township may finance and pay the NJIB Loan through the County, and (iv) the Township will pay to the County all Grant Funds received by the Township to be applied in payment of the outstanding principal balance due under the Township Note; and

**WHEREAS**, the Township desires to temporarily finance the Sewer System Project with the proceeds of a short-term construction loan in an aggregate principal amount of up to \$33,644,200 to be made by the I-Bank to the County (the “**Construction Loan**”), the proceeds of which Construction Loan will then be made available by the County to the Township in accordance with the Township Note to construct the Sewer System Project; and

**WHEREAS**, in order to evidence and secure the repayment obligation of the Township to the County with respect to the Construction Loan, it is the desire of the Township to issue and sell to the County the Township's Note in an aggregate principal amount of up to \$33,644,200; and

**WHEREAS**, it is the desire of the Township to authorize, execute, attest and deliver the Township Note to the County pursuant to the terms of the Local Bond Law, and other applicable law, all under the terms and conditions set forth herein.

**NOW, THEREFORE, BE IT RESOLVED**, by the Committee of the Township of Downe, Cumberland County, New Jersey, as follows:

**Section 1.** In accordance with Section 28 of the Local Bond Law, the Township hereby authorizes the issuance, sale and award of the Township Note in accordance with the provisions hereof. The obligation represented by the Township Note has been appropriated and authorized by **Bond Ordinance No. 2024-08** of the Borrower, finally adopted on April 22, 2024, which bond ordinance is entitled "**SEWER UTILITY BOND ORDINANCE REPLACING AND SUPERCEDING IN ALL RESPECTS BOND ORDINANCE NO. 2024-01, ADOPTED ON JANUARY 22, 2024, BY THE TOWNSHIP OF DOWNE, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, WHICH BOND ORDINANCE REPLACED AND SUPERCEDED IN ALL RESPECTS BOND ORDINANCE NO. 2020-7, ADOPTED ON MAY 11, 2020, TO INCREASE THE APPROPRIATION AMOUNT FOR THE CONSTRUCTION OF THE NEW WASTEWATER TREATMENT FACILITY AND SEWER SYSTEM TO SERVE THE FORTESCUE AND GANDY'S BEACH SECTIONS OF THE TOWNSHIP, AND AUTHORIZING THE ISSUANCE OF SEWER UTILITY BONDS IN AN AMOUNT NOT TO EXCEED \$35,000,000**". At all applicable meetings of the Township Committee, a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law.

**Section 2.** The Chief Financial Officer of the Township (the "**Chief Financial Officer**") is hereby authorized to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions hereof, (i) the final principal amount of the Township Note (subject to the maximum limitation set forth in Section 4(a) hereof), and (ii) the dated date of the Township Note.

**Section 3.** Any determination made by the Chief Financial Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Township Note by the parties authorized pursuant to Section 4(h) hereof.

**Section 4.** The Township hereby determines that certain terms of the Township Note shall be as follows:

- (a) the principal amount of the Township Note to be issued shall be an amount up to \$35,000,000;
- (b) the maturity of the Township Note shall be the maturity date of the County Note, and shall be subject to renewals as are necessary to comply with all applicable law;
- (c) the interest rate of the Township Note shall be equal to the interest rate on the County Note;
- (d) the purchase price for the Township Note shall be part;
- (e) the Township Note shall be subject to prepayment prior to its stated maturity in accordance with the terms and conditions of the County Note;
- (f) the Township Note shall be issued in a single denomination and shall be numbered "[insert year] – [insert number of note]";

- (g) the Township Note shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America;
- (h) the Township Note shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Township Clerk.

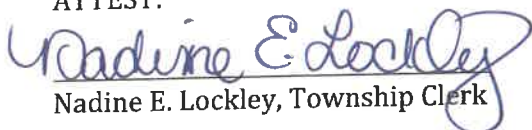
**Section 5.** The Township Note shall be substantially in the form attached hereto as **Exhibit A** and shall be subject to such revisions as may be approved by the Chief Financial Officer.


**Section 6.** The Mayor, Deputy Mayor, Chief Financial Officer of the Township (collectively, the "**Authorized Officers**") are hereby further severally authorized to (i) execute and deliver, and the Township Clerk is hereby further authorized to attest to such execution and to affix the corporate seal of the Township to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers of the Township after consultation with counsel and any advisors to the Township and after further consultation with the County and I-Bank and their respective representatives, agents, counsel and advisors, to be executed in connection the issuance and sale of the Township Note, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery of the Township Note.

**Section 7.** Upon the adoption hereof, the Township Clerk shall forward certified copies of this resolution to Fleishman Daniels Law Offices, LLC, bond counsel to the Township, Jeffrey Ridgway, Chief Financial Officer of the County, Christopher Langhart, Esquire, Bond Counsel to the County, David Zimmer, Executive Director of the I-Bank, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the I-Bank.

**Section 8.** This Resolution shall take effect immediately upon adoption this 13th of May, 2024.

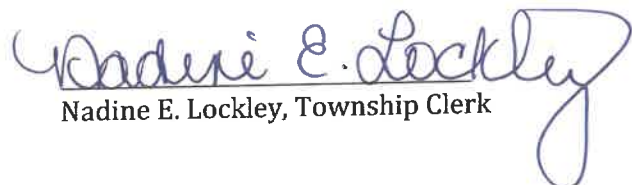
ATTEST:

  
Nadine E. Lockley, Township Clerk

  
Michael L. Rothman, Mayor

### CERTIFICATE

I, Nadine E. Lockley, Township Clerk, do hereby certify that the foregoing is a correct and true copy of the Resolution adopted by the Township Committee of the Township of Downe at its Regular Business Meeting held on the 13<sup>th</sup> of May, 2024.

  
Nadine E. Lockley, Township Clerk

[SEAL]