

**BOROUGH OF BLOOMINGDALE
BOND ORDINANCE No. 19-2020**

**BOND ORDINANCE PROVIDING FOR VARIOUS 2020
CAPITAL ACQUISITIONS AND IMPROVEMENTS, BY AND
IN THE BOROUGH OF BLOOMINGDALE, IN THE COUNTY
OF PASSAIC, STATE OF NEW JERSEY; APPROPRIATING
\$1,374,000 THEREFOR AND AUTHORIZING THE
ISSUANCE OF \$1,342,000 BONDS OR NOTES OF THE
BOROUGH TO FINANCE PART OF THE COST THEREOF**

**BE IT ORDAINED AND ENACTED BY THE BOROUGH COUNCIL OF THE
BOROUGH OF BLOOMINGDALE, IN THE COUNTY OF PASSAIC, STATE OF NEW
JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS
FOLLOWS:**

SECTION 1. The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized as general improvements or purposes to be undertaken by the Borough of Bloomingdale, in the County of Passaic, State of New Jersey (the "Borough"). For the said improvements or purposes stated in Section 3, there is hereby appropriated the aggregate sum of \$1,374,000, which sum includes a \$99,000 grant expected to be received from the County of Passaic Open Space and Farmland Preservation Trust Fund Program (the "Open Space Grant"), a \$300,000 grant expected to be received from the State of New Jersey Department of Transportation (the "DOT Grant"), and a \$75,000 grant expected to be received from the Community Development Block Grant Program (the "CDBG Grant", and together with the Open Space Grant and DOT Grant,, the "Grants") and \$32,000 as the aggregate amount of down payments for said improvements or purposes as required by the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"). Said down payments are now available therefor by virtue of

appropriations in a previously adopted budget or budgets of the Borough for down payment or for capital improvement purposes. Pursuant to N.J.S.A. 40A:2-11(c), as amended and supplemented, no down payment is required for the improvement or purpose set forth in Section 3(a)(i) hereof, as such project is being funded by the DOT Grant.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet the part of said \$1,374,000 appropriation not provided for by application hereunder of said down payments, negotiable bonds of the Borough are hereby authorized to be issued in the principal amount of \$1,342,000 pursuant to and within the limitations prescribed by the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the Borough in a principal amount not exceeding \$1,342,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

SECTION 3. (a) The improvements hereby authorized and purposes for the financing of which said obligations are to be issued are as follows:

<u>Description</u>	<u>Appropriation</u>	<u>Authorization</u>	<u>Down Payment</u>	<u>Useful Life</u>
(i) Various roadway improvements to, as applicable, the entire lengths or portions of various roads within the Borough, including but not limited to, Hamilton Street, Tice Road, Park Avenue and Lakeside Avenue; and	\$748,000 (including a \$300,000 grant expected to be received from the State of New Jersey Department of Transportation)	\$748,000	\$0	15 years
(ii) Borough-wide stormwater improvements; and	\$100,000	\$95,000	\$5,000	20 years

<u>Description</u>	<u>Appropriation</u>	<u>Authorization</u>	<u>Down Payment</u>	<u>Useful Life</u>
(iii) Sidewalk improvements to, as applicable, the entire length or portions of, Union Avenue; and	\$300,000 (including a \$75,000 grant expected to be received from the Community Development Block Grant Program)	\$285,000	\$15,000	10 years
(iv) Reconstruction of the Walter T. Bergen tennis courts; and	\$150,000 (including a \$99,000 grant expected to be received from the County of Passaic Open Space and Farmland Preservation Trust Fund Program)	\$142,000	\$8,000	15 Years
(v) Purchase of various equipment for the Department of Public Works, including, but not limited to, a lazer diesel mower and radios.	\$76,000	\$72,000	\$4,000	5 years
Total:	\$1,374,000	\$1,342,000	\$32,000	

(b) Such improvements or purposes set forth in Section 3(a) shall also include, but are not limited to, as applicable, demolition and excavation, paving, resurfacing and reconstruction of the roadways, roadway painting and striping, replacing the castings on catch basins and manholes, the repairing and/or removal and installation of sidewalks, driveway aprons, curbing, retaining walls and curb ramps, guardrails, and concrete improvements, and all other related improvements, design work, preparation of plans and specifications, permits, bid documents, contract administration, work, materials, equipment, accessories, labor and appurtenances necessary therefor or incidental thereto.

(c) The aggregate estimated maximum amount of bonds or notes to be issued for said purposes is \$1,342,000.

(d) The aggregate estimated cost of said improvements or purposes is \$1,374,000, the excess amount thereof over the said estimated maximum amount of bonds or notes to be issued therefor is the aggregate down payments for said purposes in the amount of \$32,000.

SECTION 4. Except for the Grants, in the event the United States of America, the State of New Jersey, and/or the County of Passaic make a contribution or grant in aid to the Borough for the improvements and purposes authorized hereby and the same shall be received by the Borough prior to the issuance of the bonds or notes authorized in Section 2 hereof, then the amount of such bonds or notes to be issued shall be reduced by the amount so received from the United States of America, the State of New Jersey, and/or the County of Passaic. Except for the Grants, in the event, however, that any amount so contributed or granted by the United States of America, the State of New Jersey, and/or the County of Passaic shall be received by the Borough after the issuance of the bonds or notes authorized in Section 2 hereof, then such funds shall be applied to the payment of the bonds or notes so issued and shall be used for no other purpose. This Section 4 shall not apply, however, with respect to any contribution or grant in aid received by the Borough as a result of using funds from this bond ordinance as “matching local funds” to receive such contribution or grant in aid.

SECTION 5. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer or the Treasurer of the Borough, provided that no note shall mature later than one (1) year from its date or otherwise authorized by the Local Bond Law. The notes shall bear interest at such rate or

rates and be in such form as may be determined by the Chief Financial Officer or the Treasurer. The Chief Financial Officer or the Treasurer shall determine all matters in connection with the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer or the Treasurer upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time in accordance with the provisions of the Local Bond Law. The Chief Financial Officer or the Treasurer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price and accrued interest thereon from their dates to the date of delivery thereof. The Chief Financial Officer or the Treasurer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the principal amount, the description, the interest rate, and the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

SECTION 6. The Capital Budget or Budgets of the Borough are hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency, a resolution in the form promulgated by the Local Finance Board showing full detail of the amended Capital Budget or Budgets and capital programs as approved by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs will be on file in the office of the Clerk and will be available for public inspection.

SECTION 7. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvements or purposes described in Section 3 of this bond ordinance are not current expenses and are improvements which the Borough may lawfully undertake as general improvements, 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 improvements or purposes within the limitations of the Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 13.75 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the Office of the Clerk of the Borough and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, 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 or notes provided for in this bond ordinance by \$1,342,000 and the said bonds or notes authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding \$115,000 for items of expense listed in and permitted under section 20 of the Local Bond Law is included in the estimated cost indicated herein for the purposes or improvements hereinbefore described.

SECTION 8. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the bonds or notes authorized by this bond ordinance. The bonds or notes 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 the bonds or notes and the interest thereon without limitation as to rate or amount.

SECTION 9. The Borough reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 9 is intended to be and hereby is a declaration of the Borough's official intent to reimburse any expenditures toward 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 §1.150-2. No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the “Code”). The proceeds of any bonds or notes authorized herein used to reimburse the Borough for costs of the improvements or purposes described in Section 3 hereof, or funds corresponding to such amounts, will not be used in a manner that results in the creation of “replacement proceeds”, including “sinking funds”, “pledged funds” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), of any bonds or notes authorized herein or another issue of debt obligations of the Borough other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the Borough for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will be issued in an amount not to exceed \$1,342,000. The costs to be reimbursed with the proceeds of the bonds or

notes authorized herein will be "capital expenditures" in accordance with the meaning of section 150 of the Code. All reimbursement allocations will occur not later than eighteen (18) months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized herein is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than three (3) years after the expenditure is paid.

SECTION 10. The Chief Financial Officer of the Borough 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 Borough, which are authorized herein, and to execute such disclosure document on behalf of the Borough. The Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Borough 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 Borough, 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 Borough fails to comply with its undertaking, the Borough shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

SECTION 11. The Borough covenants to maintain the exclusion from gross income under section 103(a) of the Code of the interest on all federally tax exempt bonds and notes issued under this ordinance.

SECTION 12. This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption and approval by the mayor, as provided by the Local Bond Law.

**ADOPTED ON FIRST READING
DATED: JUNE 23, 2020**

**BREEANNA CALABRO, Clerk
Clerk of the Borough of Bloomingdale**

**ADOPTED ON SECOND READING
DATED: JULY 21, 2020**

**BREEANNA CALABRO, Clerk
Clerk of the Borough of Bloomingdale**