**BOROUGH OF BLOOMINGDALE**

**COUNTY OF PASSAIC, NEW JERSEY**

**ORDINANCE NUMBER 13-2017**

**BOND ORDINANCE PROVIDING FOR THE EXTENSION OF THE SEWER SYSTEM TO PROPERTY LOCATED ON VAN DAM AVENUE, IN AND BY THE BOROUGH OF BLOOMINGDALE , IN THE COUNTY OF PASSAIC, STATE OF NEW JERSEY; APPROPRIATING $100,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF $100,000 BONDS OR NOTES OF THE BOROUGH TO FINANCE THE COST THEREOF AND DIRECTING THE SPECIAL ASSESSMENT 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 the members thereof affirmatively concurring), AS FOLLOWS:

**SECTION 1.** The improvement or purpose described in Section 3 of this bond ordinance is hereby authorized as a local improvement to be undertaken by the Borough of Bloomingdale , in the County of Passaic, State of New Jersey (the "Borough") pursuant to N.J.S.A. 40:56-1 et seq. and the cost of said improvement or purpose shall be assessed on the property benefitted thereby. For the improvement or purpose stated in Section 3, there is hereby appropriated the sum of $100,000. Pursuant to the provisions of N.J.S.A. 40A:2-7(h) and 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the “Local Bond Law”), no down payment is required as the sewer utility is self-liquidating.

**SECTION 2.** For the financing of said improvement or purpose and to meet the $100,000 appropriation, negotiable bonds of the Borough are hereby authorized to be issued in the principal amount of $100,000 pursuant to 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 $100,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

**SECTION 3.** (a) The improvement hereby authorized and purpose for the financing of which said obligations are to be issued, is to extend the sewer system to the property located on 24 Van Dam Avenue, known as Block 5105, Lot 15, as referenced on the official tax map of the Borough (the “Assessed Property”), and also including all work, materials, labor and appurtenances necessary therefor or incidental thereto. The Assessed Property is also on file in the office of the Borough Clerk and is hereby incorporated in this bond ordinance as if more fully set forth herein.

(b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is $100,000.

(c) The estimated cost of said improvement or purpose is $100,000.

(d) The estimated total cost of the improvement or purpose to be assessed against the Assessed Property is $100,000.

(e) The estimated total cost of the improvement or purpose to be contributed and borne by the Borough is $0.

**SECTION 4.** 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. 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 time 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. 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 of the Borough 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, the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

**SECTION 6.** The capital budget of the Borough is 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 and capital programs as approved by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs (the "Director of the Division of Local Government Services") 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 improvement and purpose described in Section 3 of this bond ordinance is not a current expense and is an improvement or purpose which the Borough may lawfully undertake as a local improvement, the cost of which has been or shall be specially assessed on the Assessed Property, which property shall be specially benefited thereby.

(b) The Borough will not contribute to the cost of the improvement or purpose described in Section 3 hereof, and the Assessed Property will contribute $100,000 to the cost of the improvement or purpose described in Section 3 hereof.

(c) The number of annual installments in which the special assessments may be paid is ten (10) years.

(d) The estimated maximum amount of special assessments shall be $100,000.

(e) At least seven (7) days prior to such time fixed for further consideration for final passage of this bond ordinance, a copy of this bond ordinance, together with a notice of the introduction hereof, and the time and place, when and where this bond ordinance will be further considered for final passage shall be mailed to the person whose land may be affected by this bond ordinance or any assessments which may be made in pursuance thereof, so far as the same may be ascertained, to his/her last known post office address.

(f) 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 forty (40) years.

(g) 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 in the 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 $100,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(h) An aggregate amount not exceeding $40,000 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 improvement or purpose described herein.

(i) If the amount of the assessments on the Assessed Property is less than $100,000, then the Borough will contribute the difference between such reduced assessment and the cost of the improvement or purpose, such difference to be financed by the issuance of general improvement bonds or notes of the Borough.

**SECTION 8.** Unless paid from other sources, the full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. Unless paid from other sources, the 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 the obligations and the interest thereon without limitation as to rate or amount.

**SECTION 9.** The Borough reasonably expects to reimburse any expenditures toward the cost of the improvement or purpose 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 have been or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Borough, or any member of the same "Controlled Group" as the Borough, within the meaning of Treasury Regulation Section 1.150-1(e), pursuant to its budget or financial policies with respect to any expenditures to be reimbursed. This Section 9 is intended to be and hereby is a declaration of the Borough's official intent to reimburse any expenditures toward the cost of the improvement or purpose described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulation Section 1.150-2, and no further action (or inaction) will be an abusive arbitrage device in accordance with Treasury Regulation Section 1.148-10 to avoid the arbitrage yield restrictions or arbitrage rebate requirements under section 148 of the Internal Revenue Code of 1986, as amended and supplemented (the "Code"). The proceeds of any bonds or notes authorized herein used to reimburse the Borough for any expenditures toward the cost of the improvement or purpose described in Section 3 hereof will not be used directly or indirectly (i) to "refund" an issue of governmental obligations within the meaning of Treasury Regulation Section 1.150-(1)(d), (ii) to create, within one year, following the reimbursement of any expenditures of bond proceeds, "replacement proceeds" within the meaning of Treasury Regulation Section 1.148‑1 of the bonds, or any other bond issue, or (iii) to reimburse the Borough for any expenditure or payment that was originally paid with the proceeds of any obligation of the Borough (other than borrowing by the Borough from one of its own funds or the funds of a member of the same "Controlled Group" within the meaning of Treasury Regulation Section 1.150-1(e)). The bonds or notes authorized herein to reimburse the Borough for any expenditures toward the cost of the improvement or purpose described in Section 3 hereof will be issued in an amount not to exceed $100,000. 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 and Treasury Regulation Section 1.150-1. This provision will take effect immediately, but will be of no effect with regard to expenditures for costs paid outside the permitted reimbursement period set forth in Treasury Regulation Section 1.150-2(d)(2).

**SECTION 10.** The Borough covenants to maintain the exclusion from gross income under section 103(a) of the Code, of the interest on all bonds and notes issued under this ordinance.

**SECTION 11.** 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: April 18, 2017

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JANE MCCARTHY,

Clerk of the Borough of Bloomingdale

ADOPTED ON SECOND READING

DATED: \_\_\_\_\_\_\_\_\_\_ \_\_\_, 2017

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JANE MCCARTHY,

Clerk of the Borough of Bloomingdale

**NOTICE OF PENDING LOCAL IMPROVEMENT BOND ORDINANCE**

The local improvement bond ordinance attached hereto was introduced and passed upon first reading at a meeting of Borough Council on April 18, 2017. The local improvement bond ordinance will be considered for final adoption at a meeting of the Borough Council on May 2, 2017 at 7 p.m. in the Council Chambers of the Municipal Building. The property located on 24 Van Dam Avenue known as Block 5105; Lot 15 is subject to special assessment by the Borough for the extension of the sewer system. Objections, if any, to the local improvement shall be given in writing and filed with the Borough Clerk before May 2, 2017, the proposed date of final passage of this local improvement bond ordinance in accordance with N.J.S.A. 40:49-7. The local improvement bond ordinance was published at least once, not less than 10 days prior to the time fixed for consideration on second reading of the local improvement bond ordinance. At least one week prior to the time of further consideration, a copy of the local improvement bond ordinance, together with a notice of introduction thereof, stating the time and place where such local improvement bond ordinance was to be further considered for final passage was mailed to the property owner whose land will be affected by the local improvement bond ordinance or by any assessment that may be made in pursuance thereof so far as it could be ascertained.

Jane McCarthy, RMC

Municipal Clerk