**BOROUGH OF BLOOMINGDALE**

**BOND ORDINANCE NUMBER \_\_\_\_\_\_**

**REFUNDING BOND ORDINANCE OF THE BOROUGH OF BLOOMINGDALE, IN THE COUNTY OF PASSAIC, STATE OF NEW JERSEY PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF ITS OUTSTANDING 2008 GENERAL IMPROVEMENT BONDS AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $1,615,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE BOROUGH TO EFFECT SUCH REFUNDING AND APPROPRIATING THE PROCEEDS THEREFOR**

 **WHEREAS**, pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), the Borough of Bloomingdale, in the County of Passaic, State of New Jersey (the “Borough”), has previously issued $4,050,000 General Improvement Bonds, Series 2008 on July 18, 2008 (the “2008 Bonds”); and

 **WHEREAS**, a $1,500,000 outstanding principal portion of the 2008 Bonds maturing on July 15 in the years 2019 through 2023, inclusive, are subject to redemption, either in whole or in part on any date on or after July 15, 2018 prior to their stated maturity dates, at a redemption price equal to 100% of their principal amount (the “Refunded Bonds”);

 **WHEREAS**, the Borough Council has an opportunity to refund all or a portion of the aforesaid Refunded Bonds through the issuance of General Obligation Refunding Bonds in an aggregate principal amount not to exceed $1,615,000 (the “Refunding Bonds”), to provide for net debt service savings; and

 **WHEREAS**, the Borough Council now desires to adopt this Refunding Bond Ordinance (the “Refunding Bond Ordinance”) authorizing the issuance of Refunding Bonds in an aggregate principal amount not exceeding $1,615,000, a portion of the sale proceeds of which shall be used to refund the Refunded Bonds.

 **NOW THEREFORE,** **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 refunding of all or a portion of the Refunded Bonds is hereby authorized.

 **SECTION 2.** In order to refund the Refunded Bonds and to pay all related costs associated therewith, the Borough is hereby authorized to issue the Refunding Bonds in an aggregate principal amount not to exceed $1,615,000, all in accordance with the requirements of N.J.S.A. 40A:2-51 et seq., and appropriate the proceeds of such Refunding Bonds to such purpose described in Section 3 hereof. Such Refunding Bonds shall be designated as “General Obligation Refunding Bonds” with such series designation as may be necessary to identify such bonds.

 **SECTION 3.** The purpose of the issuance of the Refunding Bonds is to achieve debt service savings by refunding all or a portion of the Refunded Bonds.

 **SECTION 4.** An aggregate amount not exceeding $90,000, may be allocated from the aggregate principal amount of the Refunding Bonds to pay for items of expense listed and permitted under N.J.S.A. 40A:2-51(b), including, but not limited to, the aggregate allocated costs of issuance thereof, including underwriting, printing, credit enhancement or other insurance, advertising, accounting, financial, legal and other expenses in connection therewith.

 **SECTION 5.**  The purpose of the issuance of the Refunding Bonds is to realize net present value interest cost savings for property taxpayers residing in the Borough (“net” meaning savings after payment of all costs of issuance of the Refunding Bonds). Applicable State requirements mandate that such net present value interest cost savings equal at least 3% of the principal amount of the Refunded Bonds. In addition, the issuance of the Refunding Bonds shall comply with the provisions of N.J.A.C. 5:30-2.5, including that within 10 days of the date of the closing on the Refunding Bonds, the Clerk shall file a report with the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs setting forth (a) a comparison of the Refunding Bonds’ debt service and the Refunded Bonds’ debt service which comparison shall set forth the present value savings achieved by the issuance of the Refunding Bonds; (b) a summary of the issuance of the Refunding Bonds; (c) an itemized accounting of all costs of issuance in connection with the issuance of the Refunding Bonds and (d) a certification of the Clerk that (i) all of the conditions of section (b) of N.J.A.C. 5:30- 2.5 have been met and (ii) a resolution authorizing the issuance of the Refunding Bonds, adopted pursuant N.J.S.A. 40A:2-51(c), was approved by a two-thirds vote of the full membership of the Borough Council.

 **SECTION 6.** The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the Borough 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 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 and notes provided for in this Refunding Bond Ordinance and the said bonds and notes authorized by this Refunding Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law.

 **SECTION 7.** The Borough covenants to maintain the exclusion from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, of the interest on all Refunding Bonds issued under this Refunding Bond Ordinance.

 **SECTION 8.** 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: October 30, 2017**

**JANE MCCARTHY,**

**Clerk of the Borough of Bloomingdale**

**ADOPTED ON SECOND READING**

**DATED: November 21, 2017**

**JANE MCCARTHY,**

**Clerk of the Borough of Bloomingdale**