ORDINANCE NO. 2014-3

BOND ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO SIX MILLION SIX HUNDRED THOUSAND DOLLARS ($6,600,000), AGGREGATE PRINCIPAL AMOUNT, GENERAL OBLIGATION BONDS OR NOTES OF THE TOWNSHIP OF OCEAN, COUNTY OF OCEAN, NEW JERSEY FOR THE CONSTRUCTION OF CERTAIN CLEAN WATER AND DRINKING WATER PROJECTS WITHIN THE TOWNSHIP OF OCEAN, OCEAN COUNTY, NEW JERSEY

BE IT ORDAINED, BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF OCEAN, IN THE COUNTY OF OCEAN AND STATE OF NEW JERSEY, (with the affirmative concurrence of not less than two-thirds of all the members thereof) AS FOLLOWS:

Section 1. **Description of Projects**

The Township of Ocean (the "Township") hereby authorizes the following projects to maintain and support compliance by the Township with the drinking water and sanitary sewer regulations of the State of New Jersey and thereby improve and protect the Township's water and sanitary sewer systems:

	IMPROVEMENT OR PURPOSE	APPROPRIATION AND ESTIMATED COST
(a)	Replacement of approximately 8,724 linear feet of existing 8" asbestos cement sewer main in 11th Street, Seneca Boulevard, Cove Drive, Hawkins Way, Stevenson Street, Long John Silver Way, Peg Leg Way, One Eye Way, Davey Jones Way, Cutlass Way, and Jolly Roger Way, with 8" polyvinyl chloride (PVC) pipe, including replacement of all sanitary manholes and sewer laterals, and complete roadway reconstruction (curb to curb); Replacement and improvements of 1,950 linear feet of Storm Water System on Seneca Boulevard, Stevenson Street, Long John Silver Way, Peg Leg Way, One Eye Way, Davey Jones Way, Cutlass Way, and Jolly Roger Way; and including all costs of surveying, construction, planning, design, engineering, preparation of plans and specifications, permits, bid documents and construction inspection and administration.	$4,100,000
(b)	Replacement of approximately 8,864 linear feet 4" water main, related gate valves, fire hydrants, fittings and water services, and complete street restoration on 11th Street, Seneca Boulevard, Stevenson Street, Long	

John Silver Way, Peg Leg Way, One Eye Way, Davey Jones Way, Cutlass Way, and Jolly Roger Way, including all costs of surveying, construction, planning, design, engineering, preparation of plans and specifications, permits, bid documents and construction inspection and administration.	$2,500,000
TOTAL	$6,600,000

Section 2. Funding of Appropriation

The cost of the improvements stated in Section 1, above, is intended to be financed through the Township's participation in the financing program being offered by the New Jersey Environmental Infrastructure Trust (the "Trust") and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), pursuant to the 2015 New Jersey Environmental Infrastructure Financing Program (the "Program"). The issuance of bonds or notes of the Township to the Trust and State in the maximum aggregate principal amount of SIX MILLION SIX HUNDRED THOUSAND DOLLARS ($6,600,000) to cover the cost of the improvements or purposes stated in Section 1 and the costs of issuance of such obligations is hereby authorized (collectively, the "Bonds"). In accordance with N.J.S.A. 40A:2-11(c), no down payment shall be required in connection with the issuance of the Bonds for the clean water project as this bond ordinance authorizes an obligation referred to in N.J.S.A. 40A:2-7(h) for purposes that are self-liquidating as described in N.J.S.A. 40A:2-45. In addition, the Township intends to seek a waiver of the down payment requirement in connection with the issuance of the Bonds for the drinking water project as such obligations are being issued pursuant to the provisions of N.J.S.A. 40A:2-7(d) and 40A:2-11(c).

Section 3. Authorization of Notes

In anticipation of the issuance of permanent bonds and to temporarily finance the improvements stated in Section 1, above, negotiable notes of the Township in a principal amount not exceeding SIX MILLION SIX HUNDRED THOUSAND DOLLARS ($6,600,000) are hereby authorized to be issued pursuant to the limitations prescribed by the Local Bond Law. All such note(s) shall mature at such time 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 note shall mature later than one (1) year from its issue date. Such note(s) shall bear interest at a rate or rates and shall 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 note(s) issued pursuant to this Ordinance, and the signature of the Chief Financial Officer upon such note(s) shall be conclusive evidence as to all such determinations. The Chief Financial Officer is hereby authorized to sell the note(s) from time to time at public or private sale in such amounts as she may determine and not less than par, and to deliver the same from time to time to the purchasers thereof upon receipt of the purchase price plus accrued interest from their dates to the date of delivery thereof as payment thereof. Such Chief Financial Officer is authorized and directed to report in writing to the Mayor and the

Committee of the Township at the meeting next succeeding the date when any sale or delivery of the note(s) pursuant to this Ordinance is made. Such report shall include the amount, the description, the interest rate, the maturity schedule of the note(s) sold, price obtained and the name of the purchaser. All note(s) issued hereunder may be renewed from time to time for periods not exceeding one (1) year for the time period specified in and in accordance with the provisions and limitations of N.J.S.A. 40A:2-8(a) of the Local Bond Law. The Chief Financial Officer is further directed to determine all matters in connection with said note or notes and not determined by this Ordinance. The Chief Financial Officer's signature upon said note(s) shall be conclusive evidence of such determination.

Section 4. Additional Matters

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

(a) The said purposes described in Section 1 of this Bond Ordinance are not current expenses and are improvements which the Township may lawfully require or make and no part of the costs thereof has been or shall be specifically assessed on property specifically benefited thereby.

(b) The average period of usefulness of said purposes authorized herein, taking into consideration the respective amounts of said obligations authorized for such purposes, computed in accordance with N.J.S.A. 40A:2-22 is **40 years**.

(c) The supplemental debt statement required by the Local Bond Law has been duly made 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, and 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 for in this Bond Ordinance by a maximum amount of SIX MILLION SIX HUNDRED THOUSAND DOLLARS ($6,600,000), and the said Bonds authorized by this Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law.

(d) Amounts not exceeding One Million Six Hundred Fifty Thousand Dollars ($1,650,000) in the aggregate for interest on said Bonds, costs of issuing said Bonds, engineering and inspection costs, legal expenses, a reasonable proportion of the compensation and expenses of employees of the Township in connection with the improvements as authorized herein, and other items of expense listed in and permitted under N.J.S.A. 40A:2-20 of the Local Bond Law have been included as part of the costs of said improvement and are included in the foregoing estimate thereof.

Section 5. Full Faith and Credit

Payment of the principal of and interest on the Bonds shall be made from the water and sewer utility revenues received by the Township and such revenues are hereby pledged for the

prompt payment of such Bonds. The aforesaid notwithstanding, the full faith and credit of the Township are hereby pledged to punctual payment of the principal of and interest on the said Bonds authorized by this Bond Ordinance. Said Bonds shall be direct, unlimited obligations of the Township, and the Township shall be obligated to levy *ad valorem* taxes upon all of the taxable property within the Township for the payment of said Bonds and interest thereon without limitation of rate or amount.

Section 6. Maturity of Bonds

The Bonds shall mature at such time or times not exceeding twenty (20) years from the date thereof as may be approved by the Local Finance Board of the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey ("Local Finance Board") pursuant to N.J.S.A. 58:11B-9(a) and 40A:2-26 of the Local Bond Law. All other terms of the Bonds, including, without limitation, the dates thereof, the rate or rates of interest to be paid thereon, the provisions for redemption prior to maturity thereof, and the place or places for payment thereof, shall be as determined by subsequent resolution or resolutions of the Township Committee as permitted by N.J.S.A. 40A:2-16 of the Local Bond Law.

Section 7. Execution of Bonds

The Bonds shall be executed in the name of the Township by the manual or facsimile signatures of the Mayor or Deputy Mayor and Chief Financial Officer under the affixed, imprinted, engraved or reproduced seal of the Township attested by the manual or facsimile signature of the Township Clerk.

Section 8. Authorization to Contract

The Township is hereby authorized and directed to enter into any and all contracts or agreements necessary, desirable or convenient to effectuate the financing program with the Trust and State authorized by this Bond Ordinance.

Section 9. Execution of Documents

The Mayor, Deputy Mayor, Chief Financial Officer, Township Administrator and Clerk of the Township are hereby jointly and severally authorized and directed to take all actions and execute all documents and instruments necessary or appropriate to carry out the purposes of this Bond Ordinance, including, without limitation, the furnishing of such documentation and information as may be required by the Director of the Local Finance Board. All prior actions taken by such officials in connection with the financing program authorized by this Bond Ordinance are hereby ratified and confirmed.

Section 10. Official Intent to Reimburse Expenditures

The Township reasonably expects to reimburse any expenditures towards the costs of the improvements described in Section 1 of this Bond Ordinance and paid prior to the issuance of any of the Bonds authorized by this Bond Ordinance with the proceeds of such Bonds. No funds from sources other than the Bonds 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 described in Section 1 hereof to be incurred and paid prior to the issuance of the Bonds 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 11. 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 12. Effective Date

Neither this Bond Ordinance nor any resolution of the Township Committee performing, determining or authorizing matters or acts in connection with the issuance of the Bonds shall take effect until there is endorsed upon a certified copy hereof the consent of the Local Finance Board; in no event shall this Bond Ordinance be effective earlier than twenty (20) days after the first publication hereof after final passage.

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DENNIS F. TREDY, MAYOR

FIRST READING:	April 24, 2014
PUBLICATION:	April __, 2014
FINAL READING:	May 8, 2014
PUBLICATION WITH STATEMENT:	May _, 2014