

BOND ORDINANCE #2022-21

PROVIDING FOR THE 2022 ROAD IMPROVEMENT PROJECT BY THE BOROUGH OF KEYPORT, APPROPRIATING \$1,700,000 THEREFOR, INCLUDING VARIOUS GRANTS IN THE AGGREGATE AMOUNT OF \$521,900 EXPECTED TO BE RECEIVED FROM THE STATE OF NEW JERSEY DEPARTMENT OF TRANSPORTATION, AND AUTHORIZING THE ISSUANCE OF \$1,150,000 BONDS OR NOTES OF THE BOROUGH TO FINANCE PART OF THE COST THEREOF

BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF KEYPORT (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The improvement or purpose described in Section 3 of this bond ordinance is hereby authorized to be undertaken by the Borough of Keyport, a municipal corporation of the State of New Jersey (the "Borough") as a general improvement. For the improvement or purpose described in Section 3 of this bond ordinance, there is hereby appropriated the sum of \$1,700,000, including a SFY 2021 grant in the amount of \$270,000 and a SFY 2022 grant in the amount of \$251,900 expected to be received from the State of New Jersey Department of Transportation (collectively, the "State Grant"), and the sum of \$28,100 available by virtue of the provision for a down payment for capital improvement purposes in one or more previously adopted budgets. No down payment is required by the Local Bond Law because the improvement or purpose authorized herein will be funded by the State Grant (N.J.S.A. 40A:2-11(c)).

Section 2. In order to finance the cost of the improvement or purpose described in Section 3 of this bond ordinance, negotiable bonds are hereby authorized to be issued in the principal amount of \$1,150,000 pursuant to the Local Bond Law. In anticipation of the issuance of bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. (a) The improvement or purpose hereby authorized for which bonds or notes are to be issued is the 2022 Road Improvement Project, including but not limited to the planning, design, reconstruction and/or resurfacing of various roads, and curb repairs, throughout the Borough as set forth on the project list filed in the office of the Borough Clerk, and all work and materials necessary therefor or incidental thereto.

(b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is as stated in Section 2 of this bond ordinance.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation stated in Section 1 of this bond ordinance.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer; provided that no bond anticipation note shall mature later than one year from its date. The bond anticipation notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with the bond anticipation

notes issued pursuant to this bond ordinance, and the Chief Financial Officer's signature upon the bond anticipation notes shall be conclusive evidence as to all such determinations. All bond anticipation notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The Chief Financial Officer is hereby authorized to sell a part, or all, of the bond anticipation notes from time to time at public or private sale, and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest, if any, from their dates to the dates of delivery thereof. The Chief Financial Officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale of bond anticipation notes issued pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

Section 5. 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.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvement or purpose described in Section 3 of this bond ordinance is not a current expense. It is an improvement or purpose that the Borough may lawfully undertake as a general improvement, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The period of usefulness of the improvement or purpose described in Section 3 of this bond ordinance, computed on the basis of the amount of obligations authorized for the improvement or purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 10 years.

(c) An aggregate amount not exceeding \$250,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost of the improvement or purpose set forth in Section 3 of this bond ordinance.

(d) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and submitted to the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the Borough is increased by \$1,150,000 (the amount of the authorization of the obligations provided for in this bond ordinance). The obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law.

Section 7. The Borough reasonably expects to commence the acquisition and/or construction of the improvement or purpose described in Section 3 of this bond ordinance, and to advance all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are advanced, the Borough further reasonably expects to reimburse such expenditures from the proceeds of the obligations authorized in Section 2 of this bond ordinance. This Section 7 is intended to be and hereby is a declaration of official intent under Treasury Regulation Section 1.150-2.

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 obligations authorized by this bond ordinance. 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 real property within the Borough for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 9. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

Introduced: August 16, 2022

Public Hearing: September 6, 2022

Adoption:

Michele Clark, RMC
Borough Clerk

Collette J. Kennedy, Mayor
Borough of Keyport

Recorded Vote:

AYES: PACHECO, MCDERMOTT, ARANEO, PEPERONI

NAYES:

ABSENT: DAVIDSON, MCNAMARA

ABSTAIN:

The foregoing is a true copy of a bond ordinance introduced and adopted on first reading by the governing body of the Borough of Keyport on August 16, 2022.

Michele Clark
Clerk