

BOND ORDINANCE PROVIDING FOR VARIOUS IMPROVEMENTS TO THE SANITARY SEWER SYSTEM BY AND IN THE CITY OF NEW BRUNSWICK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY; APPROPRIATING \$1,500,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,500,000 BONDS OR NOTES TO FINANCE THE COST THEREOF

BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF NEW BRUNSWICK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY (not less than two-thirds of all the 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 to be undertaken by the City of New Brunswick, in the County of Middlesex, State of New Jersey (the "City"). For the said improvements or purposes stated in Section 3, there is hereby appropriated the sum of \$1,500,000, said sum being inclusive of all appropriations heretofore made therefor. 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.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof, negotiable bonds of the City are hereby authorized to be issued in the aggregate principal amount of \$1,500,000 pursuant to the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the City in the aggregate principal amount of \$1,500,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

SECTION 3. The improvements and purposes hereby authorized and the purposes for the financing of which the bonds or notes are to be issued are various improvements to the sanitary sewer system, including, but not limited to, the repair and improvement of system pump stations and the repair/replacement/relining of City wide sanitary and storm lines and investigation of system, as needed, all as on file with the City Clerk.

The above improvements or purposes set forth above shall also include, as applicable, all engineering and design work, preparation of plans and specifications,

permits, bid documents, contract administration, and all work, materials, equipment, labor and appurtenances necessary therefor or incidental thereto.

(a) The aggregate estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$1,500,000.

(b) The aggregate estimated cost of said improvements or purposes is \$1,500,000.

SECTION 4. In the event the United States of America, the State of New Jersey, and/or the County of Middlesex make a contribution or grant in aid to the City for the improvements and purposes authorized hereby and the same shall be received by the City 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 Middlesex. 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 Middlesex shall be received by the City 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 City 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 of the City, 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. The Chief Financial Officer of the City shall determine all matters in connection with the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer 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 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, if any, from their dates to the

date of delivery thereof. The Chief Financial Officer is hereby 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 of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith and 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 is on file in the office of the Clerk and is 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 City 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 period of usefulness of said 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 twenty (20) 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 City 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 City as defined in the Local Bond Law is increased by the authorization of the bonds or notes provided for in this bond ordinance by \$1,500,000, but such amount shall constitute a deduction from gross debt to the extent permitted by law, 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 amount not exceeding \$200,000 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 improvements or purposes described in Section 3 hereof.

SECTION 8. The full faith and credit of the City 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 City, and the City shall be obligated to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the bonds or notes and the interest thereon without limitation as to rate or amount.

SECTION 9. The City 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 City'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 by this bond ordinance used to reimburse the City 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 by this bond ordinance or another issue of debt obligations of the City 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 City 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 \$1,500,000. 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 by this bond ordinance 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.

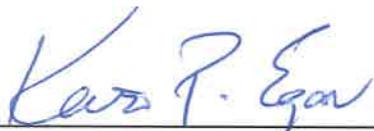
SECTION 10. The City covenants to maintain the exclusion from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, of the interest on all bonds and notes issued under this bond ordinance.

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 20, 2016

DANIEL A. TORRISI, City Clerk



KEVIN P. EGAN, Council President

ADOPTED ON SECOND READING

DATED: _____, 2016

DANIEL A. TORRISI, City Clerk

KEVIN P. EGAN, Council President

APPROVAL BY THE MAYOR ON THIS _____ DAY OF _____, 2016

JAMES M. CAHILL, Mayor

APPROVALS:

Councilmember	Yes	No	No Vote	Absent
John Anderson <i>City Administrator</i>	X			
Rebecca Escobar S	X			
Glenn Fleming, V. Pres M	X			
Elizabeth Garlatti <i>City Attorney</i>				X
Kevin Egan, President	X			

M=Moved S=Second
First Reading Vote on APRIL 20, 2016
I, Daniel A. Torrissi, City Clerk of the City of New Brunswick, N.J., do hereby certify that this is a true and correct copy of an ordinance adopted on first reading at the regular meeting of the New Brunswick City Council on:
APRIL 20, 2016

Daniel A. Torrissi, City Clerk #8536504-1(102830.035)

Councilmember	Yes	No	No Vote	Absent
John Anderson				
Rebecca Escobar				
Glenn Fleming, V. Pres				
Elizabeth Garlatti				
Kevin Egan, President				

M=Moved S=Second
Second & Final Reading Vote on _____
I, Daniel A. Torrissi, City Clerk of the City of New Brunswick, N.J., do hereby certify that this is a true and correct copy of an ordinance adopted on second and final reading at the regular meeting of the New Brunswick City Council on:

Daniel A. Torrissi, City Clerk
Any reproduction of the original document must contain the raised seal of the City of New Brunswick to be legally certified.