

ORDINANCE NO. 8 of 2014

**REFUNDING BOND ORDINANCE AUTHORIZING
THE ISSUANCE OF UP TO \$2,000,000
AGGREGATE PRINCIPAL AMOUNT SCHOOL
REFUNDING BONDS OF THE CITY OF
LINWOOD, COUNTY OF ATLANTIC, NEW
JERSEY**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LINWOOD, COUNTY OF ATLANTIC, NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring), pursuant to the provisions of the Local Bond Law, Chapter 2 of Title 40A of the New Jersey Statutes, as amended and supplemented (“**Local Bond Law**”), and the School Bond Law, Chapter 271 of the Laws of 1967 of the State of New Jersey, as amended and supplemented (*N.J.S.A.* 18A:24-1, et seq., the “**School Bond Law**”), in particular *N.J.S.A.* 18A:24-61.1, as follows:

Section 1. For the purposes stated in Section 2 of this refunding bond ordinance (“**Ordinance**”), negotiable school bonds of the City, to be designated substantially “City of Linwood, School Refunding Bonds, Series 2014” (“**School Refunding Bonds**”) are hereby authorized to be issued in an aggregate principal amount not to exceed \$2,000,000, pursuant to Sections 40A:2-51 to 40A:2-53 and Sections 40A:2-55 to 40A:2-59 of the Local Bond Law and Section 18A:24-61.1, *et seq.*, of the School Bond Law.

Section 2. The purposes for which the School Refunding Bonds are authorized to be issued as permitted by Section 40A:2-51 of the Local Bond Law are:

(a) Paying or refunding of \$1,555,000 in aggregate principal amount of the City's School Bonds, Series 2005B, constituting the bonds of such series maturing on and after August 1, 2016 (“**Prior School Bonds**”); and

(b) Paying the costs of issuance of the School Refunding Bonds, including underwriting discount, insurance premium, printing, advertising, accounting, financial and legal expenses, in an amount not to exceed \$65,000, which amount is included in the authorized principal amount of the School Refunding Bonds.

Section 3. Pursuant to Section 40A:2-58 of the Local Bond Law, the School Refunding Bonds shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof and shall mature at such time or times not exceeding nine (9) 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**”). The School Refunding Bonds shall bear a designation including the word "refunding", as provided in Section 1 hereof, and the text of the School Refunding Bonds shall recite that such bonds are issued pursuant to the Local Bond Law and School Bond Law. All other terms of the School Refunding 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 Council of the City of Linwood (“**Council**”), as permitted by Section 40A:2-58 of the Local Bond Law.

Section 4. (a) In accordance with Section 40A:2-55 of the Local Bond Law, a certified copy of this Ordinance shall be filed before final passage thereof with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey, together with a complete statement in the form prescribed by the Director (“**Director**”) as required by Section 40A:2-55 of the Local Bond Law as to the Prior School Bonds, executed by the Chief Financial Officer of the City.

(b) The Prior School Bonds have been issued by the City pursuant to the Local Bond Law and School Bond Law, as applicable, and it is hereby confirmed and acknowledged that the Prior School Bonds are valid and binding obligations of the City.

Section 5. The full faith, credit and taxing power of the City are hereby pledged to the payment of principal of and interest on the School Refunding Bonds. The Local Bond Law provides that the School Refunding Bonds shall be direct, unlimited obligations of the City and that the City shall be obligated to levy *ad valorem* taxes upon all the taxable property within the City for payment of principal of and interest on the School Refunding Bonds without limitation of rate or amount.

Section 6. Escrow funds pledged for the payment and security of the Prior School Bonds are hereby authorized to be established with proceeds of the School Refunding Bonds pursuant to an escrow agreement or agreements with respect to the Prior School Bonds executed and delivered by the City and any bank, trust company or national banking association with trust powers having its principal office in the State of New Jersey and designated by resolution of the Council to act as escrow agent under such agreement. Such escrow agreement(s) shall be in form approved by subsequent resolution of the Council.

Section 7. The School Refunding Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Chief Financial Officer of the City under the affixed, imprinted or reproduced seal of the City attested by the manual or facsimile signature of the City Clerk.

Section 8. The Council is hereby authorized and directed to enter into any and all contracts or agreements necessary, desirable or convenient to effectuate the refunding program authorized by this Ordinance, including, without limitation, the payment and refunding of the Prior School Bonds and in connection therewith the Council may establish any sinking fund or other fund or account necessary or appropriate for such refunding program.

Section 9. In accordance with the provisions of N.J.A.C. 5:30-2.5, the Council hereby determines that the following conditions apply to the issuance of the proposed School Refunding Bonds:

- (a) the present value savings will be at least three (3%) percent;
- (b) No annual debt service payment on the School Refunding Bonds shall be more than

the debt service schedule on the Prior School Bonds;

(c) the final maturity of the School Refunding Bonds shall not exceed the maturity date of the Prior School Bonds; and

(d) the debt service savings are substantially level across the life of the refunding transaction.

Section 10. The Mayor and members of the Council and appropriate officials of the City, including without limitation the Chief Financial Officer, 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 Ordinance, including, without limitation, the furnishing of such documentation, certifications, and information as may be required by the Director of the Local Finance Board of the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey (the “**Local Finance Board**”), including the filing within ten (10) days of the closing on the issuance of the School Refunding Bonds of such information and documentation with the Local Finance Board as required by of N.J.A.C. 5:30-2.5. All prior actions taken by such officials in connection with the refunding program authorized by this Ordinance are hereby ratified and confirmed.

Section 11. This Ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law.

RICHARD L. DEPAMPHILIS, III, MAYOR

FIRST READING:	May 14, 2014
PUBLICATION:	May 19, 2014
FINAL READING:	May 28, 2014
PUBLICATION WITH STATEMENT:	June 2, 2014

NOTICE OF PENDING REFUNDING BOND ORDINANCE

The Refunding Bond Ordinance published herewith was introduced and passed upon first reading at a meeting of the governing body of the City of Linwood, in the County of Atlantic, State of New Jersey, held on May 14, 2014, at the Linwood City Hall. It will be further considered for final passage, after public hearing thereon, at a meeting of the governing body to be held on May 28, 2014, at 6:00 o'clock p.m. at the Linwood City Hall. During the week prior to and up to and including the date of such meeting, copies of the full ordinance will be available at no cost and during regular business hours, at the Clerk's office located in the City Hall, 400 Poplar Avenue, Linwood, New Jersey for the members of the general public who shall request the same.

Leigh Ann Napoli, RMC, Municipal Clerk

STATEMENT

The Refunding Bond Ordinance published herewith has been finally adopted on May 28, 2014, and the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement.

Leigh Ann Napoli, RMC, Municipal Clerk