

ORDINANCE 47-2014

REFUNDING BOND ORDINANCE PROVIDING FOR THE REFUNDING OF \$15,076,000 AGGREGATE PRINCIPAL AMOUNT OF OUTSTANDING BONDS OF THE BOROUGH OF MADISON, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, APPROPRIATING A SUM NOT EXCEEDING \$17,500,000 TO PAY THE COST THEREOF AND AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$17,500,000 AGGREGATE PRINCIPAL AMOUNT OF REFUNDING BONDS OF SAID BOROUGH TO FINANCE SUCH APPROPRIATION.

BE IT ORDAINED by the Borough Council of the Borough of Madison, in the County of Morris, New Jersey, as follows:

Section 1. The Borough of Madison, in the County of Morris, New Jersey (the "Borough") is hereby authorized to refund \$15,076,000 aggregate principal amount of the Borough's outstanding General Improvement Bonds, dated October 15, 2008 and maturing on or after October 15, 2019 (the "Outstanding Bonds").

The Outstanding Bonds bear interest from their date at the rates per annum, payable on April 15 and October 15 of each year until maturity or prior redemption, and mature in annual installments on October 15 in each year, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$1,425,000	4.75 %
2020	1,495,000	5.00
2021	1,520,000	5.00
2022	1,520,000	5.00
2023	1,520,000	5.00
2024	1,520,000	5.00
2025	1,520,000	5.00
2026	1,520,000	5.00
2027	1,520,000	5.00
2028	1,516,000	5.00

The Outstanding Bonds are subject to optional redemption on or after October 15, 2018 at a redemption price of 100%.

The Borough Council may determine by subsequent resolution not to refund a portion of the Outstanding Bonds.

Section 2. The Borough Council of the Borough has ascertained and hereby determines that the Outstanding Bonds set forth in Section 1 of this ordinance have not been paid or discharged and that the Borough is authorized by Section 51(a) of the Local Bond Law of New Jersey (Chapter 2 of Title 40A of the New Jersey Statutes Annotated, as amended; the "Local Bond Law") to issue its refunding bonds as hereinafter provided to refund the Outstanding Bonds. The object of the refunding is to effect debt service savings for the Borough.

Section 3. A sum not exceeding \$17,500,000 is hereby appropriated (a) to refund the Outstanding Bonds set forth in Section 1 of this ordinance in the aggregate principal amount of \$15,076,000 and (b) to pay an amount not exceeding \$170,000 for the cost of the issuance of the refunding bonds, including underwriter's compensation, printing, advertising, financial and legal expenses therefor, as permitted by Section 51(b) of the Local Bond Law (collectively, the "Purpose").

Section 4. To finance the Purpose, refunding bonds of said Borough in an aggregate principal amount not exceeding \$17,500,000 are hereby authorized to be issued pursuant to the Local Bond Law (the "Refunding Bonds"). The Refunding Bonds shall be sold at public or private sale and shall be in registered form and shall contain the word "refunding" in their title and shall recite that they are issued pursuant to the Local Bond Law and shall bear such date or dates, mature at such time or times not exceeding 40 years from their date, bear interest at such rate or rates per annum, be payable at such time or times, be in such denominations, carry such registration privileges, be executed in such manner consistent with the provisions of the Local Bond Law for bonds of a municipality, be payable at such place or places, and be subject to such terms of redemption, with or without premium, as may be hereafter determined by resolution of the Borough Council within the limitations prescribed by law.

Section 5. The Refunding Bonds shall be direct, unlimited and general obligations of the Borough and the Borough shall be obligated to levy ad valorem taxes upon all taxable real property within the Borough for the payment of the principal of and the interest on the Refunding Bonds without limitation as to rate or amount. The full faith and credit of the Borough are hereby pledged to the punctual payment of the

principal of and the interest on the Refunding Bonds. Each Refunding Bond issued pursuant to this ordinance shall recite that all conditions, acts and things required by the Constitution or statutes of the State of New Jersey to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bond exist, have happened and have been performed, and that the Refunding Bond, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by the Constitution or statutes of said State.

Section 6. The Chief Financial Officer is hereby authorized to execute a certificate addressed to the underwriters of the Refunding Bonds stating that the preliminary official statement to be prepared by the Borough with respect to the Refunding Bonds is "deemed final" as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The distribution of such preliminary official statement to potential purchasers of the Refunding Bonds is hereby approved.

Section 7. All matters with respect to the Refunding Bonds not determined by this ordinance shall be determined by subsequent resolution or resolutions to be hereafter adopted by the Borough Council of the Borough, or the performance or

determination thereof delegated by resolution or resolutions, to the Chief Financial Officer.

Section 8. It is hereby determined and stated that the Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the office of the Borough Clerk of said Borough, and that such statement so filed shows that the gross debt of said Borough, as defined in Section 43 of the Local Bond Law, is increased by this ordinance by \$17,500,000 (the amount of the Refunding Bonds authorized), but \$15,076,000 (the amount of Outstanding Bonds being refunded) shall be deducted from gross debt pursuant to Section 52 of the Local Bond Law, and that the issuance of the bonds authorized by this ordinance will be within all debt limitations prescribed by said Local Bond Law.

Section 9. It is hereby determined and stated that no sum need be appropriated hereby as a down payment.

Section 10. The Borough is hereby authorized to enter into any agreements that may be necessary to effect the purchase of securities, as permitted by Sections 53(c) and 60 of the Local Bond Law, to accomplish the refunding.

Section 11. This refunding bond ordinance shall take effect twenty days after the first publication thereof after final passage as provided by the Local Bond Law.

ADOPTED AND APPROVED
September 8, 2014

ROBERT H. Conley, Mayor

Attest:

ELIZABETH OSBORNE, Borough Clerk
Introduced and passed: August 21, 2014
Published, Madison Eagle: August 28, 2014
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