

ORDINANCE 53-2014

BOND ORDINANCE TO AUTHORIZE THE FUNDING OF A PORTION OF THE COST OF THE REHABILITATION OF THE MADISON-CHATHAM JOINT MEETING'S MOLITOR WATER POLLUTION CONTROL FACILITY BY AND FOR THE BOROUGH OF MADISON, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, TO APPROPRIATE THE SUM OF \$2,166,000 TO PAY THE COST THEREOF, TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH APPROPRIATION AND TO PROVIDE FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS.

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WHEREAS, the Borough of Madison, in the County of Morris, State of New Jersey, and the Borough of Chatham, in the County of Morris, State of New Jersey, jointly operate a sanitary sewerage treatment system as members of the Madison-Chatham Joint Meeting (the "Joint Meeting"), with each municipality being financially responsible for a proportionate share of the system's costs - Madison's share being 61.89% and Chatham's being 38.11%; and

WHEREAS, the Borough Council of the Borough of Madison has determined that it is necessary to authorize and provide for financing the rehabilitation of the Molitor Water Pollution Control Facility located in the Borough of Chatham and owned and operated by the Joint Meeting; and

WHEREAS, the Borough will fund \$2,166,000 of the total estimated project costs of \$3,500,000 (with Chatham funding the

\$1,334,000 balance), which costs shall include all work, materials and appurtenances necessary and suitable therefor; and

WHEREAS, the Joint Meeting has heretofore filed a loan application for the financing of allowable costs of the aforesaid project with the New Jersey Environmental Infrastructure Trust Financing Program (the "State Program"); and

WHEREAS, the Borough Council of the Borough of Madison has heretofore adopted a resolution making application to the Local Finance Board in the Division of Local Government Services of the New Jersey Department of Community Affairs for approval of the Borough's request for financing its portion of allowable costs of said project from the State Program pursuant to N.J.S.A. 58:11B-9(a), for an exemption from the down payment requirement for this bond ordinance pursuant to N.J.S.A. 40A:2-7(d) and N.J.S.A. 40A:2-11(c) and for a waiver of the maturity schedule requirement for bonds issued by the Borough pursuant to the State Program pursuant to N.J.S.A. 40A:2-26(e); NOW, THEREFORE,

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

Section 1. The Borough of Madison, in the County of Morris, State of New Jersey (the "Borough"), is hereby authorized to fund its proportionate share of the costs of the rehabilitation of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility located in the Borough of Chatham consisting of: rehabilitation of final clarifiers No. 3 and No. 4; rehabilitation of primary clarifiers No. 1 and No. 2; replacement of secondary digester cover; improvements to final clarifiers No. 1 and No. 2; and all related improvements and work, materials and appurtenances necessary and suitable therefor, all as shown on and in accordance with the plans and specifications prepared or to be prepared by the Madison-Chatham Joint Meeting Engineer.

Section 2. The sum of \$2,166,000 is hereby appropriated to the payment of the Borough's share of the cost of making the improvements described in Section 1 hereof (hereinafter referred to as "purpose"). Said appropriation shall be met from the proceeds of the sale of the bonds authorized by this ordinance. Said improvements shall be made as general improvements and no part of the cost thereof shall be assessed against property specially benefited.

Section 3. It is hereby determined and stated that (1) said purpose is not a current expense of the Borough, and (2) it

is necessary to finance said purpose by the issuance of obligations of the Borough pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes Annotated, as amended; the "Local Bond Law"), and (3) the total estimated cost of said purpose is \$2,166,000, and (4) the estimated maximum amount of bonds or notes necessary to be issued for said purpose is \$2,166,000, and (5) the cost of such purpose, as hereinbefore stated, includes the aggregate amount of \$408,000, which is estimated to be necessary to finance the cost of such purpose, including architect's fees, accounting, engineering and inspection costs, legal expenses and other expenses, including interest on such obligations to the extent permitted by Section 20 of the Local Bond Law.

Section 4. To finance said purpose, bonds of the Borough of an aggregate principal amount not exceeding \$2,166,000 are hereby authorized to be issued pursuant to the Local Bond Law. Said bonds shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law. All matters with respect to said bonds not determined by this ordinance shall be determined by resolutions to be hereafter adopted.

Section 5. To finance said purpose, bond anticipation notes of the Borough of an aggregate principal amount not

exceeding \$2,166,000 are hereby authorized to be issued pursuant to the Local Bond Law in anticipation of the issuance of said bonds. In the event that bonds are issued pursuant to this ordinance, the aggregate amount of notes hereby authorized to be issued shall be reduced by an amount equal to the principal amount of the bonds so issued. If the aggregate amount of outstanding bonds and notes issued pursuant to this ordinance shall at any time exceed the sum first mentioned in this section, the moneys raised by the issuance of said bonds shall, to not less than the amount of such excess, be applied to the payment of such notes then outstanding.

Section 6. Each bond anticipation note issued pursuant to this ordinance shall be dated on or about the date of its issuance, shall be payable not more than one year from its date, shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law, and may be renewed from time to time pursuant to and within the limitations prescribed by the Local Bond Law. Each of said bond anticipation notes shall be signed by the Mayor and by a financial officer and shall be under the seal of the Borough and attested by the Borough Clerk or Deputy Borough Clerk. Said officers are hereby authorized to execute said notes in such form as they may adopt in conformity with law. The power to

determine any matters with respect to said notes not determined by this ordinance, and also the power to sell said notes, is hereby delegated to the Chief Financial Officer, who is hereby authorized to sell said notes either at one time or from time to time in the manner provided by law.

Section 7. It is hereby determined and declared that the period of usefulness of said purpose, according to its reasonable life, is a period of forty years computed from the date of said bonds.

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 the Borough, and that such statement so filed shows that the gross debt of the Borough, as defined in Section 43 of the Local Bond Law, is increased by this ordinance by \$2,166,000 and that the issuance of the bonds and notes authorized by this ordinance will be within all debt limitations prescribed by the Local Bond Law.

Section 9. Any funds received from private parties, the County of Morris, the State of New Jersey or any of their agencies or any funds received from the United States of America or any of its agencies in aid of such purpose (except any funds received as loans from the State Program, which shall be applied

to the payment of the cost of such purpose or to the payment of any outstanding bond anticipation notes, but shall not reduce the amount of bonds authorized for such purpose), shall be applied to the payment of the cost of such purpose or, if bond anticipation notes have been issued, to the payment of the bond anticipation notes, and the amount of bonds authorized for such purpose shall be reduced accordingly.

Section 10. The capital budget is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency therewith and the resolutions promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director, Division of Local Government Services, is on file with the Borough Clerk and is available for public inspection.

Section 11. The Borough intends to issue bonds or notes to finance the costs of the improvements described in Section 1 of this ordinance. If the Borough or the Joint Meeting incur such costs prior to the issuance of such bonds or notes, the Borough expects to reimburse itself for such expenditures with the proceeds of such bonds or notes in the maximum principal amount of bonds or notes authorized by this ordinance.

Section 12. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and

interest on the obligations authorized by this ordinance. Said obligations shall be direct, unlimited and general obligations of the Borough, and the Borough shall levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on such bonds and notes, without limitation as to rate or amount.

Section 13. This ordinance shall take effect twenty days after the first publication thereof after final passage.