

**CITY OF BORDENTOWN
ORDINANCE 2013-19**

BOND ORDINANCE OF THE CITY OF BORDENTOWN, IN THE COUNTY OF BURLINGTON, NEW JERSEY, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$975,000 AGGREGATE PRINCIPAL AMOUNT OF WATER UTILITY REFUNDING BONDS OF THE CITY TO REFUND CERTAIN OUTSTANDING BONDS, AND APPROPRIATING THE PROCEEDS OF SUCH REFUNDING BONDS TO SUCH PURPOSE.

WHEREAS, in 2003, the City of Bordentown, in the County of Burlington, New Jersey (the "City") participated in the Burlington County Bridge Commission's (the "Commission") Governmental Loan Program and issued its \$2,336,000 original aggregate principal amount of City of Bordentown, County of Burlington, New Jersey, Water Utility Bonds (Burlington County Bridge Commission 2003 Governmental Loan Program), Series 2003 (the "2003 Bonds") to the Commission to evidence a loan from the Commission the proceeds of which were used to permanently finance various capital improvements to the City's Water System;

WHEREAS, the Commission has notified the City that under current market conditions, the 2003 Bonds maturing on and after December 1, 2014 (the "2003 Refunded Bonds") may be refunded for savings through the issuance by the Commission of pooled loan refunding bonds (the "Refunding Program");

WHEREAS, the City has determined to participate in the Commission's Refunding Program and to issue to the Commission its Water Utility refunding bonds, pursuant to the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("the Local Bond Law") to refinance all or a portion of the 2003 Refunded Bonds, in accordance with the Refunding Program and as provided in this refunding bond ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the City of Bordentown, in the County of Burlington, New Jersey (not less than two-thirds of all the members thereof affirmatively concurring), as follows:

SECTION 1. The City hereby authorizes the refunding of all or a portion of the 2003 Refunded Bonds through the Commission's Refunding Program. In order to refund the 2003 Refunded Bonds, negotiable refunding bonds of the City are hereby authorized to be issued in an aggregate principal amount not to exceed \$975,000 (the "Refunding Bonds") pursuant to and within the limitations prescribed by the Local Bond Law. The proceeds of the Refunding Bonds are hereby appropriated to the purpose described in this Section 1.

SECTION 2. (a) The Refunding Bonds will be issued for the purpose of (i) refunding all or a portion of the principal amount of the 2003 Refunded Bonds, including the payment of principal of and interest on the 2003 Refunded Bonds to maturity or earlier redemption and, as applicable, the payment of interest accrued thereon to the date fixed for redemption and the redemption price thereof, and (ii) paying the cost of the issuance relating to the Refunding Bonds.

(b) The aggregate costs of issuing the Refunding Bonds as provided by N.J.S.A. 40A:2-51(b) and as allocated by the Commission to the City under the Refunding Program, including printing, advertising, accounting, financial and legal services, rating agency fees, underwriter's discount, verification agent fees and bond insurance premium, if any, will not exceed \$29,000, exclusive of accrued interest, if any. Such amount is included in the maximum authorized aggregate principal amount of Refunding Bonds set forth in Section 1 hereof.

(c) The Refunded Bonds shall be paid at maturity or, if subject to redemption prior to maturity, called for redemption prior to maturity thereof as provided in the Refunded Bond certificates. A portion of the proceeds from the sale of the Refunding Bonds shall be deposited in trust by the Commission on behalf of the City to provide for the payment and retirement of the Refunded Bonds.

SECTION 3. The Board of Commissioners hereby covenants on behalf of the City to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the Refunding Bonds authorized hereunder as is or may be required under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

SECTION 4. The full faith and credit of the City is hereby pledged to the punctual payment of the principal of and the interest on the Refunding Bonds authorized by this Bond Ordinance. The Refunding Bonds shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the Refunding Bonds and the interest thereon without limitation as to rate or amount.

SECTION 5. All other matters with respect to the Refunding Bonds not contained or determined in or pursuant to this Bond Ordinance shall be determined by resolution of the City adopted prior to the issuance of the Refunding Bonds.

SECTION 6. The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in 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 City as defined in the Local Bond Law is increased by the authorization of the refunding bonds in this bond ordinance by \$975,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

SECTION 7. The City Clerk and Chief Financial Officer are hereby authorized and directed to prepare such reports as may be required to satisfy the reporting requirements to the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to and following the sale of the refunding bonds authorized herein.

SECTION 8. This Bond Ordinance shall take effect twenty (20) days after the first publication thereof after final passage, as provided by the Local Bond Law, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this Bond Ordinance, as finally adopted as required by N.J.S.A. 40A:2-55.

First Reading: November 6, 2013
Adopted: November 18, 2013