

**THE CITY OF MARGATE CITY IN
THE COUNTY OF ATLANTIC, NEW JERSEY**

Ordinance No. 2011-18

BOND ORDINANCE OF THE CITY OF MARGATE CITY IN
THE COUNTY OF ATLANTIC, NEW JERSEY,
AUTHORIZING A CAPITAL PROJECT RELATING TO THE
REHABILITATION OF FIRE HOUSE NO. 1 AND
APPROPRIATING \$250,000 FOR SAID PURPOSE;
AUTHORIZING THE ISSUANCE OF \$237,500 PRINCIPAL
AMOUNT OF OBLIGATIONS OF THE CITY TO FINANCE
SAID PURPOSE; AND PROVIDING FOR OTHER MATTERS
RELATING THERETO.

THE BOARD OF COMMISSIONERS OF THE CITY OF MARGATE CITY IN THE
COUNTY OF ATLANTIC, NEW JERSEY (not less than two-thirds of the full membership
thereof affirmatively concurring), DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Description of Project

The City hereby authorizes a project consisting of masonry, steel, timber and roof
rehabilitations to improve the structural integrity of Fire House No. 1 located at 1 South
Washington Avenue, together with all appurtenances, work and material necessary or incidental
thereto (collectively, the "Project").

Section 2. Appropriation for Project - Down Payment

The City hereby appropriates the sum of \$250,000 for the purpose of paying the costs of
the Project, of which amount the sum of \$12,500 is hereby appropriated from the
Capital Improvement Fund of the City as the down payment for said purposes pursuant to
Section 11 of the Local Bond Law (constituting Chapter 169 of the 1960 Laws of New Jersey, as
amended), and the sum of \$237,500 is hereby appropriated from the proceeds of the obligations
hereinafter authorized to be issued to finance a portion of the costs of the Project pursuant to
Section 5 of the Local Bond Law. It is hereby determined and stated that the amount of the
down payment is not less than five percent (5%) of the obligations authorized by this Ordinance
and that the amount appropriated as a down payment has been made available prior to final
adoption of this Ordinance by provisions in prior or current budgets of the City for capital
improvements and down payments.

Section 3. Useful Life

It is hereby determined and stated that the average period of usefulness of the Project
authorized hereunder is not less than thirty (30) years.

Section 4. Estimated Cost

It is hereby determined and stated that the estimated cost of the improvements described in Section 1 hereof is \$250,000, that the amount of this appropriation is \$250,000 and that such estimated cost includes the aggregate amount of \$30,000 for items of expense permitted to be included in the cost of said improvements under Section 20 of the Local Bond Law, including engineering and inspection costs, legal expenses, accounting, printing and other expenses of authorizing and issuing the obligations hereinafter authorized, interest on the obligations and other expenses as set forth in said Section 20.

Section 5. General Improvement Project

The Project described in Section 1 hereof shall be undertaken as a general improvement Project, no part of the cost of which has been or shall be assessed against properties benefited thereby. It is hereby determined and stated that the purposes described in Section 1 hereof are not current expenses and are improvements which the City may lawfully make as general improvements.

Section 6. Authorization of Bonds

(a) For the purpose of financing a portion of the costs of the improvements authorized in Section 1 hereof, there is hereby authorized pursuant to the Local Bond Law the issuance of bonds of the City in an aggregate principal amount not to exceed \$237,500.

(b) The Mayor and the Chief Financial Officer of the City are hereby authorized and directed to execute all bonds authorized under this Ordinance on behalf of the City and the City Clerk is hereby authorized and directed to affix to such bonds the seal of the City and to attest the same. The Chief Financial Officer of the City is authorized to deliver all such bonds to the purchaser thereof against receipt of the purchase price therefor. All such City officials are authorized to take such other action and execute such other documents as may be necessary or appropriate to effect the issuance or delivery of the bonds authorized under this Ordinance.

Section 7. Authorization of Notes

(a) Pending the issuance of the bonds authorized in Section 6(a) hereof, there is hereby authorized the issuance of bond anticipation notes of the City in an aggregate principal amount not to exceed \$237,500; provided, however, that if bonds are issued pursuant to Section 6(a) hereof, the aggregate amount of notes authorized to be issued under this Section 7(a) shall be reduced by an amount equal to the principal amount of bonds so issued.

(b) If the aggregate principal amount of outstanding obligations issued pursuant to Section 6(a) and Section 7(a) hereof shall at any time exceed \$237,500 the proceeds thereof shall, to the extent of such excess, be applied to the payment of the obligations then outstanding. Whenever funds have been deposited with a bank or trust company and committed or reserved for the payment thereof, the principal amount of the obligations for which sufficient funds have been so deposited shall be deemed no longer outstanding under this Ordinance.

(c) 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 year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer of the City. The Chief Financial Officer shall determine all other matters in connection with notes pursuant to this Ordinance, and the execution of the notes on behalf of the City shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The Chief Financial Officer of the City 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 purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The Chief Financial Officer of the City is directed to report in writing to the governing body of the City at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this Ordinance is made. Such report must include the amount, the interest rate and the maturity schedule of the notes sold, the price obtained and the name or names of the purchasers.

Section 8. Supplemental Debt Statement

It is hereby determined that the Supplemental Debt Statement required pursuant to the Local Bond Law has been duly filed in the Office of the City Clerk prior to the passage on first reading of this Ordinance, that a complete executed duplicate thereof has been duly 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 prior to the final passage of this Ordinance, and that said Supplemental Debt Statement shows that the gross debt of the City, as defined in the Local Bond Law, is increased by the authorization of obligations hereunder in the amount of \$237,500 and that the issuance of the obligations authorized by this Ordinance is within all the debt limitations prescribed by the Local Bond Law

Section 9. Amendment of Capital Budget

The capital budget of the City is hereby amended to conform with the provisions of this Ordinance to the extent of any inconsistency herewith. The amended capital budget and capital program as approved by the Director of the Division of Local Government Services is on file with the City Clerk and is available in the office of said Clerk for public inspection.

Section 10. Pledge of Credit and Taxes

For the punctual payment of the principal of and interest on all obligations authorized to be issued by this Ordinance, the entire full faith, credit and taxing power of the City is hereby irrevocably pledged. The obligations shall be direct, unlimited general obligations of the City, and, unless paid from other sources, the City shall levy ad valorem taxes upon all taxable property within the City for the payment of the principal of and interest on the obligations without limitation as to rate or amount.

Section 11. Covenant as to Federal Income Tax Exemption

The City hereby covenants with the owners of all obligations authorized to be issued by this Ordinance not to take or omit to take any action so as to cause interest on the obligations to be no longer exempt from federal income taxes. The City further covenants with the owners of the obligations that it will not authorize or make any prohibited payment or any investment of

any proceeds of any obligations or make any other use of such proceeds which would cause such obligations to be "arbitrage bonds" as such term is defined in Section 148 of the Internal Revenue Code of 1986 as the same may be amended or superseded from time to time and the regulations issued thereunder, and the City further covenants to rebate to the United States Treasury any excess earnings on the gross proceeds of such obligations, as necessary, and to otherwise comply with said Section 148 and said regulations throughout the term of all such obligations.

Section 12. Official Intent

The City reasonably expects to reimburse itself from proceeds of the obligations authorized by this Ordinance for capital expenditures with respect to the Project initially paid for from current or other available funds of the City. This constitutes a declaration of "official intent" within the meaning of Treasury Regulations §1.150-2. The City hereby certifies that this declaration is reasonable on the date hereof in that (i) it is consistent with the budgetary and financial circumstances of the City, (ii) no funds (other than the proceeds of the obligations authorized by this Ordinance) are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City pursuant to its budget or financial policies with respect to the capital expenditures to be reimbursed, and (iii) the City does not have a pattern of failing to reimburse itself for capital expenditures actually paid and for which an official intent was declared, other than due to unforeseeable extraordinary circumstances beyond the City's control. The City acknowledges that in order to reimburse itself for capital expenditures incurred with respect to the Project, the obligations authorized by this Ordinance must be initially issued not later than one year after the later of the date the relevant capital expenditure is initially paid or the date the relevant capital improvement is placed into service.

Section 13. Grants

To the extent that the City receives grants in aid of the Project, any such grant proceeds from time to time received by the City shall be used for financing the Project for which such grant was made by application thereof either to direct payment of the costs of such Project, or to payment, or reduction of the authorization, of the obligations of the City authorized therefor by this Ordinance. Any such funds so received may, and all such funds so received which are not required for direct payment of the costs of the Project shall, be held and applied by the City as funds applicable only to the payment of obligations of the City authorized by this Ordinance.

Section 14. Subsequent Resolutions

Pursuant to Section 16 of the Local Bond Law, all matters with respect to the obligations authorized by this Ordinance not contained or determined in this Ordinance, including, without limitation, the maturity or maturities, rate or rates of interest and redemption provisions thereof, may be determined by resolution or resolutions hereafter to be adopted in the manner provided by law.

Section 15. Effective Date

This Ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by Section 18 of the Local Bond Law.

BOARD OF COMMISSIONERS OF THE CITY OF
MARGATE IN THE COUNTY OF ATLANTIC

Introduction: August 4, 2011

Enactment: August __, 2011