

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

**ORDINANCE NO. 2012 - 10**

**REFUNDING BOND ORDINANCE AUTHORIZING THE  
ISSUANCE OF UP TO \$11,500,000 AGGREGATE  
PRINCIPAL AMOUNT OF GENERAL OBLIGATION  
REFUNDING BONDS OF THE CITY OF MARGATE CITY,  
COUNTY OF ATLANTIC, NEW JERSEY**

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF MARGATE CITY, 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**"), as follows:

**Section 1.** For the purposes stated in Section 2 of this refunding bond ordinance ("**Ordinance**"), negotiable general obligation refunding bonds of the City of Margate City, County of Atlantic, New Jersey ("**City**"), to be designated substantially "City of Margate City, General Obligation Refunding Bonds, Series 2012" ("**Refunding Bonds**"), are hereby authorized to be issued in an aggregate principal amount not to exceed \$11,500,000, pursuant to Sections 40A:2-51 to 40A:2-53 and Sections 40A:2-55 to 40A:2-59 of the Local Bond Law.

**Section 2.** The purposes for which the 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 \$9,595,000 in aggregate principal amount of the City's General Obligation Improvement Bonds, Series 2006, constituting the bonds of such series maturing on and after June 1, 2016 (the "**Prior Bonds**"); and

(b) Paying the costs of the issuance of the Refunding Bonds, including underwriting discount, insurance premium, printing, advertising, accounting, financial and legal expenses, in an amount not to exceed \$150,000.00, which amount is included in the authorized principal amount of the Refunding Bonds.

**Section 3.** Pursuant to Section 40A:2-58 of the Local Bond Law, the 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 twelve (12) years from the date thereof. The Refunding Bonds shall bear a designation including the word "refunding", as provided in Section 1 hereof, and the text of the Refunding Bonds shall recite that such Bonds are issued pursuant to the Local Bond Law. All other terms of the 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 Commission of the City of Margate City (the "**Commission**"), 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 Bonds, executed by the Chief Financial Officer of the City.

(b) The Prior Bonds have been issued by the City pursuant to the Local Bond Law and it is hereby confirmed and acknowledged that the Prior 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 Refunding Bonds. The Local Bond Law provides

that the 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 Refunding Bonds without limitation of rate or amount.

**Section 6.** Escrow funds pledged for the payment and security of the Prior Bonds are hereby authorized to be established with proceeds of the Refunding Bonds pursuant to an escrow agreement or agreements with respect to the Prior 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 Commission to act as escrow agent under such agreement. Such escrow agreement(s) shall be in form approved by subsequent resolution of the Commission.

**Section 7.** The 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 Commission 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 Bonds and in connection therewith the Commission 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 Commission hereby determines that the following conditions apply to the issuance of the proposed Refunding Bonds:

- (a) the present value savings will be at least three (3%) percent;
- (b) No annual debt service payment on the Refunding Bonds shall be more than the debt service schedule on the Prior Bonds;
- (c) the final maturity of the Refunding Bonds shall not exceed the maturity date of the Prior 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 Commission 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 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.

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Rosemarie A. Freed, RMC, Deputy City Clerk

FIRST READING:	June 21, 2012
PUBLICATION:	June 22, 2012
FINAL READING:	July 19, 2012
PUBLICATION WITH STATEMENT:	July __, 2012

## **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 Margate City, in the County of Atlantic, State of New Jersey, held on June 21, 2012, at the Municipal Building. It will be further considered for final passage, after public hearing thereon, at a meeting of the governing body to be held on July 19, 2012, at 5:00 o'clock P.M. at the Margate 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 City Hall, 1 So. Washington Avenue, Margate City, New Jersey, for the members of the general public who shall request the same.

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Rosemarie A. Freed, RMC, Deputy City Clerk



**NOTICE OF PENDING REFUNDING BOND ORDINANCE  
ORDINANCE 10 OF 2012  
REFUNDING BOND ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO  
\$11,500,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL  
OBLIGATION REFUNDING BONDS OF THE CITY OF MARGATE CITY,  
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