

**THE CITY OF MARGATE CITY
IN THE COUNTY OF ATLANTIC, NEW JERSEY
ORDINANCE NO. 20-2022**

BOND ORDINANCE PROVIDING FOR A CLEAN WATER PROJECT COMPRISED OF REPLACEMENT OF WATER METERS IN AND BY THE CITY OF MARGATE, IN THE COUNTY OF ATLANTIC, NEW JERSEY APPROPRIATING TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) THEREFOR AND AUTHORIZING THE ISSUANCE OF UP TO TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) AGGREGATE PRINCIPAL AMOUNT BONDS OR NOTES OF THE CITY OF MARGATE, COUNTY OF ATLANTIC, NEW JERSEY TO FINANCE THE COST THEREOF

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 of Margate (the “**City**”) hereby authorizes the following project to maintain and support compliance by the City with the clean water regulations of the State of New Jersey and thereby improve and protect the City’s water system (the “**Water Meter Replacement Project**”):

<u>IMPROVEMENT OR PURPOSE</u>	<u>APPROPRIATION ESTIMATED COST</u>
Water Meters Replacement Project, including all other necessary or desirable structures, appurtenances, work, equipment, and materials, and including all costs of surveying, construction, planning, design, engineering, preparation of plans and specifications, permits, bid documents, construction inspection, administration, accounting, architectural, financial and legal.	<u>\$2,500,000</u>

Section 2. Permanent Funding of Appropriation

(a) To provide funds to permanently fund the costs of the Water Meter Replacement Project (the “**Project Cost**”), the issuance by the City of bonds in the aggregate principal amount of up to TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) is hereby authorized, approved, ratified and confirmed. The Project Cost may be permanently financed through the issuance of general obligation bonds of the City (the “**Bonds**”) to the New Jersey I-Bank (the “**I-Bank**”) and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the “**State**”), pursuant to the New Jersey I-Bank Financing Program (the “**I-Bank Loan Program**”) in the maximum principal amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000).

(b) In accordance with N.J.S.A. 40A:2-11(c), no down payment shall be required in connection with the issuance of the bonds which involve an environmental infrastructure project funded by loans from the I-Bank.

Section 3. Temporary Construction Financing From I-Bank Prior to Issuance of Bonds

In anticipation of the issuance of the Bonds, the City hereby authorizes, if necessary or desirable, the issuance, sale and award of construction project notes (the “**Construction Project Notes**”) pursuant to the I-Bank’s construction financing program (the “**I-Bank Construction Financing Program**”). The Construction Project Notes shall be substantially in the form provided by the I-Bank in the I-Bank Construction Financing Program’s loan agreement. The execution and delivery of the Project Notes and all additional documents and instruments related thereto by the Mayor, Chief Financial Officer and City Clerk (collectively,

the “**Authorized Officials**”) is hereby authorized. The Authorized Officials are each hereby authorized to determine, pursuant to the terms and conditions established by the I-Bank and the State under the I-Bank Construction Financing Program’s loan agreement and the terms and conditions of this Ordinance and any subsequent resolution of the City Commission, the following items with respect to the Construction Project Notes: (a) the aggregate principal amount of the Construction Project Notes to be issued, which amount shall not exceed \$2,500,000; (b) the maturity of the Construction Project Notes, which shall be no later than two years after the date of issuance thereof; (c) the date of the Construction Project Notes; (d) the interest rate of the Construction Project Notes, which shall not exceed 2% per annum; (e) the purchase price for the Construction Project Notes; and (f) such other matters with respect to the Construction Project Notes as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof. The Authorized Officials are hereby further authorized to manually execute and deliver and the City Clerk is hereby further authorized to attest by manual signature to such execution and to affix, imprint, engrave or reproduce the corporate seal of the City to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officials in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Construction Project Notes and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate.

Section 4. Authorization of Bond Anticipation Notes In Lieu of I-Bank Construction Financing

If the City shall elect to forego the I-Bank Construction Financing Program, then prior to the issuance of permanent bonds and to temporarily finance the Water Meter Replacement Project stated in Section 1, above, negotiable notes of the City in a principal amount not exceeding TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) are hereby authorized to be issued pursuant to the limitations prescribed by the Local Bond Law. All such note(s) shall mature at such time as may be determined by the Chief Financial Officer or such other Financial Officer designated by Resolution for these purposes (both being hereinafter referred to in this Section as Chief Financial Officer); provided that no note shall mature later than one (1) year from its issue date. Such note(s) shall bear interest at a rate or rates and shall be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with any note(s) issued pursuant to this Bond Ordinance, and the signature of the Chief Financial Officer upon such note(s) shall be conclusive evidence as to all such determinations. The Chief Financial Officer is hereby authorized to sell the note(s) from time to time at public or private sale in such amounts as the Chief Financial Officer may determine and not less than par, and to deliver the same from time to time to the purchasers thereof upon receipt of the purchase price plus accrued interest from their dates to the date of delivery thereof as payment thereof. Such Chief Financial Officer is authorized and directed to report in writing to the Mayor and the City Commission at the meeting next succeeding the date when any sale or delivery of the note(s) pursuant to this Bond Ordinance is made. Such report shall include the amount, the description, the interest rate, the maturity schedule of the note(s) sold, price obtained and the name of the purchaser. All note(s) issued hereunder may be renewed from time to time for periods not exceeding one (1) year for the time period specified in and in accordance with the provisions and limitations of N.J.S.A. 40A:2-8(a) of the Local Bond Law. The Chief Financial Officer is further directed to determine all matters in connection with said note or notes and not determined by this Bond Ordinance. The Chief Financial Officer’s signature upon said note(s) shall be conclusive evidence of such determination.

Section 5. Additional Matters

The following additional matters are hereby determined, declared and recited and stated:

- (a) The said purposes described in Section 1 of this Bond Ordinance are not current expenses and are improvements which the City may lawfully require or make and no part of the costs thereof has been or shall be specifically assessed on property specifically benefited thereby.
- (b) The average period of usefulness of said purposes authorized herein, taking into consideration the respective amounts of said obligations

authorized for such purposes, computed in accordance with N.J.S.A. 40A:2-22 is **40 years**.

- (c) The supplemental debt statement required by the Local Bond Law has been duly made and filed in the office of the City 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, and such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided for in this Bond Ordinance by a maximum amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000), and the said Bonds authorized by this Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law.
- (d) Amounts not exceeding **ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00)** in the aggregate for interest on said Bonds, costs of issuing said Bonds, engineering and inspection costs, legal expenses, a reasonable proportion of the compensation and expenses of employees of the City in connection with the improvements as authorized herein, and other items of expense listed in and permitted under N.J.S.A. 40A:2-20 of the Local Bond Law have been included as part of the costs of said improvement and are included in the foregoing estimate thereof.

Section 6. Maturity of Bonds

The Bonds shall mature at such time or times not exceeding forty (40) years from the date thereof as may be approved by the Local Finance Board of the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey ("**Local Finance Board**") pursuant to N.J.S.A. 58:11B-9(a) and 40A:2-26 of the Local Bond Law. All other terms of the 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 City Commission as permitted by N.J.S.A. 40A:2-16 of the Local Bond Law.

Section 7. Execution of Bonds

The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor, City Administrator, and Chief Financial Officer under the affixed, imprinted, engraved or reproduced seal of the City attested by the manual or facsimile signature of the City Clerk.

Section 8. Authorization to Contract

The City is hereby authorized and directed to enter into any and all contracts or agreements necessary, desirable or convenient to effectuate the financing program with the I-Bank authorized by this Bond Ordinance.

Section 9. Execution of Documents

The Mayor, Mayor, Chief Financial Officer, City Administrator and Clerk of the City 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 Bond Ordinance, including, without limitation, the furnishing of such documentation and information as may be required by the Director of the Local Finance Board. All prior actions taken by such officials in connection with the financing program authorized by this Bond Ordinance are hereby ratified and confirmed.

Section 10. Covenants

The City hereby covenants to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the bonds and notes 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 11. Ratification of Prior Actions

Any action taken by any officials of the City in connection with the improvements described in Section 1 hereof are hereby ratified and confirmed notwithstanding that such actions may have been taken prior to the effective date of this Bond Ordinance and shall be deemed to have been taken pursuant to this Bond Ordinance.

Section 12. Application of Grants

Any grant moneys received for the purposes described in Section 1 hereof shall be applied either to direct payment of the cost of the improvements or to payment of the obligations issued pursuant to this Bond Ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 13. Full Faith and Credit

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

Section 14. Official Intent to Reimburse Expenditures

The City reasonably expects to reimburse any expenditures towards the cost of the improvements or purposes described in Section 1 of this Bond Ordinance and paid prior to the issuance of any bonds or notes authorized by this Bond Ordinance with the proceeds of such bonds or notes. No funds from sources other than the bonds or notes authorized herein has been or is reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside by the City, or any member of the same "control group" as the City, within the meaning of Treasury Regulations Section 1.150-1(f), pursuant to their budget or financial policies with respect to any expenditures to be reimbursed. This Section is intended to be and hereby is a declaration of the City's official intent to reimburse any expenditures towards the costs of the improvements or purposes described in Section 1 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations Section 1.103-18, and no action (or inaction) will be an artifice or device in accordance with Treasury Regulation Section yield restrictions or arbitrage rebate requirements.

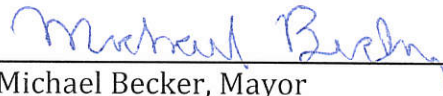
Section 15. Effective Date

This Bond Ordinance shall take effect twenty (20) days after the first publication hereof after final passage, as provided by the Local Bond Law.

Section 16. Capital Budget

The capital or temporary capital budget of the City is hereby amended to conform with the provisions of this Bond Ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary budget has been filed with the Division of Local Government Services.

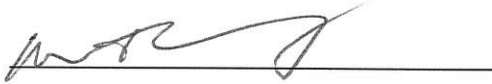
BOARD OF COMMISSIONERS OF THE CITY OF
MARGATE IN THE COUNTY OF ATLANTIC



Michael Becker, Mayor



John Amodeo, Commissioner



Maury Blumberg, Commissioner

FIRST READING:	October 6, 2022
PUBLICATION:	October 11, 2022
FINAL READING:	October 20, 2022
PUBLICATION WITH STATEMENT:	October 24, 2022