

MONROE TOWNSHIP, MIDDLESEX COUNTY

BOND ORDINANCE NUMBER _____

REFUNDING BOND ORDINANCE OF THE TOWNSHIP OF MONROE, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY (THE "TOWNSHIP") PROVIDING FOR (i) THE REFUNDING OF CERTAIN OUTSTANDING REVENUE BONDS (2003 REFUNDING SERIES) AND REVENUE BONDS (2005 REFUNDING SERIES) OF THE TOWNSHIP TO PROVIDE NET DEBT SERVICE SAVINGS, AND (ii) AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE TOWNSHIP TO EFFECT SUCH REFUNDING AND APPROPRIATING THE PROCEEDS THEREFOR

WHEREAS, pursuant to the Municipal and County Utilities Authorities Law, N.J.S.A. 40:14B-1 et seq., as amended and supplemented (the "Municipal and County Utilities Authorities Law") The Monroe Township Municipal Utilities Authority, in the County of Middlesex (the "Authority"), State of New Jersey (the "State") had previously issued (i) \$6,370,000 aggregate principal amount of Revenue Bonds (2003 Refunding Series) (the "2003 Bonds") dated February 1, 2003 and (ii) \$8,910,000 aggregate principal amount of Revenue Bonds (2005 Refunding Series) (the "2005 Bonds" and together with the 2003 Bonds, the "Issued Bonds") dated September 29, 2005; and

WHEREAS, the Township of Monroe, in the County of Middlesex, State of New Jersey (the "Township") legally dissolved the Authority by ordinance adopted January 5, 2009, in accordance with the provisions of N.J.S.A. 40A:5A-20 and the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and, *inter alia*, assumed all existing bonded indebtedness of the dissolved Authority, including the Issued Bonds; and

WHEREAS, a \$400,000 outstanding principal amount of the 2003 Bonds maturing on February 1 in the years 2016 through 2017, inclusive (the "2003 Refunded Bonds") are currently subject to redemption, either in whole or in part on any date, prior to their stated maturity, at a redemption price equal to 100% of their principal amount; and

WHEREAS, a \$7,030,000 outstanding principal amount of the 2005 Bonds maturing on February 1 in the years 2016 through 2024, inclusive and on February 1, 2026 (the "2005 Refunded Bonds" and together with the 2003 Refunded Bonds, the "Refunded Bonds") are subject to redemption, either in whole or in part on any date on or after February 1, 2016, prior to their stated maturity, at a redemption price equal to 100% of their principal amount; and

WHEREAS, the Township Council desires to refund all or a portion of the Refunded Bonds through the issuance of one or more series of General Obligation Refunding Bonds in an aggregate principal amount not to exceed \$8,000,000 (the "Refunding Bonds"); and

WHEREAS, the Township Council now desires to adopt this Refunding Bond Ordinance (the "Refunding Bond Ordinance") authorizing the issuance of one or more series of Refunding Bonds in an aggregate principal amount not exceeding \$8,000,000, a portion of the sale proceeds of which shall be used to refund the Refunded Bonds.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF MONROE, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

SECTION 1. The refunding of all or a portion of the Refunded Bonds is hereby authorized.

SECTION 2. In order to refund the Refunded Bonds and to pay all related costs associated therewith, the Township is hereby authorized to issue one or more series of Refunding Bonds in an aggregate principal amount not to exceed \$8,000,000, all in accordance with the requirements of N.J.S.A. 40A:2-51 et seq., and appropriate the proceeds of such Refunding Bonds to such purpose described in Section 3 hereof. Such Refunding Bonds shall be designated as “General Obligation Water-Sewer Utility Refunding Bonds” with such series designation as may be necessary to identify such bonds.

SECTION 3. The purpose of the issuance of the Refunding Bonds is to achieve net debt service savings (*net of all refinancing costs*) by refunding all or a portion of the Refunded Bonds.

SECTION 4. An aggregate amount not exceeding \$200,000, may be allocated from the aggregate principal amount of the Refunding Bonds to pay for items of expense listed and permitted under N.J.S.A. 40A:2-51(b), including, but not limited to, the aggregate allocated costs of issuance thereof, including underwriting, printing, credit enhancement or other insurance, advertising, accounting, financial, legal and other expenses in connection therewith.

SECTION 5. The purpose of the issuance of the Refunding Bonds is to realize net present value interest cost savings for property taxpayers residing in the Township (“net” meaning savings after payment of all costs of issuance of the Refunding Bonds). Applicable State requirements mandate that such net present value interest cost savings equal at least three percent (3%) of the principal amount of the Refunded Bonds. In addition, the issuance of the Refunding Bonds shall comply with the provisions of N.J.A.C. 5:30-2.5, including that within ten (10) days of the date of the closing on the Refunding Bonds, the Township Chief Financial Officer shall file a report with the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs setting forth (a) a comparison of the Refunding Bonds’ debt service and the Refunded Bonds’ debt service, which comparison shall set forth the present value savings achieved by the issuance of the Refunding Bonds; (b) a summary of the issuance of the Refunding Bonds; (c) an itemized accounting of all costs of issuance in connection with the issuance of the Refunding Bonds; and (d) a certification of the Township Chief Financial Officer that (i) all of the conditions of section (b) of N.J.A.C. 5:30- 2.5 have been met, and (ii) a resolution authorizing the issuance of the Refunding Bonds, adopted pursuant to the applicable provisions of the Local Bond Law, was approved by a two-thirds vote of the full membership of the Township Council.

SECTION 6. A certified copy of this Refunding Bond Ordinance, as introduced, has been filed with the Director of the Division of Local Government Services, in the New Jersey Department of Community Affairs prior to final adoption and enactment hereof.

SECTION 7. The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the Township 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 New Jersey Department of Community Affairs, and such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided for in this Refunding Bond Ordinance and the said bonds and notes authorized by this Refunding Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law.

SECTION 8. This bond ordinance shall take effect and twenty (20) days after the first publication thereof after final adoption, and approval by the Mayor.

ADOPTED ON FIRST READING
DATED: December 9, 2015

SHARON DOERFLER, Clerk
Township of Monroe

GERALD W. TAMBURRO, Council President
Township of Monroe

ADOPTED ON SECOND READING
DATED: December 28, 2015

SHARON DOERFLER, Clerk
Township of Monroe

GERALD W. TAMBURRO, Council President
Township of Monroe

APPROVAL BY THE MAYOR ON THIS _____ DAY OF DECEMBER, 2015.

RICHARD PUCCI, Mayor
Township of Monroe