

BOND ORDINANCE NO. 15-2019

BOROUGH OF EATONTOWN, COUNTY OF MONMOUTH

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS AND THE ACQUISITION OF VARIOUS CAPITAL EQUIPMENT, APPROPRIATING \$3,615,053 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,658,822 BONDS AND NOTES TO FINANCE A PORTION OF THE COSTS THEREOF, AUTHORIZED IN AND BY THE BOROUGH OF EATONTOWN, IN THE COUNTY OF MONMOUTH, NEW JERSEY

BE IT ORDAINED by the BOROUGH COUNCIL OF THE BOROUGH OF EATONTOWN, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

Section 1. The improvements described in Section 3 of this bond ordinance are hereby authorized as general improvements to be undertaken in and by the Borough of Eatontown, in the County of Monmouth, New Jersey (the "Borough"). For the improvements or purposes described in Section 3, there is hereby appropriated the sum of \$3,615,053, said sum being inclusive of all appropriations heretofore made therefor, including the sum of \$650,157 in grant funds expected to be received from the New Jersey Department of Transportation (NJDOT), \$166,136 grant funds expected to be received from the Monmouth County Community Development Block Grant (CDBG) Program, and the sum of \$139,938 as the down payment for said purposes as required by the Local Bond Law, N.J.S.A. 40A:2-1 et seq. The down payment is now available by virtue of provision for down payment or for capital improvement purposes in the Capital Improvement Fund of one or more previously adopted budgets.

Section 2. In order to finance the costs of said improvements or purposes not provided for by the application of the down payment, negotiable bonds are hereby authorized to be issued in the principal amount not to exceed \$2,658,822, pursuant to the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. (a) The improvements hereby authorized and the purposes for which the obligations are to be issued consist of:

- i) the 2019 Road Program, including, but not limited to, milling and paving of Malibu Drive, Industrial Way West and the parking lot at Borough Hall, with a total appropriation and estimated cost of \$1,573,677 including \$350,000 grant funds expected to be received from the NJDOT for said improvements to Malibu Drive and \$300,157 grant funds expected to be received from the NJDOT for said improvements to Industrial Way West, estimated amount of bonds and notes therefor of \$877,344, and an average period of usefulness of twenty (20) years;
- ii) acquisition of various machinery and equipment, with a total appropriation and estimated cost of \$469,700, estimated amount of bonds and notes therefor of \$446,215, and an average period of usefulness of five (5) years;
- iii) various improvements to public buildings, grounds, and signs, including, but not limited to, new fencing for the Arboretum and the Community Center/Preschool Playground area; renovation of the women's basement restroom and replacement of side doors and carpet at Borough Hall; replacement refrigerant for the Borough Hall air conditioning system; installation of a video surveillance system, lighting repairs, old lift removal, and replacement of a double door and two (2) heating units at the Board of Education Garage located at 250 Pinebrook Road; two (2) new playground surfaces, refinishing of bathroom floors, and lighting upgrade at 80 Acres Park; installation of a video surveillance system at the Recycling Center Building located at 131B Lewis Street; 2nd floor window replacements at the Community Center Annex; ceiling painting at the Community Center; replacement of the circulating pump and three (3) heating units at the Firehouse; various building repairs at the Historical Museum; improvements to the Senior Center – Phase III; refurbishment of Borough welcome signs; and replacement of doors and refinishing of bathroom floors at Wampum Park, with a total appropriation and estimated cost of \$681,676 including \$166,136 grant funds expected to be received from the CDBG Program for said improvements to the Senior Center, estimated amount of bonds and notes therefor of \$489,763, and an average period of usefulness of fifteen (15) years; and

- iv) acquisition of municipal vehicles and various equipment, with a total appropriation and estimated cost of \$890,000, estimated amount of bonds and notes therefor of \$845,500, and an average period of usefulness of five (5) years, together with all purposes necessary, incidental or appurtenant thereto, all as shown on and in accordance with contracts, plans, specifications or requisitions therefor on file with or through the Borough Clerk, as finally approved by the governing body of the Borough.

(b) The estimated maximum amount of bonds or notes to be issued for the improvements or purposes described in Section 3(a) hereof is \$2,658,822, as stated in Section 2 hereof.

(c) The estimated cost of the improvements or purposes described in Section 3(a) hereof is \$3,615,053, which is equal to the amount of the appropriation herein made therefor. The excess of the appropriation of \$3,615,053 over the estimated maximum amount of bonds or notes to be issued therefor being the amount of said \$139,938 down payment for said purposes, the \$650,157 grant funds expected to be received from the NJDOT, and the \$166,136 grant funds expected to be received from the CDBG Program.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer of the Borough, provided that no note shall mature later than one (1) year from its date. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:2-8. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer, who shall determine all matters in connection with notes issued pursuant to this ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. The chief financial officer 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 is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of such notes occurs, such report shall include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvements or purposes described in Section 3 of this bond ordinance are not a current expense and are improvements or purposes that the Borough may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The average period of usefulness of the improvements or purposes, within the limitations of the Local Bond Law and taking into consideration the amount of the obligations authorized for said purposes, according to the reasonable life thereof computed from the date of the bonds authorized by this bond ordinance, is 11.79 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Borough 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 Borough as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$2,658,822 and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$431,020 for interest on said obligations, costs of issuing said obligations, engineering costs, legal fees and other items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included as part of the cost of said improvements and is included in the estimated cost indicated herein for said improvements.

(e) To the extent that moneys of the Borough are used to finance, on an interim basis, costs of said improvements or purposes, the Borough reasonably expects such costs to be paid or reimbursed with the proceeds of obligations issued pursuant hereto.

Section 6. The capital budget of the Borough is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. The resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director of the Division of Local Government Services is on file with the Borough Clerk and is available there for public inspection.


Section 7. Any grant or similar moneys from time to time received by the Borough for the improvements or purposes described in Section 3 hereof, shall be applied either to direct payment of the cost of the improvements within the appropriation herein authorized or to payment of the obligations issued pursuant to this ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are received and so used.

Section 8. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Borough, and, unless paid from other sources, the Borough shall be obligated to levy ad valorem taxes upon all the taxable property within the Borough for the payment of the obligations and the interest thereon without limitation as to rate or amount.

Section 9. This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law.

DATE INTRODUCED: June 12, 2019
DATE ADOPTED: July 10, 2019

APPROVED:

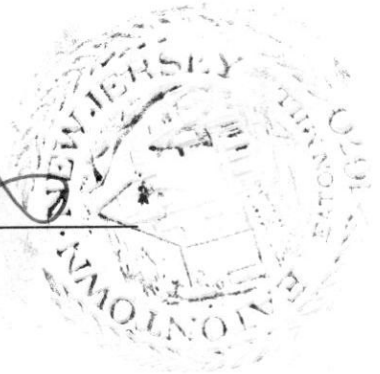


ANTHONY TALERICO, JR., MAYOR
Date: 7-11-2019

ATTEST:



JULIE MARTIN, MUNICIPAL CLERK
Date: 7-11-2019



State of New Jersey
Department of Community Affairs
Supplemental Debt Statement

Local Government: Eatontown Borough Prepared As Of: 6/12/2019

Budget Year Ending December 31 (Month D-D) 2019 (Year)

Name: Dena Amodea Phone: (732) 720-2576
 Title: CFO Email: damodea@eatontownnj.com
 Address: 47 Broad Street
07724
Eatontown, NJ
US CFO Cert #: _____

Dena Amodea, Being duly sworn, deposes and says: Deponent is the Chief Financial Officer of Eatontown Borough here and in the statement hereinafter mentioned called the local unit. The Supplemental Debt Statement annexed hereto and hereby made a part hereof is a true statement of the debt condition of the local unit as of the date therein stated and is computed as provided by the Local Bond Law of New Jersey.

	Net Debt as per Annual Debt Statement	Decrease (Since December 31, last past)	Increase	Net Debt
Bonds and Notes for School Purposes	\$0.00	\$	\$	\$0.00
Bonds and Notes for Self-Liquidating Purposes	\$0.00	\$	\$	\$0.00
Other Bonds and Notes	\$14,886,202.00	\$	\$	\$14,886,202.00

2 Net Debt at the time of this statement is \$14,886,202.00

The amounts and purposes separately itemized of the obligations about to be authorized, and any deductions which may be made on account of each such item are: (see Note "C" below)

Bond Ordinance	Purposes	Amount	Deduction	Net
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	\$2,658,822.00	\$	\$2,658,822.00
		\$2,658,822.00	\$0.00	\$2,658,822.00

4 The net debt of the local unit determined by the addition of the net debt amounts stated in items 2 and 3 above is: \$17,545,024.00

5 Equalized valuation basis (the average of the equalized valuations of real estate, including improvements and the assessed valuation of class II railroad property of the local unit for the last 3 preceding years) as stated in the Annual Debt Statement or the revision thereof last filed.

Year		
(1) 2016	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	\$2,020,174,495.00
(2) 2017	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	\$2,299,787,715.00
(3) 2018	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	\$2,292,993,443.00

6 Equalized Valuation Basis – Average of (1), (2) and (3)..... \$2,204,318,551.00

7 Net Debt (Line 4 Above) expressed as a percentage of such equalized valuation basis (Line 6 above) is: 0.796%

Notes

- A If authorization of bonds or notes is permitted by an exception to the debt limit, specify the particular paragraph of N.J.S.A. 40A:2-7 or other section of law providing such exception.
- B This form is also to be used in the bonding of separate (not Type I) school districts as required by N.J.S.A. 18A:24-16, and filed before the school district election. In such case pages 3 and 4 should be completed to set forth the computation supporting any deduction in line 3 above.
- C Only the account of bonds or notes about to be authorized should be entered. The amount of the "down payment" provided in the bond ordinance should not be included nor shown as a deduction.

**COMPUTATION AS TO INDEBTEDNESS FOR IMPROVEMENT OR EXTENSION OF AN
EXISTING MUNICIPAL PUBLIC UTILITY, N.J.S.A. 40A:2-7(h); NJSA 40A:2-47(a)**

1. Annual Debt Statement, excess in revenues of utility
2. Less Interest and principal computed as provided in N.J.S.A. 40A:2-47(a) for all obligations authorized but not issued to the extent not already charged to income in the annual debt statement.
3. Excess revenue prior to authorizing proposed obligations = (column 1 minus column 2)
4. Interest and principal calculated for proposed obligations N.J.S.A. 40A:2-47(a)
 - (a) Interest for one year at 4 1/2%
 - (b) First installment of serial bonds legally issuable
 - (c) Total charges (Items (a) and (b))

	1	2	3	4(a)	4(b)	4(c)
Municipal Public Utility	ADS Excess in Revenues of Utility	Less Interest and Principal	Excess Revenue	Interest for One Year	1 st Installment of Serial Bonds Legally Issuable	Total Charges

Note: If line 3 equals or exceeds line 4, obligations may be authorized under the provisions of N.J.S.A. 40A:2-7(h) as limited by N.J.S.A. 40A:2-47(a).

**COMPUTATION OF SCHOOL INDEBTEDNESS AND DEDUCTIONS
UNDER PROVISIONS OF N.J.S.A. 18A: 24-17**

<u>N.J.S.A. 18A:24-19 (Lines 1 to 7)</u>		
1	Average of equalized valuations (page 1, line 3)	\$2,204,318,551.00
2	Gross School District Debt outstanding and authorized but not issued (not including proposed issue)	\$
3	Less: Sinking funds held for payment of School Debt, by Sinking Fund Commission	\$
4	Net debt for school purposes (line 2, minus line 3)	\$0.00
5	Debt deduction for school purposes' % (as per line below)	%
	(a) 2½% Kindergarten or Grade 1 through Grade 6	
	(b) 3 % Kindergarten or Grade 1 through Grade 8	
	(c) 3½% Kindergarten or Grade 1 through Grade 9	
	(d) 4 % Kindergarten or Grade 1 through Grade 12	
6	Available debt deduction (excess, if any, of line 5 over line 4)	\$0.00
7	School Bonds about to be authorized	\$
Note: Omit lines 8 to 13, if line 6 equals or exceeds line 7. or if shown on line 17		
<u>N.J.S.A. 18A:24-22 (Lines 8 to 13)</u>		
8	Excess of line 7 over line 6	\$0.00
9	Municipal Debt Limit (3½% of line 1 above)	\$77,151,149.29
10	Net Debt	\$14,886,202.00
11	Available Municipal Borrowing Margin (excess, if any, of line 9 over line 10)	\$62,264,947.29
12	Use of Municipal Borrowing Margin (line 8 not exceeding line 11)	\$0.00
13	Remaining Municipal Borrowing Margin after authorization of proposed School Bonds (line 11 minus line 12)	\$62,264,947.29
Note: Omit lines 14 to 16, if line 11 equals or exceeds line 8, or if shown on line 17		
<u>N.J.S.A. 18A:24-24 (lines 14 to 16)</u>		
14	Amount of line 7	\$
15	Amount of Deduction:	
	(a) Amount of line 6	\$0.00
	(b) Amount of line 11	\$62,264,947.29
	Total	\$62,264,947.29
16	Excess of line 14 over line 15	\$0.00

Computation of Regional School Indebtedness

	1	2	3	4	5
Municipality	Average Equalized Valuations 40A:2-43		Apportionment of Previous Bonds Issued or Authorized	Amount Apportionment of Proposed Bond Issue	Total Apportionment of Previous Bonds Issued or Authorized plus Apportionment Proposed Bond Issue (Column 3 plus 4)
	Amount	Percentage			
Eatontown Borough	\$2,204,318,551.00	97.66775688%	1.00	0.98	1.98
Shrewsbury Township	\$52,637,707.00	0.96009720%	1.00	0.01	1.01
Tinton Falls Borough	\$3,225,583,096.67	142.91739529%	1.00	1.43	2.43
Totals	\$5,482,539,354.67	241.55%			

SPECIAL DEBT STATEMENT

BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7(f)

1	Amount of accumulated debt incurring capacity under RS 40:1-16(d) as shown on the latest Annual Debt Statement.		\$
2	Obligations heretofore authorized in excess of debt limitation and pursuant to:		
	(a) N.J.S.A. 40A:2-7(d)	\$	
	(b) N.J.S.A. 40A:2-7(f)	\$	
	(c) N.J.S.A. 40A:2-7(g)	\$	
	Total		\$0.00
3	Available debt incurring capacity (N.J.S.A. 40A:2-7(f))		\$
4	Obligations about to be authorized pursuant to N.J.S.A. 40A :2-7(f) (If item 3 equals or exceeds item 4, obligations may be authorized)		\$

BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7(g)

1	Total appropriations made in local unit budget for current fiscal year for payment of obligations of local unit included in Annual Debt Statement or revision thereof last filed as of preceding December 31, 2018		\$
2	Less the amount of such obligations which constitute utility and assessment obligations:		\$
3	Excess of item 1 over item 2:		\$0.00
4	Amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district		\$
5	Amount equal to 2/3 of the sum of item 3 and item 4		\$0.00
6	(a) Amount of obligations heretofore authorized under N.J.S.A. 40A:2-7(g) in current fiscal year	\$	
	(b) Amount of authorizations included in 6(a) which were heretofore repealed	\$	
	(c) Excess of item 6(a) over item 6(b)		\$0.00
7	Excess of item 5 over item 6(c)		\$0.00
8	Obligations about to be authorized		\$
9	Borrowing capacity still remaining after proposed authorization		\$0.00

(item 7 less item 8) (If item 7 equals or exceeds item 8, obligations may be authorized)