

**O-16-49
08/24/16**

CITY OF BAYONNE

**BOND ORDINANCE OF THE CITY OF BAYONNE,
IN THE COUNTY OF HUDSON, STATE OF NEW
JERSEY, PROVIDING AS PART OF THE
DISSOLUTION OF THE BAYONNE MUNICIPAL
UTILITIES AUTHORITY FOR THE ASSUMPTION
OF CERTAIN OUTSTANDING OBLIGATIONS OF
SUCH AUTHORITY ISSUED TO FINANCE SUCH
AUTHORITY'S WATER AND SEWER SYSTEMS,
APPROPRIATING NOT TO EXCEED \$234,920
THEREFOR AND AUTHORIZING THE
ASSUMPTION BY THE CITY OF NOT TO EXCEED
\$234,920 BONDS OF THE AUTHORITY FOR SUCH
PURPOSE**

WHEREAS, the City Council of the City of Bayonne (the "City"), in the County of Hudson, State of New Jersey, has determined, pursuant to the provisions of the Local Authorities Fiscal Control Law (the "Authorities Control Law"), specifically N.J.S.A. 40A:5A-20, to dissolve the Bayonne Municipal Utilities Authority (the "Authority"); and

WHEREAS, the Authority has certain series of bonds outstanding consisting of (a) \$100,000 Water System Revenue Bonds, Series 2012A (Federally Taxable) (Capital Appreciation Bonds), with an accreted value on December 21, 2016 of \$117,460 (the "2012 Water System Outstanding Bonds"), and (b) \$100,000 Sewer System Revenue Bonds, Series 2012A (Federally Taxable) (Capital Appreciation Bonds), with an accreted value on December 21, 2016 of \$117,460 (the "2012 Sewer System Outstanding Bonds" and the 2012 Water System Outstanding Bonds, the "Outstanding Bonds"), which Outstanding Bonds were issued to respectively finance certain components of the Authority's sewer and water systems, as applicable, and which Outstanding Bonds were issued under the Authority's respective water system bond resolution and sewer system bond resolution, as applicable (collectively, the "Bond Resolution"); and

WHEREAS, the City, as part of the dissolution of the Authority and in connection with the provision for the payment of all creditors or obligees of the Authority, desires to assume all such Outstanding Bonds and the obligations of the Authority under the Bond Resolution; and

WHEREAS, the City, simultaneously with the dissolution of the Authority, has provided for the transfer of the Authority sewer and water operations to the City; and

WHEREAS, pursuant to the Authorities Control Law and the applicable provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), the City is authorized to assume the Outstanding Bonds and the obligations of the Authority under the Bond Resolution in furtherance of the dissolution of the Authority.

NOW, THEREFORE, BE IT ORDAINED, BY THE CITY COUNCIL OF THE CITY OF BAYONNE, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

SECTION 1. The City is hereby authorized to assume the Outstanding Bonds of the Authority referred to herein or otherwise remaining unpaid, and, in order to provide for such assumption, the sum of not to exceed \$234,920 is hereby appropriated. In addition, upon the assumption of the Outstanding Bonds, the City, as long as the Outstanding Bonds remain outstanding, shall perform all obligations of the Authority under the Bond Resolution. As provided in N.J.S.A. 40A:5A-20, 40A:2-11(c) and 40A:2-7(d), no down payment is required and the obligations authorized herein are deductible from the gross debt of the City as more fully described herein.

SECTION 2. (a) In order to finance all or a portion of the appropriation for the purpose described in Section 1 hereof, the City is hereby authorized to assume the Outstanding Bonds in an amount not to exceed \$234,920 (the "Bonds") pursuant to the Local Bond Law and the provisions of the Authorities Control Law. In connection with such assumption, the City shall assume and shall perform all obligations of the Authority under the Outstanding Bonds and under the Bond Resolution.

(b) The aggregate estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$234,920.

(c) The aggregate estimated cost of the assumption of the Outstanding Bonds is \$234,920.

SECTION 3. The capital budget of the City is hereby amended to conform with the provisions of this bond 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, New Jersey Department of Community Affairs (the "Director") is on file with the City Clerk and is available there for public inspection.

SECTION 4. The following additional matters are hereby determined, declared, recited and stated:

(a) The purpose described in Section 1 hereof to be undertaken by the City as a result of the dissolution of the Authority is an authorized purpose for which the Outstanding Bonds may be assumed. No part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) In accordance with the provisions of the Authorities Control Law, the period of usefulness of the purpose described herein is 40 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the City Clerk, and a complete executed duplicate thereof has been filed in the office of the Director. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the assumption of the Outstanding Bonds provided in this bond ordinance by \$234,920, but that the net debt of the City determined as provided in the Local Bond Law and the Authorities Control Law is not increased by this ordinance.

(d) The Local Finance Board has determined that ordinance authorizes obligations of the City solely for a purpose described in N.J.S.A. 40A:2-7(d). This purpose is in the public interest and is for the health, the welfare, the convenience or the betterment of the inhabitants of the City. The amounts to be expended for this purpose pursuant to this bond ordinance are not unreasonable or exorbitant, and the issuance of the obligations authorized by this bond ordinance will not materially impair the credit of the City or substantially reduce its ability to pay punctually the principal of and the interest on its debts and to supply other essential public improvements and services. The Local Finance Board has heretofore made a determination to this effect and has caused its consent to be endorsed upon a certified copy of the bond ordinance as passed upon first reading. The Outstanding Bonds will be within all debt limitations prescribed by applicable laws.

(e) An aggregate amount not exceeding \$0 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purposes or improvements herein before described.

SECTION 5. The purpose of this bond ordinance is to enable the City to dissolve the Authority, consistent with the provisions of the Authorities Control Law.

SECTION 6. A certified copy of this ordinance as adopted on first reading has been filed with the Director prior to final adoption, together with the complete statement in the form prescribed by the Director and signed by the Chief Financial Officer of the City as to the indebtedness to be assumed by the City as authorized herein.

SECTION 7. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the Outstanding Bonds. Such Outstanding Bonds shall be direct, unlimited obligations of the City, and to the extent not paid from other sources, the City shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the City for the payment of such Outstanding Bonds.

SECTION 8. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid by any court of competent jurisdiction, such decision shall not affect the remaining portions of this ordinance.

SECTION 9. This foregoing bond ordinance shall take effect immediately upon adoption and shall not be subject to referendum, provided, however, that the Local Finance Board has approved this bond ordinance in accordance with N.J.S.A. 40A:5A-20. The assumption of the Outstanding Bonds as provided herein shall be effective upon the effective date of the dissolution of the Authority as set forth in Section 1 of the City's Ordinance entitled "AN ORDINANCE OF THE CITY OF BAYONNE DISSOLVING THE BAYONNE MUNICIPAL UTILITIES AUTHORITY PURSUANT TO N.J.S.A. 40A:5A-20 AND MAKING ADEQUATE PROVISION FOR THE PAYMENT OF THE CREDITORS OR OBLIGEEES OF THE AUTHORITY AND THE ASSUMPTION OF THE SERVICES PROVIDED BY THE AUTHORITY", adopted June 22, 2016.

**ADOPTED ON FIRST READING
DATED: May 18, 2016**

**ROBERT F. SLOAN,
Clerk of the City of Bayonne**

**ADOPTED ON SECOND READING
DATED: June 22, 2016**

**ROBERT F. SLOAN,
Clerk of the City of Bayonne**

**CITY COUNCIL OF THE CITY OF BAYONNE
PUBLIC NOTICE
NOTICE OF PENDING BOND ORDINANCE AND SUMMARY**

The bond ordinance, the summary terms of which are included herein, was introduced and passed upon first reading at a meeting of the governing body of the City of Bayonne, in the County of Hudson, State of New Jersey, on May 18, 2016. It will be further considered for final passage, after public hearing thereon, at a meeting of the governing body to be held at the Dorothy Harrington Council Chambers, City Hall, 630 Avenue C, Bayonne, in said County, on June 22, 2016 at 7:00 p.m. 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 for the members of the general public who shall request the same. The summary of the terms of such bond ordinance follows:

Title: BOND ORDINANCE OF THE CITY OF BAYONNE, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY, PROVIDING AS PART OF THE DISSOLUTION OF THE BAYONNE MUNICIPAL UTILITIES AUTHORITY FOR THE ASSUMPTION OF CERTAIN OUTSTANDING OBLIGATIONS OF SUCH AUTHORITY ISSUED TO FINANCE SUCH AUTHORITY'S WATER AND SEWER SYSTEMS, APPROPRIATING NOT TO EXCEED \$234,920 THEREFOR AND AUTHORIZING THE ASSUMPTION BY THE CITY OF NOT TO EXCEED \$234,920 BONDS OF THE AUTHORITY FOR SUCH PURPOSE

Purpose(s): Assumption Of Certain Outstanding Obligations Of The Bayonne Municipal Utilities Authority In Amount Not To Exceed \$234,920 And Issued To Respectively Finance The Authority's Water and Sewer System And Improvements Thereto In Connection With The City's Dissolution Of Such Authority

Appropriation: \$234,920 (Assumption of Obligations of the Bayonne Municipal Utilities Authority)

Bonds/Notes Authorized: \$234,920 (Assumption of Obligations of the Bayonne Municipal Utilities Authority)

Grants Appropriated: None

Section 20 Costs: \$0

Useful Life: 40 years

**ROBERT F. SLOAN,
Clerk of the City of Bayonne**

CITY COUNCIL OF THE CITY OF BAYONNE
PUBLIC NOTICE
BOND ORDINANCE STATEMENT AND SUMMARY

The bond ordinance, the summary terms of which are included herein, has been finally adopted by the City Council of the City of Bayonne, in the County of Hudson, State of New Jersey on June 22, 2016 and the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement. Copies of the full ordinance are available at no cost and during regular business hours, at the Clerk's office for members of the general public who request the same. The summary of the terms of such bond ordinance follows:

- Title:** BOND ORDINANCE OF THE CITY OF BAYONNE, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY, PROVIDING AS PART OF THE DISSOLUTION OF THE BAYONNE MUNICIPAL UTILITIES AUTHORITY FOR THE ASSUMPTION OF CERTAIN OUTSTANDING OBLIGATIONS OF SUCH AUTHORITY ISSUED TO FINANCE SUCH AUTHORITY'S WATER AND SEWER SYSTEMS, APPROPRIATING NOT TO EXCEED \$234,920 THEREFOR AND AUTHORIZING THE ASSUMPTION BY THE CITY OF NOT TO EXCEED \$234,920 BONDS OF THE AUTHORITY FOR SUCH PURPOSE
- Purpose(s):** Assumption Of Certain Outstanding Obligations Of The Bayonne Municipal Utilities Authority In Amount Not To Exceed \$234,920 And Issued To Respectively Finance The Authority's Water and Sewer System And Improvements Thereto In Connection With The City's Dissolution Of Such Authority
- Appropriation:** \$234,920 (Assumption of Obligations of the Bayonne Municipal Utilities Authority)
- Bonds/Notes**
- Authorized:** \$234,920 (Assumption of Obligations of the Bayonne Municipal Utilities Authority)
- Grants**
- Appropriated:** None
- Section 20 Costs:** \$0
- Useful Life:** 40 years

ROBERT F. SLOAN,
Clerk of the City of Bayonne

CERTIFICATE OF INTRODUCTION

I, the undersigned Clerk of the City of Bayonne, in the County of Hudson, State of New Jersey, DO HEREBY CERTIFY that the foregoing is an extract from the Minutes of a meeting of the governing body of the City duly called and held on May 18, 2016 at 7:00 p.m. at the Dorothy Harrington Council Chambers, City Hall, 630 Avenue C, Bayonne, and that the following was the roll call:

Present: Cotter, Gullace, LaPelusa, Sr., Perez, Nadrowski

Absent: None

I FURTHER CERTIFY that the foregoing extract has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the governing body and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this 19th day of April, 2016.

(SEAL)

ROBERT F. SLOAN,
Clerk of the City of Bayonne

CERTIFICATE OF FINAL ADOPTION

I, the undersigned Clerk of the City of Bayonne, in the County of Hudson, State of New Jersey, DO HEREBY CERTIFY that the foregoing is an extract from the Minutes of a meeting of the governing body of the City duly called and held on June 22, 2016, at 7:00 p.m. at the Dorothy Harrington Council Chambers, City Hall, 630 Avenue C, Bayonne, in said County, and that the following was the roll call:

Present:

Absent:

I FURTHER CERTIFY that the foregoing extract has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the governing body and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this ____ day of _____, 2016.

(SEAL)

ROBERT F. SLOAN,
Clerk of the City of Bayonne

CLERK'S CERTIFICATE

I, ROBERT F. SLOAN, DO HEREBY CERTIFY that I am the Clerk of the City of Bayonne, in the County of Hudson (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, and that as such I am duly authorized to execute and deliver this certificate on behalf of the City. In such capacity, I have the responsibility to maintain the minutes of the meetings of the governing body of the City and the records relative to all resolutions and ordinances of the City. The representations made herein are based upon the records of the City. I DO HEREBY FURTHER CERTIFY THAT:

1. Attached hereto is the bond ordinance introduced on May 18, 2016 and finally adopted on June 22, 2016.

2. After introduction, the bond ordinance was published as required by law on _____, 2016 in the _____.

3. Following the passage of the ordinance on first reading, and at least seven (7) days prior to the final adoption thereof, I caused to be posted in the principal municipal building of the City at the place where public notices are customarily posted, a copy of said ordinance and a notice that copies of the ordinance would be made available to the members of the general public of the City who requested copies, up to and including the time of further consideration of the ordinance by the governing body. Copies of the ordinance were made available to all who requested same.

4. After final passage, the ordinance was duly approved by the Mayor on _____, 2016 and was duly published as required by law on

_____, 2016 in the _____. No protest signed by any person against making any improvement or incurring the indebtedness authorized therein, nor any petition requesting that a referendum vote be taken on the action proposed in the ordinance has been presented to the governing body or to me or filed in my office within twenty (20) days after said publication or at any other time after the final passage thereof.

5. The ordinance has not been amended, added to, altered or repealed and said ordinance is now in full force and effect.

6. A certified copy of this ordinance and a copy of the amended capital budget form has been filed with the Director of the Division of Local Government Services, as applicable.

7. The official seal of the City is the seal, an impression of which is affixed opposite my signature on this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this ____ day of _____, 2016.

(SEAL)

ROBERT F. SLOAN,
Clerk of the City of Bayonne

CERTIFICATE OF SUPPLEMENTAL DEBT STATEMENT

I, the undersigned, Clerk of the City of Bayonne, in the County of Hudson, State of New Jersey, DO HEREBY CERTIFY, that the attached Supplemental Debt Statement was prepared, executed and sworn to by Terrence Malloy, the Chief Financial Officer as of May 18, 2016, that such Supplemental Debt Statement was filed in my office on or by May 18, 2016 and with the Director of the Division of Local Government Services, New Jersey Department of Community Affairs on _____, __ 2016.

ROBERT F. SLOAN,
Clerk of the City of Bayonne