

O-16-02
01/20/16

CITY OF BAYONNE

REFUNDING BOND ORDINANCE OF THE CITY OF BAYONNE, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (THE "CITY") PROVIDING FOR (i) THE REFUNDING OF CERTAIN OUTSTANDING GENERAL IMPROVEMENT BONDS OF THE CITY DATED JUNE 24, 2009 AND SCHOOL BONDS OF THE CITY DATED DECEMBER 22, 2004 TO PROVIDE DEBT SERVICE SAVINGS, AND (ii) AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$80,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY TO EFFECT SUCH REFUNDING AND APPROPRIATING THE PROCEEDS THEREFOR

WHEREAS, pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), the City of Bayonne, in the County of Hudson, State of New Jersey (the "City"), had previously issued \$67,625,000 aggregate principal amount of General Improvement Bonds (Qualified Pursuant to the Provisions of the Municipal Qualified Bond Act, P.L. 1976, c. 38 as amended) on June 24, 2009 and \$55,309,000 School Bonds (New Jersey School Bond Reserve Act, P.L. 1980, c. 72) on December 22, 2004 ("Original School Bonds" and together with the "Original General Bonds", the "Original Bonds"); and

WHEREAS, \$67,945,000 outstanding Original Bonds, consisting of \$64,345,000 Original General Bonds maturing in the years 2020 through 2039 (the "Refunded General Bonds"), and \$3,600,000 Original School Bonds maturing in the years 2016 through 2025 (the "Refunded School Bonds" and together with the Refunded General Bonds, the "Refunded Bonds") are currently subject to redemption, either in whole or in part, prior to their stated maturity; and

WHEREAS, the City Council has determined that the current tax-exempt interest rate environment would enable it to realize debt service savings for the City taxpayers by refunding all or a portion of the aforesaid Refunded Bonds through the issuance of its General Obligation Refunding Bonds in an aggregate principal amount not to exceed \$80,000,000 (the "Refunding Bonds"), consisting of General Improvement Refunding Bonds and School Refunding Bonds; and

WHEREAS, the City Council now desires to adopt this Refunding Bond Ordinance (the "Refunding Bond Ordinance") authorizing the issuance of the Refunding Bonds in an aggregate principal amount not exceeding \$80,000,000, consisting of

General Improvement Refunding Bonds and School Refunding Bonds, a portion of the sale proceeds of which shall be used to refund the Refunded Bonds.

BE IT ORDAINED AND ENACTED 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 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 City is hereby authorized to issue the Refunding Bonds in an aggregate principal amount not to exceed \$80,000,000, consisting of General Improvement Refunding Bonds and School Refunding Bonds, 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 Refunding Bonds" with such series designation as may be necessary to identify such bonds, including but not limited, "General Improvement Refunding Bonds" and "School Refunding Bonds".

SECTION 3. The purpose of the issuance of the Refunding Bonds is to achieve debt service savings by refunding all or a portion of the Refunded Bonds.

SECTION 4. An aggregate amount not exceeding \$1,000,000 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. A certified copy of this Refunding Bond Ordinance 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 6. 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 New Jersey Department of Community Affairs, 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 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 7. The Chief Financial Officer of the City is hereby authorized and directed to determine all matters and terms in connection with the Refunding Bonds, all in consultation with the City bond counsel and the City auditor, and the

manual or facsimile signature of the Chief Financial Officer of the City upon any documents shall be conclusive as to all such determinations. The Mayor, the Chief Financial Officer of the City, the City Clerk and any other City official, officer or professional, including but not limited to, the City bond counsel and the City auditor, are each hereby authorized and directed to execute and deliver such documents as are necessary to consummate the sale and closing of the Refunding Bonds, including the refunding report required to be filed pursuant to N.J.A.C 5:30-2.5, and to take such actions or refrain from such actions as are necessary for the issuance of the Refunding Bonds, in consultation with City bond counsel and the City auditor, and any and all actions taken heretofore with respect to the sale and issuance of the Refunding Bonds are hereby ratified and confirmed.

SECTION 8. This Refunding Bond Ordinance shall take effect twenty (20) days after the first publication thereof after final adoption and approval by the Mayor, as provided by the Local Bond Law.