Introduced: August 26, 2019

Adopted: September 23, 2019

THE TOWNSHIP OF SOUTH ORANGE VILLAGE

ORDINANCE #2019-18

BOND ORDINANCE PROVIDING A SUPPLEMENTAL APPROPRIATION OF $700,000 FOR THE SCOTLAND ROAD WATER MAIN REPLACEMENT PROJECT IN AND BY THE TOWNSHIP OF SOUTH ORANGE VILLAGE, IN THE COUNTY OF ESSEX, NEW JERSEY, AND AUTHORIZING THE ISSUANCE OF $700,000 BONDS OR NOTES OF THE VILLAGE TO FINANCE THE COST THEREOF.

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWNSHIP OF SOUTH ORANGE VILLAGE, IN THE COUNTY OF ESSEX, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The improvement described in Section 3(a) of this bond ordinance has heretofore been authorized to be undertaken by the Township of South Orange Village, in the County of Essex, New Jersey (the "Village"). For the improvement or purpose described in Section 3(a), there is hereby appropriated the supplemental amount of $700,000, such sum being in addition to the $3,292,500 appropriated therefor by Bond Ordinance #2019-07 of the Village, finally adopted April 8, 2019 (the "Original Bond Ordinance"). Pursuant to N.J.S.A. 40A:2-11(c), no down payment is provided for the costs of the improvement since the project described in Section 3(a) hereof is being funded through the New Jersey Infrastructure Bank and because the purpose authorized herein is deemed self-liquidating and the bonds and bond anticipation notes authorized herein are deductible from the gross debt of the Village, as more fully described in Section 6(e) of this bond ordinance.

Section 2. In order to finance the additional cost of the improvement or purpose, negotiable bonds are hereby authorized to be issued in the principal amount of $700,000 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, 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 improvement heretofore authorized and the purpose for the financing of which the bonds are to be issued is The Scotland Road Water Main Replacement Project, including, but not limited to, the replacement of the main located on Scotland Road between South Orange Avenue and Randolph Road and the replacement of associated valves, fire hydrants, pipes and other related appurtenances and further including all work, materials and equipment necessary therefor and incidental thereto, as described in the Original Bond Ordinance.

(b) The estimated maximum amount of bonds or bond anticipation notes to be issued for the improvement or purpose is $3,992,500, including the $3,292,500 authorized by the Original Bond Ordinance and the $700,000 bonds or bond anticipation notes authorized herein.

(c) The estimated cost of the improvement or purpose is $3,992,500, including the $3,292,500 appropriated by the Original Bond Ordinance and the $700,000 appropriated herein.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no bond anticipation note shall mature later than one year from its date, unless such bond anticipation notes mature at such later date in accordance with applicable law. The bond anticipation notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with bond anticipation notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the bond anticipation notes shall be conclusive evidence as to all such determinations. All bond anticipation notes issued hereunder may be renewed from time to time subject to the provisions of the Local

Bond Law or other applicable law. The chief financial officer is hereby authorized to sell part or all of the bond anticipation 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 the bond anticipation notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

Section 5. The Village hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Village 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 capital budget has been filed with the Division of Local Government Services.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvement or purpose described in Section 3(a) of this bond ordinance is not a current expense. It is an improvement or purpose that the Village may lawfully undertake as a self-liquidating purpose of a municipal public utility. No part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) The period of usefulness of the improvement or purpose within the limitations of the Local Bond Law, according to the reasonable life thereof computed from the date of the bonds authorized by this bond ordinance, is 30 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the 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 Village as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by $700,000, but that the net debt of the Village determined as provided in the Local Bond Law is not increased by this bond ordinance. The obligation authorized herein will be within all debt limitations prescribed by the Local Bond Law.

(d) An aggregate amount not exceeding $363,000 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 purpose or improvement. Of this amount, $298,000 was estimated for these items of expense in the Original Bond Ordinance and an additional $65,000 is estimated therefor herein.

(e) This bond ordinance authorizes obligations of the Village solely for purposes described in N.J.S.A. 40A:2-7(h). The obligations authorized herein are to be issued for a purpose that is deemed to be self-liquidating pursuant to N.J.S.A. 40A:2-47(a) and are deductible from the gross debt of the Village pursuant to N.J.S.A. 40A:2-44(c).

Section 7. The Village hereby declares the intent of the Village to issue bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use the proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3(a) of this bond ordinance. This Section 7 is a declaration of intent within the meaning and for purposes of the Treasury Regulations.

Section 8. Any grant moneys received for the purpose described in Section 3 hereof shall be applied either to direct payment of the cost of the improvement 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 9. The chief financial officer of the Village is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in

connection with the sale of obligations of the Village and to execute such disclosure document on behalf of the Village. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Village pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the Village and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Village fails to comply with its undertaking, the Village shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 10. The full faith and credit of the Village 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 Village, and the Village shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the Village for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

# # #

Introduction – First Reading

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke	X		X			
Coallier			X			
Hartshorn Hilton		X	X			
Jones			X			
Schnall						X
Zuckerman			X			

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was introduced on first reading by the Board of Trustees at their regular meeting held on Monday, August 26, 2019.

Kevin D. Harris
Village Clerk

Adoption – Second Reading

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke			X			
Coallier	X		X			
Hartshorn Hilton		X	X			
Jones			X			
Schnall			X			
Zuckerman			X			

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was adopted on second reading by the Board of Trustees at their regular meeting held on September 23, 2019.

Kevin D. Harris
Village Clerk

Adopted:

Sheena C. Collum, Village President

Attest:

Kevin D. Harris, Village Clerk

Gmail by Google

Kevin Harris <kharris@southorange.org>

FW: Your Supplemental Debt Statement Submission has been receivedDCA:0144004668

1 message

Chris Battaglia <chrisb@ttaglia.com> Thu, Aug 8, 2019 at 6:53 PM
To: "kharris@southorange.org" <kharris@southorange.org>, "Heather A. Thompson" <HThompson@msbnj.com>, "Erin K. Law (ELaw@MSBNJ.COM)" <ELaw@msbnj.com>

I received verification that the SDS was received, however, it is not allowing me to retrieve the document. I will forward once the glitch is resolved.

Chris

From: DCA DoNotReply
Sent: Thursday, August 8, 2019 6:52 PM
To: Chris Battaglia
Subject: Your Supplemental Debt Statement Submission has been receivedDCA:0144004668

SDS for South Orange Village was submitted on/at 8/8/2019 6:51 PM

Filed

State of New Jersey
Department of Community Affairs
Supplemental Debt Statement

Local Government: South Orange Village Prepared As Of: 8/12/2019

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

Name: Chris Battaglia Phone:
Title: Chief Financial Officer Email: chrisb@ttaglia.com
Address: CFO Cert #: N-0894

Chris Battaglia, Being duly sworn, deposes and says: Deponent is the Chief Financial Officer of South Orange Village 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 (Since December 31, last past)	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	$55,471,419.59	$3,050,000.00	$14,250,000.00	$66,671,419.59

2 Net Debt at the time of this statement is $66,671,419.59

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
	Scotland Road Water Main Replacement	$700,000.00	$700,000.00	$0.00
		$700,000.00	$700,000.00	$0.00

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: $66,671,419.59

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	$2,700,354,921.00
(2)	2017	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	$2,928,358,996.00
(3)	2018	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	$3,013,871,520.00

6 Equalized Valuation Basis – Average of (1), (2) and (3)..... $2,880,861,812.33

7 Net Debt (Line 4 Above) expressed as a percentage of such equalized valuation basis (Line 6 above) is: 2.314%

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**	**1st Installment of Serial Bonds Legally Issuable**	**Total Charges**
Water	800,116.21	204,929.74	595,186.47	31,500.00	12,068.97	43,568.97

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

N.J.S.A. 18A:24-19 (Lines 1 to 7)

1	Average of equalized valuations (page 1, line 3)		$2,880,861,812.33
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

N.J.S.A. 18A:24-22 (Lines 8 to 13)

8	Excess of line 7 over line 6	$0.00
9	Municipal Debt Limit (3½% of line 1 above)	$100,830,163.43
10	Net Debt	$66,671,419.59
11	Available Municipal Borrowing Margin (excess, if any, of line 9 over line 10)	$34,158,743.84
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)	$34,158,743.84

Note: Omit lines 14 to 16, if line 11 equals or exceeds line 8, or if shown on line 17

N.J.S.A. 18A:24-24 (lines 14 to 16)

14	Amount of line 7		$
15	Amount of Deduction:	(a) Amount of line 6	$0.00
		(b) Amount of line 11	$34,158,743.84
		Total	$34,158,743.84
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			
Maplewood Township	$3,989,280,097.00	58.06692423%	1.00	0.00	1.00
South Orange Village	$2,880,861,812.33	41.93307577%	1.00	0.42	1.42
Totals	**$6,870,141,909.33**	**100.00%**			

SPECIAL DEBT STATEMENT

BORROWING POWER AVAILBLE 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)