

**BOROUGH OF WEST PATERSON
ORDINANCE NO. 06-06**

BOND ORDINANCE

BOND ORDINANCE TO AUTHORIZE THE MAKING OF VARIOUS PUBLIC IMPROVEMENTS AND THE ACQUISITION OF NEW ADDITIONAL OR REPLACEMENT EQUIPMENT AND MACHINERY AND A NEW AUTOMOTIVE VEHICLE, INCLUDING ORIGINAL APPARATUS AND EQUIPMENT, IN, BY AND FOR THE BOROUGH OF WEST PATERSON, IN THE COUNTY OF PASSAIC, STATE OF NEW JERSEY, TO APPROPRIATE THE SUM OF \$1,750,000 TO PAY THE COST THEREOF, TO APPROPRIATE A STATE GRANT, TO MAKE A DOWN PAYMENT, TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH APPROPRIATION AND TO PROVIDE FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS.

BE IT ORDAINED by the Municipal Council of the Borough of West Paterson, in the County of Passaic, State of New Jersey, as follows:

Section 1. The Borough of West Paterson, in the County of Passaic, State of New Jersey (the "Borough"), is hereby authorized to make various public improvements and to acquire new additional or replacement equipment and machinery and a new automotive vehicle, including original apparatus and equipment, in, by and for the Borough, all as more particularly described in Section 4 hereof. Said improvements shall include all work, materials and appurtenances necessary and suitable therefore.

Section 2. There is hereby appropriated to the payment of the cost of making the improvements described in Sections 1 and 4 hereof (hereinafter referred to as "purposes"), the respective amounts of money hereinafter stated as the appropriation for said respective purposes. Said appropriation shall be met from the proceeds of the sale of the bonds authorized, and the down payment and State grant appropriated, by this ordinance. Said improvements shall be made as general improvements and no part of the cost thereof shall be assessed against property specially benefited.

Section 3. It is hereby determined and stated that the making of such improvements is not a current expense of the Borough.

Section 4. The several purposes hereby authorized for the financing of which said obligations are to be issued are set forth in the following "Schedule of Improvements, Purposes and Amounts", which schedule also shows (1) the amount of the appropriation and the estimated cost of each such purpose, and (2) the amount of each sum that is to be provided by the State grant hereinafter appropriated, and (3) the amount of each sum that is to be provided by the down payment hereinafter appropriated to finance each such purpose, and (4) the estimated maximum amount of bonds and notes to be issued for each such purpose, and (5) the period of usefulness of each such purpose, according to its reasonable life, computed from the date of said bonds:

SCHEDULE OF IMPROVEMENTS, PURPOSES AND AMOUNTS

A. Acquisition of new additional or replacement equipment and machinery consisting of a street sweeper for the use of the Department of Public Works ("DPW").

Appropriation and Estimated Cost	\$180,000
Down Payment Appropriated	\$ 8,600
Bonds and Notes Authorized	\$171,400
Period of Usefulness	15 years

B. Undertaking the following sewer improvements: (i) installation of gravity sewer lines and related improvements on Old Rifle Camp Road from the Woodland Road terminus to the intersection with Rifle Camp Road; and (ii) replacement of storm sewer

headwalls and related improvements at the Vetrone Drive and the Brookview Drive/Sunset Drive drainage areas.

Appropriation and Estimated Cost	\$735,000
Down Payment Appropriated	\$ 35,000
Bonds and Notes Authorized	\$700,000
Period of Usefulness	40 years

C. Undertaking the following road improvements: (i) resurfacing of Cedarhurst Avenue, including sidewalk and drainage improvements, where necessary; and (ii) resurfacing of the following Borough streets as the 2006 Road Resurfacing Program, including drainage improvements where necessary:

Whitaker Avenue
 Zoar Street
 West 36th Street

Depending upon the contract price and other exigent circumstances, and upon approval by the Municipal Council, there may be additions to or deletions from the list set forth in clause (ii) of the preceding sentence. It is hereby determined and stated that said streets being resurfaced are of "Class B" or equivalent construction as defined in Section 22 of the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended; the "Local Bond Law").

Appropriation and Estimated Cost	\$685,000
State DOT Grant Appropriated	\$150,000
Down Payment Appropriated	\$ 25,700
Bonds and Notes Authorized	\$509,300
Period of Usefulness	10 years

D. Acquisition of a new automotive vehicle, including original apparatus and equipment, consisting of a dump truck with plow and sander attachments for the use of the DPW.

Appropriation and Estimated Cost	\$150,000
Down Payment Appropriated	\$ 7,700
Bonds and Notes Authorized	\$142,300
Period of Usefulness	5 years
Aggregate Appropriation and Estimated Cost	\$1,750,000
State Grant Appropriated	\$ 150,000
Aggregate Down Payment Appropriated	\$ 77,000
Aggregate Amount of Bonds and Notes Authorized	\$1,523,000

Section 5. The cost of said purposes, as hereinbefore stated, includes the aggregate amount of \$260,000, which is estimated to be necessary to finance the cost of said purposes, including architect's fees, accounting, engineering and inspection costs, legal expenses and other expenses, including interest on such obligations to the extent permitted by Section 20 of the Local Bond Law.

Section 6. The sum of \$150,000 received or to be received as a grant from the State of New Jersey Department of Transportation is hereby appropriated to the payment of the cost of the improvement of Cedarhurst Avenue set forth in Section 4.C above.

Section 7. It is hereby determined and stated that moneys exceeding \$77,000, appropriated for down payments on capital improvements or for the capital improvement fund in budgets heretofore adopted for the Borough, are now available to finance said purposes. The sum of \$77,000 is hereby appropriated from such moneys to the payment of the cost of said purposes.

Section 8. To finance said purposes, bonds of the Borough of an aggregate principal amount not exceeding \$1,523,000 are hereby authorized to be issued pursuant to the Local Bond Law. Said bonds shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law. All matters with respect to said bonds not determined by this ordinance shall be determined by resolutions to be hereafter adopted.

Section 9. To finance said purposes, bond anticipation notes of the Borough of an aggregate principal amount not exceeding \$1,523,000 are hereby authorized to be issued pursuant to the Local Bond Law in anticipation of the issuance of said bonds. In the event that bonds are issued pursuant to this ordinance, the aggregate amount of notes hereby authorized to be issued shall be reduced by an amount equal to the principal amount of the bonds so issued. If the aggregate amount of outstanding bonds and notes issued pursuant to this ordinance shall at any time exceed the sum first mentioned in this section, the moneys raised by the issuance of said bonds shall, to not less than the amount of such excess, be applied to the payment of such notes then outstanding.

Section 10. Each bond anticipation note issued pursuant to this ordinance shall be dated on or about the date of its issuance, shall be payable not more than one year from its date, shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law and may be renewed from time to time pursuant to and within limitations prescribed by the Local Bond Law. Each of said bond anticipation notes shall be signed by the Mayor and by a financial officer and shall be under the seal of the Borough and attested by the Municipal Clerk or Deputy Municipal Clerk. Said officers are hereby authorized to execute said notes in such form as they may adopt in conformity with law. The power to determine any matters with respect to said notes not determined by this ordinance, and also the power to sell said notes, is hereby delegated to the Chief Financial Officer who is hereby authorized to sell said notes either at one time or from time to time in the manner provided by law.

Section 11. It is hereby determined and declared that the average period of usefulness of said purposes, according to their reasonable lives, taking into consideration the respective amounts of bonds or notes authorized for said purposes, is a period of 23.88 years computed from the date of said bonds.

Section 12. It is hereby determined and stated that the Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the office of the Municipal Clerk of the Borough, and that such statement so filed shows that the gross debt of the Borough, as defined in Section 43 of the Local Bond Law, is increased by this ordinance by \$1,523,000 and that the issuance of the bonds and notes authorized by this ordinance will be within all debt limitations prescribed by the Local Bond Law.

Section 13. Any funds received from private parties, the County of Passaic, the State of New Jersey or any of their agencies or any funds received from the United States of America or any of its agencies in aid of said purposes (other than the State grant hereinbefore appropriated, which shall be applied to the cost of said purposes but shall not be applied to the payment of outstanding bond anticipation notes and the reduction of the amount of bonds authorized) shall be applied to the payment of the cost of said purposes or, if bond anticipation notes have been issued, to the payment of the bond anticipation notes, and the amount of bonds authorized for said purposes shall be reduced accordingly.

Section 14. The capital budget is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency therewith and the resolutions promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director, Division of Local Government Services, is on file with the Municipal Clerk and is available for public inspection.

Section 15. The Borough intends to issue bonds or notes to finance the cost of the improvements described in Sections 1 and 4 of this ordinance. If the Borough incurs such costs prior to the issuance of such bonds or notes, the Borough hereby states its

reasonable expectation to reimburse itself for such expenditures with the proceeds of such bonds or notes in the maximum principal amount of bonds or notes authorized by this ordinance.

Section 16. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and interest on the obligations authorized by this ordinance. Said obligations shall be direct, unlimited and general obligations of the Borough, and the Borough shall levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on such bonds and notes, without limitation as to rate or amount.

Section 17. This ordinance shall take effect twenty days after the first publication thereof after final passage.

Introduced: June 7, 2006

Adopted: June 21, 2006