

**BOND ORDINANCE #1-13
STATEMENT AND SUMMARY**

The bond ordinance, the summary terms of which are included herein, has been finally adopted by the Borough of Keyport, in the County of Monmouth, State of New Jersey on February 5, 2013 and the 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 PROVIDING FOR IMPROVEMENTS AND REPAIRS TO THE WATERFRONT STRUCTURES AND FACILITIES DAMAGED DURING HURRICANE SANDY IN AND BY THE BOROUGH OF KEYPORT, IN THE COUNTY OF MONMOUTH, NEW JERSEY, APPROPRIATING \$1,400,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,330,000 BONDS OR NOTES OF THE BOROUGH TO FINANCE PART OF THE COST THEREOF."

Purpose: The improvement hereby authorized and the purpose for the financing of which the bonds are to be issued is for improvements and repairs to various waterfront structures and facilities damaged during Hurricane Sandy including all related costs and expenditures incidental thereto.

Appropriation: \$1,400,000

Bonds/Notes Authorized: \$1,330,000

Grants Appropriated: 75% of the Cost is expected to be received in the form of a Federal Emergency Management Agency Grant.

Section 20 Costs: N/A

Useful Life: 15 years

Valerie Tornick Heilweil, RMC
Borough Clerk

BOND ORDINANCE #1-13

PROVIDING FOR IMPROVEMENTS AND REPAIRS
TO THE WATERFRONT STRUCTURES AND
FACILITIES DAMAGED DURING HURRICANE
SANDY IN AND BY THE BOROUGH OF KEYPORT,
IN THE COUNTY OF MONMOUTH, NEW JERSEY,
APPROPRIATING \$1,400,000 THEREFOR AND
AUTHORIZING THE ISSUANCE OF \$1,330,000
BONDS OR NOTES OF THE BOROUGH TO
FINANCE PART OF THE COST THEREOF.

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

Section 1. The improvement described in Section 3 of
this bond ordinance is hereby authorized to be undertaken
by the Borough of Keyport, in the County of Monmouth, New
Jersey (the "Borough") as a general improvement. For the
improvement or purpose described in Section 3, there is
hereby appropriated the sum of \$1,400,000 including a grant
expected to be received from the Federal Emergency
Management Agency up to 75% of the cost (the "FEMA Grant"),
including the sum of \$70,000 as the down payment required

by the Local Bond Law. The down payment is now available by virtue of provision for down payment or for capital improvement purposes in one or more previously adopted budgets.

Section 2. In order to finance the cost of the improvement or purpose not covered by application of the down payment and in anticipation of the FEMA Grant, negotiable bonds are hereby authorized to be issued in the principal amount of \$1,330,000 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. The improvement hereby authorized and the purpose for the financing of which the bonds are to be issued is for improvements and repairs to various waterfront structures and facilities damaged during Hurricane Sandy including all related costs and expenditures incidental thereto.

(b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is as stated in Section 2 hereof.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

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 note shall mature later than one year from its date. The 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 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. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. 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 the notes pursuant to this ordinance is made. Such report must 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 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 Clerk and is available there for public inspection.

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

(a) The improvement or purpose described in Section 3 of this bond ordinance is not a current expense. It is an improvement or purpose that the Borough may lawfully undertake as a general improvement, and 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 ordinance, is 15 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 Borough as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$1,330,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$300,000 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.

Section 7. The Borough hereby declares the intent of the Borough to issue the bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3 of this bond ordinance. This Section 7 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor

provisions of federal income tax law.

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 if other than as referred to in Section 1 hereof, 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 so used.

Section 9. The chief financial officer of the Borough 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 Borough and to execute such disclosure document on behalf of the Borough. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Borough 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 Borough 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 Borough fails to comply with its undertaking, the Borough 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 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 the Borough shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the Borough 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.

Introduced: January 15, 2013

Public Hearing: February 5, 2013

Adopted: February 5, 2013