2012
BOROUGH OF DUMONT
ORDINANCE

MEMBERS	AYE	NAY	ABSTAIN	ABSENT
BROPHY	✓			
CARRICK	✓			
FREEMAN	✓			
HAYES	✓			
STYLIANOU	✓			
ZAMECHANSKY	✓			
MAYOR KELLY				
TOTALS	6			

Offered by: Carrick
Seconded by: Freeman

Ordinance No.	**1439**
Date:	**February 21, 2012**
Page:	**1 of 4**
Subject:	**Refunding Bond Ordinance**
Purpose:	**Authorization**
Account No.	
Contract No.	
Dollar Amount:	**$886,000**
Prepared By:	**Lisa Gorab, Esq.**

Certified as a true copy of an Ordinance Adopted by the Governing Nody of the Borough of Dumont on the above date at a Public Meeting by:

Susan Connelly

Susan Connelly, RMC, Borough Clerk
Borough of Dumont, Bergen County, New Jersey

REFUNDING BOND ORDINANCE PROVIDING FOR THE REFUNDING OF CERTAIN GENERAL OBLIGATION BONDS ISSUED IN CONNECTION WITH UNFUNDED PENSION LIABILITIES OF THE BOROUGH OF DUMONT, IN THE COUNTY OF BERGEN, NEW JERSEY, APPROPRIATING $886,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF $886,000 BONDS OF THE BOROUGH FOR FINANCING THE COST THEREOF

WHEREAS, in accordance with one or more of P.L.1991, c.229, P.L.1991, c.230, P.L.1993, c.138, P.L.1993, c.181, P.L.1993, c.99, and P.L.1999, c.59, the Borough of

Dumont (the "Local Unit" or the "Borough"), in the County of Bergen (the "County"), New Jersey adopted an early retirement incentive program (collectively, the "ERI Programs") for eligible employees covered by, as applicable, the Public Employee Retirement System, Police and Firemen Retirement System or other applicable retirement systems (collectively, the "Pension System") and as a result created an unfunded liability within the applicable Pension System that would otherwise have been retired by annual payments made by the Local Unit to the applicable Pension System (the "Gross Unfunded ERI Liability");

WHEREAS, P.L. 2002, c. 42, enacted into law by the State of New Jersey (the "State") on July 12, 2002 (the "ERI Refunding Law"), permits local government units, including the Local Unit, that participated in the ERI Programs to sell refunding bonds in accordance with the Local Bond Law, constituting Chapter 169 of the Pamphlet Laws of 1960 of the State, as amended and supplemented (the "Local Bond Law"), to retire the present value of the Gross Unfunded ERI Liability;

WHEREAS, the present value of the Local Unit's Gross Unfunded ERI Liability (the "Unfunded ERI Liability") was established by the State's Division of Pensions and Benefits;

WHEREAS, the Local Unit issued its general obligation local unit refunding bond (the "2003 Local Unit Refunding Bond") to raise sufficient funds for the Local Unit to retire the Local Unit's Gross Unfunded ERI Liability through a one time, up-front payment in the amount of the Unfunded ERI Liability;

WHEREAS, the Bergen County Improvement Authority, a public body corporate and politic of the State created by the County by resolution of its Board of Chosen Freeholders adopted June 4, 1986 pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Improvement Authorities Act") and other applicable law, was permitted to finance loans to local government units, including the loan (the "2003 Loan") to the Local Unit, for the purpose of, among other things, refinancing the Local Unit's Unfunded ERI Liability; and

WHEREAS, pursuant to the Improvement Authorities Act, other applicable law, and a bond resolution of the Authority (the "Authority Bond Resolution") adopted in accordance with the provisions of N.J.S.A. 40:37A-60 of the Improvement Authorities Act and all other applicable law, the Authority issued its bonds (the "2003 Authority Bonds"), which were guaranteed by the County in accordance with N.J.S.A. 40:37A-80 of the Improvement Authorities Act, to finance, among other things, the 2003 Loan, which 2003 Authority Bonds were secured, among other things, by the Local Unit's payment of the principal of, redemption premium, if any, and interest on the 2003 Local Unit Refunding Bond.

WHEREAS, the Local Unit is issuing its general obligation local unit refunding bond (the "2012 Local Unit Refunding Bond") to raise sufficient funds for the redemption, including redemption premium, of a portion of the 2003 Local Unit Refunding Bond;

WHEREAS, the Authority, pursuant to and in accordance with the Improvement Authorities Act and other applicable law, is permitted to finance loans to local government units, including the loan (the "2012 Loan") to the Local Unit, for the purpose of, among other things, refinancing the 2003 Local Unit Refunding Bond; and

WHEREAS, pursuant to the Improvement Authorities Act, other applicable law, and a bond resolution of the Authority (the "Authority Bond Resolution") to be adopted in accordance with the provisions of N.J.S.A. 40:37A-60 of the Improvement Authorities Act and all other applicable law, the Authority will issue its bonds (the "2012 Authority Bonds"), to be guaranteed by the County in accordance with N.J.S.A. 40:37A-80 of the Improvement Authorities Act, to finance, among other things, the 2012 Loan, which 2012 Authority Bonds will be secured, among other things, by the Local Unit's payment of the principal of, redemption premium, if any, and interest on the 2012 Local Unit Refunding Bond.

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

Section 1. The Local Unit is hereby authorized to pay an aggregate amount not exceeding $886,000 for the redemption, including redemption premium, of $822,000 aggregate principal amount of the Local Unit's 2003 Local Unit Refunding Bond issued in the original aggregate principal amount of $958,000, dated March 15, 2003, which bonds are subject to redemption (on or after March 15, 2013) prior to their stated dates of maturity, and which mature on March 15, in each of the years 2014 to 2023, inclusive (the "Refunded Bonds").

Section 2. An aggregate amount not exceeding $24,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the aggregate principal amount of the 2012 Local Unit Refunding Bond authorized herein.

Section 3. In order to finance the cost of the project described in Section 1 hereof, negotiable refunding bonds are hereby authorized to be issued in the principal amount not exceeding $886,000 pursuant to the Local Bond Law.

Section 4. The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk of the Local Unit 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 Local Unit as defined in the Local Bond Law is increased by the authorization of the debt provided in this refunding bond ordinance by an amount not to exceed $886,000 with a maximum deduction from the debt due to the refunding of the Refunded Bonds. The obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law. Upon issuance of the Bonds and determination of the final amount thereof, if less than the $886,000 authorized hereby, an

amended Supplemental Debt Statement shall be made and filed, along with any other required filings, and this Council shall, by resolution, approve the cancellation of such amount authorized hereby, which has not been issued.

Section 5. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director of the Division of Local Government Services and signed by the Chief Financial Officer of the Local Unit as to the indebtedness to be financed by the issuance of the refunding bonds authorized herein.

Section 6. The full faith and credit of the Local Unit are hereby pledged to the punctual payment of the principal of and interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Local Unit, and the Local Unit shall be obligated to levy *ad valorem* taxes upon all the taxable property within the Local Unit for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 7. This refunding bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this ordinance as finally adopted.

PASSED ON FIRST READING
DATED: February 7, 2012

Susan Connelly

SUSAN CONNELLY, RMC
Clerk of the Borough of Dumont

ADOPTED ON SECOND READING
DATED: February 21, 2012

Susan Connelly

SUSAN CONNELLY, RMC
Clerk of the Borough of Dumont

APPROVAL BY THE MAYOR ON THIS 21st DAY OF February, 2012.

James J. Kelly

James J. Kelly, Mayor