

TOWNSHIP OF VERONA  
COUNTY OF ESSEX, STATE OF NEW JERSEY

ORDINANCE No. 2022-10

**BOND ORDINANCE PROVIDING FOR ROAD IMPROVEMENTS IN AND BY THE TOWNSHIP OF VERONA, IN THE COUNTY OF ESSEX, NEW JERSEY, APPROPRIATING \$1,550,000 THEREFOR, INCLUDING \$90,000 EXPECTED TO BE RECEIVED AS A COMMUNITY DEVELOPMENT BLOCK GRANT AND \$505,000 EXPECTED TO BE RECEIVED AS A NEW JERSEY DEPARTMENT OF TRANSPORTATION GRANT, AND AUTHORIZING THE ISSUANCE OF \$1,550,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE THE COST THEREOF.**

BE IT ORDAINED by the Township Council of the Township of Verona, in the County of Essex, New Jersey (with not less than two-thirds of all members thereof affirmatively concurring) as follows:

**SECTION 1.** The improvements described in Section 3 of this bond ordinance are hereby respectively authorized to be undertaken by the Township of Verona, in the County of Essex, New Jersey (the "Township") as general improvements. For the improvements or purposes described in Section 3, there are hereby appropriated the sums of money therein stated as the appropriation made for each improvement or purpose, such sums amounting in the aggregate to \$1,550,000, including \$90,000 expected to be received as a Community Development Block grant (the "CDB Grant") and \$505,000 expected to be received as a New Jersey Department of Transportation grant (the "NJDOT Grant"). No down payment is required pursuant to *N.J.S.A. 40A:2-11(c)* as the improvements or purposes referred to in Section 3 are being partially funded by the CDB Grant and the NJDOT Grant.

**SECTION 2.** In order to finance the cost of the improvements or purposes, negotiable bonds are hereby authorized to be issued in the principal amount of \$1,550,000 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 improvements hereby authorized and the purposes for which the bonds are to be issued, the estimated cost of each improvement and the appropriation therefor, the estimated maximum amount of bonds or notes to be issued for each improvement and the period of usefulness of each improvement are as follows:

<u>Purpose</u>	<u>Appropriation &amp; Estimated Cost</u>	<u>Estimated Maximum Amount of Bonds &amp; Notes</u>	<u>Period of Usefulness</u>
a) Reconstruction of ADA ramps in various locations in the Township	\$250,000 (including a \$90,000 Community Development Block Grant expected to be received)	\$250,000	10 years
b) Reconstruction of Derwent Avenue	<u>\$1,300,000</u> (including a \$505,000 New Jersey Department of Transportation Grant expected to be received)	<u>\$1,300,000</u>	20 years
Totals:	<u>\$1,550,000</u>	<u>\$1,550,000</u>	

The improvements described above include acquisition and installation of materials and equipment, related work and costs necessary therefor or incidental thereto.

**SECTION 4.** All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Interim Chief Financial Officer; provided that no bond anticipation note shall mature later than one year from its date, unless such bond anticipation notes are permitted to 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 Interim Chief Financial Officer. The Interim Chief Financial Officer shall determine all matters in connection with bond anticipation notes issued pursuant to this bond ordinance, and the Interim 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 Interim 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 Interim 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 Township hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Township 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 improvements or purposes described in Section 3 of this bond ordinance are not current expenses. They are improvements or purposes that the Township may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) The average period of usefulness, computed on the basis of the respective amounts of obligations authorized for each purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 18.38 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Municipal 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 Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$1,550,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$310,000 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 purposes or improvements.

**SECTION 7.** The Township hereby makes the following covenants and declarations with respect to obligations determined to be issued by the Interim Chief Financial Officer on a tax-exempt basis. The Township hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the obligations, including, if necessary, the

requirement to rebate all net investment earnings on the gross proceeds above the yield on the obligations. The Interim Chief Financial Officer is hereby authorized to act on behalf of the Township to deem the obligations authorized herein as bank qualified for the purposes of Section 265 of the Code, when appropriate. The Township hereby declares the intent of the Township 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 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 purposes or improvements described in Section 3 hereof shall be applied either to direct payment of the cost of the improvements 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 Interim Chief Financial Officer of the Township 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 Township and to execute such disclosure document on behalf of the Township. The Interim Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Township 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 Township 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 Township fails to comply with its undertaking, the Township 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 Township 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 Township, and the Township shall be obligated to levy *ad valorem* taxes upon all the taxable property within the Township 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.



ATTEST:

*Jennifer Kiernan*  
JENNIFER KIERNAN  
MUNICIPAL CLERK

**I HEREBY CERTIFY THAT THE AFOREMENTIONED ORDINANCE WAS PUBLISHED IN THE STAR LEDGER, A NEWSPAPER PUBLISHED IN THE COUNTY OF ESSEX AND CIRCULATED IN THE TOWNSHIP OF VERONA, IN THE ISSUE OF APRIL 8, 2022 AND APRIL 29, 2022**

**JENNIFER KIERNAN  
MUNICIPAL CLERK**

INTRODUCTION: April 4, 2022  
PUBLIC HEARING: April 25, 2022  
EFFECTIVE DATE: May 19, 2022