

**REFUNDING BOND ORDINANCE OF THE TOWNSHIP OF MONTCLAIR, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR THE ADVANCE REFUNDING OF ALL OR A PORTION OF CERTAIN GENERAL IMPROVEMENT BONDS, WATER UTILITY BONDS AND SCHOOL BONDS (SCHOOL BOND RESERVE ACT, P.L. 1980, C.72), APPROPRIATING \$23,500,000 THEREFOR AND AUTHORIZING THE ISSUANCE BY THE TOWNSHIP OF ONE OR MORE SERIES OF REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$23,500,000 FOR FINANCING THE COST THEREOF.**

**May 24, 2016  
(date of introduction)**

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

Section 1. The Township of Montclair, in the County of Essex, New Jersey (the "Township"), is hereby authorized to advance refund all or a portion of the following bonds of the Township:

- (i) \$2,252,000 outstanding principal amount of General Improvement Bonds, originally issued in the aggregate principal amount of \$8,252,000 on September 11, 2008, which amount matures on September 1 in each of the years 2019 through 2021, inclusive (the "General Improvement Refunded Bonds"), and which are subject to redemption on or after September 1, 2018 at a redemption price equal to 100% of the principal amount of the General Improvement Refunded Bonds to be redeemed;
- (ii) \$2,294,000 outstanding principal amount of Water Utility Bonds, originally issued in the aggregate principal amount of \$3,349,000 on September 11, 2008, which amount matures on September 1 in each of the years 2019 through 2026, inclusive (the "Water Utility Refunded Bonds"), and which are subject to redemption on or after September 1, 2018 at a redemption price equal to 100% of the principal amount of the Water Utility Refunded Bonds to be redeemed;
- (iii) \$9,650,000 outstanding principal amount of School Bonds (School Bond Reserve Act, P.L. 1980, c.72), originally issued in the aggregate principal amount of \$14,600,000 on May 28, 2008, which amount matures on May 15 in each of the years 2019 through 2028, inclusive (the "2008 School Refunded Bonds"), and which are subject to redemption on or after May 15, 2018 at a redemption price equal to 100% of the principal amount of the 2008 School Refunded Bonds to be redeemed; and

- (iv) \$6,697,000 outstanding principal amount of School Bonds (School Bond Reserve Act, P.L. 1980, c.72), originally issued in the aggregate principal amount of \$9,662,000 on June 23, 2010, which amount matures on June 1 in each of the years 2021 through 2030, inclusive (the "2010 School Refunded Bonds" and, together with the General Improvement Refunded Bonds, the Water Utility Refunded Bonds and the 2008 School Refunded Bonds, the "Refunded Bonds"), and which are subject to redemption on or after June 1, 2020 at a redemption price equal to 100% of the principal amount of the 2010 School Refunded Bonds to be redeemed.

Section 2. In order to finance the cost of the purpose described in Section 1 hereof and the costs of issuance associated therewith, negotiable refunding bonds are hereby authorized to be issued in one or more series in the aggregate principal amount not exceeding \$23,500,000 (the "Refunding Bonds") pursuant to the Local Bond Law of the State of New Jersey.

Section 3. An aggregate amount not exceeding \$300,000 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 Refunding Bonds authorized herein.

Section 4. The Township desires to provide for all or a portion of the principal amount of the Refunded Bonds outstanding and the interest and redemption premium, if any, thereon in order to provide for savings in debt service as a result of lower interest rates in the bond markets.

Section 5. 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 Township is increased by the authorization of the Refunding Bonds provided in this refunding bond ordinance by \$23,500,000, and that \$22,896,000, consisting of (i) an amount representing the principal amount of the General Improvement Refunded Bonds (in the amount of \$2,252,000) and an amount representing the principal amount of the Water Utility Refunded Bonds (in the amount of \$2,294,000) and (ii) an amount representing the principal amount of the Refunding Bonds allocated to the school in the amount of \$18,350,000), all of which are deductible from gross debt, will be deductible from gross debt. The obligations authorized herein will be within all debt limitations prescribed by that law.

Section 6. 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.

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 refunding bond ordinance as finally adopted, which consent will be so endorsed in accordance with N.J.A.C. 5:30-2.5.