

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 AND CERTAIN SCHOOL BONDS (SCHOOL BOND RESERVE ACT, P.L. 1980, C.72) OF THE TOWNSHIP, APPROPRIATING \$19,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE BY THE TOWNSHIP OF ONE OR MORE SERIES OF REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$19,000,000 FOR FINANCING THE COST THEREOF.

November 29, 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) \$5,469,000 outstanding principal amount of General Improvement Bonds, originally issued in the aggregate principal amount of \$18,519,000 on March 10, 2011, which amount matures on March 1 in each of the years 2022 through 2024, inclusive (the "General Improvement Refunded Bonds"), and which are subject to redemption on or after March 1, 2021 at a redemption price equal to 100% of the principal amount of the General Improvement Refunded Bonds to be redeemed; and
- (ii) \$12,785,000 outstanding principal amount of School Bonds (School Bond Reserve Act, P.L. 1980, c.72), originally issued in the aggregate principal amount of \$21,660,000 on March 10, 2011, which amount matures on March 1 in each of the years 2022 through 2031, inclusive (the "School Refunded Bonds"; and together with the General Improvement Refunded Bonds, the "Refunded Bonds"), and which are subject to redemption on or after March 1, 2021 at a redemption price equal to 100% of the principal amount of the 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 \$19,000,000 (the "Refunding Bonds") pursuant to the Local Bond Law of the State of New Jersey (the "Local Bond Law").

Section 3. The Township desires to provide for the refunding of 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 market.

Section 4. 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 the Refunding Bonds authorized herein.

Section 5. The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Township 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 \$19,000,000, and that \$18,254,000, consisting of (i) an amount representing the principal amount of the General Improvement Refunded Bonds equal to \$5,469,000 and (ii) an amount representing the principal amount of the School Refunded Bonds equal to \$13,500,000, will be deductible from gross debt. The obligations authorized herein will be within all debt limitations prescribed by 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.