

O-19-002

TOWNSHIP OF MONTCLAIR

BOND ORDINANCE OF THE TOWNSHIP OF MONTCLAIR, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR VARIOUS SCHOOL CAPITAL IMPROVEMENTS AND AUTHORIZING THE ISSUANCE OF \$4,859,950 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE THE COST THEREOF

January 22, 2019
(date of introduction)

WHEREAS, The Board of Education of the Township of Montclair in the County of Essex, New Jersey (the "Board of Education") has determined by resolution duly adopted on March 28, 2018, that it is necessary to raise the aggregate amount of \$4,859,950 for the capital projects described herein and has delivered a copy of the resolution to each member of the Board of School Estimate (the "Board of School Estimate"); and

WHEREAS, the Board of School Estimate has fixed and has determined by resolution duly adopted on April 19, 2018, that it is necessary to raise the aggregate amount of \$4,859,950 for the capital projects specified in the resolution of the Board of Education and has delivered a certificate to that effect to the Board of Education and to the Township Council of the Township of Montclair, in the County of Essex, New Jersey (the "Township"); and

WHEREAS, the Township hereby determines to finance the capital projects to be undertaken by the issuance of school bonds or temporary notes of the Township; now, therefore,

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 capital projects in the principal amount of \$4,859,950 described in Section 3 of this bond ordinance shall be undertaken by The Board of Education of the Township of Montclair in the County of Essex, New Jersey pursuant to the provisions of Title 18A,

Education, of the New Jersey Statutes (“Title 18A”), and specifically N.J.S.A. 18A:24-11 applicable to Type I school districts.

Section 2. In order to finance the cost of the capital projects, negotiable bonds are hereby authorized to be issued in the principal amount of \$4,859,950 pursuant to Title 18A and this bond ordinance adopted in accordance with the procedures required by N.J.S.A. 40:49-1 et seq. Each of the bonds shall be designated "School Bond" and shall contain a recital that it is issued pursuant to Title 18A, Education, of the New Jersey Statutes.

Section 3. The capital projects 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 temporary notes to be issued for each improvement and the period of usefulness of each improvement are as follows:

<u>Purpose</u>	<u>Appropriation & Estimated Cost</u>	<u>Estimated Maximum Amount of Bonds & Notes</u>	<u>Period of Usefulness</u>
a) <u>Bradford Elementary School:</u> Various improvements, including masonry coping repair and metal coping/repointing, including all work and materials necessary therefor and incidental thereto.	<u>\$224,200</u>	<u>\$224,200</u>	10 years
b) <u>Charles H. Bullock School:</u> Play area shading, including all work and materials necessary therefor and incidental thereto.	<u>\$110,500</u>	<u>\$110,500</u>	15 years

c) **Buzz Aldrin Middle School:**

Various repairs, including cornice repair, east parking lot repair and front step repair, including all work and materials necessary therefor and incidental thereto.

\$518,050

\$518,050

10 years

d) **Edgemont Elementary School:**

Various repairs, including cornice repair, concrete step repair and walkway repair at the Annex, including all work and materials necessary therefor and incidental thereto.

\$139,500

\$139,500

10 years

e) **Montclair High School George Inness Annex:**

Various improvements, including gym rear stair replacement and balustrade repair and masonry work, including all work and materials necessary therefor and incidental thereto.

\$228,100

\$228,100

10 years

f) **Glenfield Middle School:**

Various improvements, including kitchen make up air system, gym floor refinishing and cupola replacement, including all work and materials necessary therefor and incidental thereto.

\$277,500

\$277,500

10 years

g) **Hillside Elementary School:**

Various improvements, including masonry repointing and step repair, including all work and materials necessary therefor and incidental thereto.

\$163,200

\$163,200

10 years

h) Montclair High School:

(i) Various improvements, including Masonry restoration and waterproofing and stair fire door replacement, including all work and materials necessary therefor and incidental thereto. \$270,000 \$270,000 10 years

(ii) Elevator cab replacement, including all work and materials necessary therefor and incidental thereto. \$122,000 \$122,000 15 years

TOTAL: \$392,000 \$392,000

i) Nishuane Elementary School:

Masonry restoration and waterproofing, including all work and materials necessary therefor and incidental thereto. \$303,600 \$303,600 10 years

j) Northeast Elementary School:

Masonry repointing at the front entrance, including all work and materials necessary therefor and incidental thereto. \$102,000 \$102,000 10 years

k) Pre-K Building:

Various improvements, including heating plant repointing/bunker structure, improvements to the ground floor and the acquisition of playground equipment, including all work and materials necessary therefor and incidental thereto and further including all related costs and expenditures incidental thereto. \$305,100 \$305,100 15 years

l) **Renaissance Middle School:**

Completion of the retaining wall, including all work and materials necessary therefor and incidental thereto.

\$82,500 \$82,500 10 years

m) **Watchung Elementary School:**

Replacement of the chair lift, including all work and materials necessary therefor and incidental thereto.

\$52,700 \$52,700 15 years

n) **Athletics:**

Various improvements, including athletic field reconditioning at the Renaissance Middle School and turf field replacement at Watchung Elementary School, including all work and materials necessary therefor and incidental thereto.

\$1,411,000 \$1,411,000 15 years

o) **District-Wide:**

Various security improvements district-wide, including all work and materials necessary therefor and incidental thereto.

\$550,000 \$550,000 10 years

GRAND TOTAL: \$4,859,950 \$4,859,950

Section 4. In anticipation of the issuance of the bonds, negotiable temporary notes or loan bonds are hereby authorized to be issued pursuant to and within the limitations prescribed by N.J.S.A. 18A:24-3. The chief financial officer of the Township or such other financial officer designated by resolution for this purpose (both being hereafter referred to in this section as the "chief financial officer") is hereby authorized to issue temporary notes or loan bonds of the

Township. All temporary notes or loan bonds issued hereunder shall mature at such time as may be determined by the chief financial officer; provided that no temporary note or loan bond 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 temporary notes or loan bonds 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 temporary notes or loan bonds issued pursuant to this ordinance, and the chief financial officer's signature on the temporary notes or loan bonds shall be conclusive evidence as to all such determinations. All temporary notes or loan bonds issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 18A:24-3. The chief financial officer is hereby authorized to sell part or all of the temporary notes or loan bonds 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 Township Council at the meeting next succeeding the date when any sale or delivery of the temporary notes or loan bonds pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the temporary notes or loan bonds 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 capital projects described in Section 3 of this bond ordinance are not current expenses. They are all improvements that the Township may lawfully undertake as school capital projects in accordance with N.J.S.A. 18A:24-5.

(b) The maximum period of maturity is 12.05 years for the bonds authorized for the capital projects authorized herein in accordance with N.J.S.A. 18A:24-5.

(c) The Supplemental Debt Statement required by N.J.S.A. 18A:24-16 and 17 has been duly prepared and filed in the office of the Township Clerk and in the office of the Secretary of the Board of Education, 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. The \$4,859,950 obligations authorized herein shall be included for purposes of calculating the net school debt of the school district of the Township pursuant to N.J.S.A. 18A:24-19 but shall be deducted from the gross debt of the Township pursuant to N.J.S.A. 40A:2-44.

Section 7. The Township hereby makes the following covenants and declarations with respect to obligations determined to be issued by the 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 notes, including, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the notes. The 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 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 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 real 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 or as otherwise provided by N.J.S.A. 40:49-27.

