

**BOROUGH OF PALMYRA, NEW JERSEY**

**ORDINANCE NO. 2014-1**

---

**AN ORDINANCE OF THE BOROUGH OF PALMYRA, IN THE COUNTY OF BURLINGTON, NEW JERSEY; PROVIDING FOR IMPROVEMENTS TO AND THE ACQUISITION OF EQUIPMENT FOR USE BY THE BOROUGH'S SEWER UTILITY, APPROPRIATING \$4,529,000 THEREFOR, AUTHORIZING THE ISSUANCE OF \$4,529,000 IN SEWER UTILITY BONDS OR NOTES OF THE BOROUGH TO FINANCE THE SAME**

**BE IT ORDAINED** by the Borough Council of the Borough of Palmyra, in the County of Burlington, New Jersey (not less than two-thirds of all the members thereof affirmatively concurring), pursuant to the Local Bond Law, Chapter 169 of the Laws of the State of New Jersey, as amended and supplemented ("Local Bond Law"), as follows:

**Section 1.** The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the Borough of Palmyra, in the County of Burlington, New Jersey (the "Borough") as general improvements. For the improvements or purposes described in Section 3 hereof, there is hereby appropriated the sum of \$4,529,000. Pursuant to N.J.S.A. 40A:2-11(c), no down payment is required as the Borough has made application for, and received, a waiver of down payment from the Local Finance Board in the Department of Community Affairs.

**Section 2.** In order to finance the cost of the improvement or purpose, negotiable bonds or notes are hereby authorized to be issued in the principal amount of \$4,529,000, 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.** (a) The improvements hereby authorized and the purposes for which the bonds or notes are to undertake improvements to, and acquire equipment for, the Borough's sewer system, including (i) improvements to the Borough's Sewer Treatment Plant including modifications to the equalization tank and package aeration systems, the conversion of an unused aerobic digester to a gravity thickener, rehabilitation/replacement of the Korman pumping station, and ancillary upgrades such as pipe improvements, painting, roofing replacements, storm hardening and access and security improvements, all as set forth in the NJEIT Planning Document on file in the Office of the Borough Clerk as the same may be supplemented and amended (the "Planning Document"); (ii) additional work at the Sewer Treatment Plant, Pump Stations and Collection System as set forth in the Planning Document and (iii) acquisition of vehicles and medium and heavy equipment, including all related items and appurtenances required to enable such equipment to be used for its intended purpose.

(b) The estimated maximum amount of bonds or notes to be issued for the improvements or purposes is as stated in Section 2 hereof.

(c) The estimated cost of the improvements or purposes authorized herein is equal to the amount of the appropriation herein made therefor.

**Section 4.** All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no note shall mature later than one year from its date. The notes 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 notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the

provisions of N.J.S.A. 40A:2-8(a). The chief financial officer is hereby authorized to sell part or all of the notes from time to time, at not less than par and accrued interest, 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 governing body at the meeting next succeeding the date when any sale or delivery of the 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 notes sold, the price obtained and the name of the purchaser.

**Section 5.** The capital budget or temporary capital budget (as applicable) of the Borough is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget or amended temporary capital budget (as applicable) and capital program as approved by the Director of the Division of Local Government Services is on file with the Clerk and is available there for public inspection.

**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 the Borough may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The average period of usefulness of the improvements or purposes, within the limitations of the Local Bond Law, computed on the basis of respective amounts or

obligations for the several purposes and the respective reasonable life thereof within the limitations of the Local Bond Law, is 29.84 years.

(c) 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 Borough as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$4,529,000, and that pursuant to N.J.S.A. 40A:2-44(c), the obligations authorized herein are deductible from the Borough's gross debt and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$750,000 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 improvements or purposes.

(e) Prior to final adoption of this ordinance, the Local Government Board has caused its consent to be endorsed upon a certified copy of this bond ordinance as passed upon first reading, which consent the Local Government Board has caused to be so endorsed thereon, evidencing the conclusion of the Local Government Board that each of the purposes or improvements for which such obligations are authorized are in the public interest and are for the health, welfare, convenience or betterment of the inhabitants of the Borough, and that the amounts to be expended for each of the purposes or improvements to be financed pursuant to such bond ordinance are not unreasonable or exorbitant and that the issuance of such obligations will not materially impair the credit of the Borough or substantially reduce its ability

to pay punctually the principal of and interest on its debts and to supply other essential public improvements and services.

(f) The Borough reasonably expects to commence the acquisition of the several improvements or purposes described in Section 3 hereof, and to advance all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are advanced, the Borough further reasonably expects to reimburse such expenditures from the proceeds of the bonds or notes authorized by this bond ordinance, in an aggregate amount not to exceed the amount of bonds or notes authorized in Section 1 hereof.

**Section 7.** Any grant moneys received for the purposes 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 hereunder shall be reduced to the extent that such funds are so used.

**Section 8.** The full faith and credit of the Borough is 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 Borough, and the Borough shall be obligated to levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the obligations and the interest thereon without limitation as to rate or amount.

**Section 9.** The Borough Council hereby covenants on behalf of the Borough to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the bonds and notes authorized hereunder as is or may be required under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the

"Code"), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

**Section 10.** This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

**CERTIFICATION OF CLERK**

I, **Barbara A. Sheipe**, Borough Clerk of the Borough of Palmyra, in the County of Burlington, State of New Jersey, hereby certify that the foregoing is a true copy of Ordinance 2014-1 duly adopted by the Borough Council of the Borough of Palmyra on second and final reading at the regular meeting held on January 6, 2014.

  
**Barbara A. Sheipe RMC**  
**Municipal Clerk**