

BOROUGH OF MERCHANTVILLE, NEW JERSEY

R14-77

RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, AUTHORIZING THE ISSUANCE AND SALE OF UP TO: (i) \$2,975,000 OF GENERAL OBLIGATION BONDS, SERIES 2014; AND (ii) \$1,169,000 OF TAXABLE GENERAL OBLIGATION BONDS, SERIES 2014, OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY; AUTHORIZING SUCH FURTHER ACTIONS AND MAKING SUCH DETERMINATIONS AS MAY BE NECESSARY OR APPROPRIATE TO EFFECTUATE THE ISSUANCE AND SALE OF THE BONDS

BACKGROUND

WHEREAS, pursuant to the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"), the Borough Council of the Borough of Merchantville, County of Camden, New Jersey ("Borough"), has, pursuant to bond ordinances 03-13, 04-12, 05-07, 06-07, 07-09, 09-05, 09-15, 10-07, 10-09, 11-02, 12-07, 13-14 and 14-14, each duly and finally adopted and published in accordance with the requirements of the Local Bond Law (collectively, the "Bond Ordinances"), authorized the issuance of general obligation bonds or bond anticipation notes of the Borough to finance the costs of certain capital improvements, as set forth in and authorized by the Bond Ordinances, all as more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, on August 23, 2013, the Borough issued its Bond Anticipation Notes of 2013, Series A, in the principal amount of \$1,707,568 ("Tax-Exempt BAN"), as set forth in Exhibit "A", to temporarily finance a portion of the costs of the improvements authorized by bond ordinances 03-13, 04-12, 05-07, 06-07, 07-09, 09-15, 10-07, 10-09, 11-02, 12-07, 08-12 and 13-14

("Prior Tax-Exempt Improvements"); and

WHEREAS, the Tax-Exempt BAN matures on August 22, 2014; and

WHEREAS, the Borough has not yet issued any of its obligations to finance the costs of certain other improvements authorized by Bond Ordinance 14-14 ("New Tax-Exempt Improvements", and together with the Prior Tax-Exempt Improvements"; the "Tax-Exempt Improvements"); and

WHEREAS, it is the desire of the Borough to issue its general obligation bonds in the aggregate principal amount of up to \$2,975,000 ("Tax-Exempt Bonds"), as further described in Exhibit "A", the proceeds of which will be used to: (i) repay a portion of the principal of the Tax-Exempt Notes; (ii) permanently finance the New Tax-Exempt Improvements, for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Tax-Exempt Bonds (collectively, the "Tax-Exempt Project"); and

WHEREAS, on February 25, 2014, the Borough issued its Taxable Bond Anticipation Notes of 2014, Series A, in the principal amount of \$1,169,600 ("Taxable BAN"), as set forth in Exhibit "A", to temporarily finance a portion of the costs of the improvements authorized by bond ordinance 09-05 ("Taxable Improvements"); and

WHEREAS, the Taxable BAN matures on February 24, 2015, and is subject to redemption prior to the stated maturity date, at the option of the Borough, upon not less than twenty (20) days' notice, as a whole or in part on any date on or after July 1, 2014, at a redemption

price equal to 100% of the principal amount of the Note to be redeemed, plus accrued interest to the redemption date; and

WHEREAS, it is the desire of the Borough to issue its taxable general obligation bonds in the aggregate principal amount of up to \$1,169,000 ("Taxable Bonds"), as further described in Exhibit "A", the proceeds of which, together with other available funds of the Borough, will be used to: (i) repay a portion of the principal of the Taxable BAN; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Taxable Bonds (collectively, the "Taxable Project"); and

WHEREAS, pursuant to the Local Bond Law and the Bond Ordinances, it is the intent of the Borough Council hereby to authorize, approve and direct the issuance and sale of such Bonds, to ratify and confirm certain actions heretofore taken by or on behalf of the Borough, and to make certain related determinations and authorizations in connection with such issuance and sale.

NOW, THEREFORE, BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, PURSUANT TO THE LOCAL BOND LAW, AS FOLLOWS:

Section 1. Pursuant to the Local Bond Law and the Bond Ordinances, the issuance and sale of the Tax-Exempt Bonds of the Borough, to be designated substantially, "Borough of Merchantville, County of Camden, New Jersey, General Obligation Bonds, Series 2014", in an aggregate principal amount of up to \$2,975,000 to finance the Tax-Exempt Project, is hereby authorized and approved.

Section 2. The Tax-Exempt Bonds shall be dated their date of issuance and shall mature on August 15 in the years and amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2015	\$175,000	2021	\$260,000
2016	200,000	2022	260,000
2017	220,000	2023	280,000
2018	220,000	2024	280,000
2019	240,000	2025	300,000
2010	240,000	2026	300,000

The term of the Tax-Exempt Bonds is equal to or less than the average period of usefulness of the Tax-Exempt Project being financed through the issuance of the Tax-Exempt Bonds. Interest on the Tax-Exempt Bonds shall be payable semiannually on February 15 and August 15, commencing February 15, 2015, in each year until maturity. The Tax-Exempt Bonds are not subject to redemption prior to their stated maturity dates.

Section 3. Pursuant to the Local Bond Law and the Bond Ordinances, the issuance and sale of the Taxable Bonds of the Borough, to be designated substantially, "Borough of Merchantville, County of Camden, New Jersey, Taxable General Obligation Bonds, Series 2014", in an aggregate principal amount of up to \$1,169,000 to finance the Taxable Project, is hereby authorized and approved.

Section 4. The Taxable Bonds shall be dated their date of issuance and shall mature on August 15 in the years and amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2015	\$50,000	2023	\$80,000
2016	50,000	2024	89,000

2017	60,000	2025	90,000
2018	60,000	2026	100,000
2019	70,000	2027	100,000
2020	70,000	2028	100,000
2021	70,000	2029	100,000
2022	80,000		

The term of the Taxable Bonds is equal to or less than the average period of usefulness of the Taxable Project being financed through the issuance of the Taxable Bonds. Interest on the Taxable Bonds shall be payable semiannually on February 15 and August 15, commencing February 15, 2015, in each year until maturity or earlier redemption.

Section 5. The Bonds shall be general obligations of the Borough. The full faith and credit of the Borough are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds and, to the extent payment is not otherwise provided, the Borough shall levy ad valorem taxes on all taxable real property without limitation as to rate or amount for the payment thereof.

Section 6. The Taxable Bonds maturing on and after August 15, 2024, are subject to redemption prior to their stated maturity dates at the option of the Borough, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Borough shall determine and within any such maturity by lot) on any date on and after August 15, 2023, at a redemption price equal to 100% of the principal amount of the Taxable Bonds to be redeemed, plus accrued interest to the redemption date.

Section 7. Notice of redemption with respect to the Taxable Bonds shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Taxable Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Paying Agent (hereinafter defined). So long as the Taxable Bonds are issued in book-entry-only form, all notices of redemption will be sent only to the Securities Depository (hereinafter defined) and not be sent to the beneficial owners of the Taxable Bonds. Failure of an owner of the Taxable Bonds to receive such notice or of the Securities Depository to advise any participant or any failure of a participant to notify any beneficial owner of the Taxable Bonds shall not affect the validity of any proceedings for the redemption of Taxable Bonds. Such notice shall specify: (i) the series and maturity of the Taxable Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Taxable Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Taxable Bonds to be redeemed; (iv) in the case of a Taxable Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Taxable Bond or portion thereof to be redeemed, the redemption price; and (vi) that from and after the redemption date interest on such Taxable Bonds or portion thereof to be redeemed shall cease to accrue and be payable.

Section 8. The Bonds will be issued in fully registered form. One certificate shall be issued for the aggregate principal amount of each series of Bonds maturing in each year. Both the principal of and interest on the Bonds will be payable in lawful money of the United States of

America. Each certificate will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository ("Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants will be responsible for maintaining records recording the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000, or a necessary odd denomination, through book-entries made on the books and the records of DTC and its participants. The principal of and interest on the Bonds will be paid to DTC by the Borough on the respective maturity dates and due dates and will be credited on the respective maturity dates and due dates to the participants of DTC as listed on the records of DTC as of the first (1st) day of the month containing an interest payment date. The Bonds will be executed on behalf of the Borough by the manual or facsimile signatures of the Mayor and Chief Financial Officer, attested by the Borough Clerk or the Deputy Borough Clerk, and shall bear the affixed, imprinted or reproduced seal of the Borough thereon. The Bonds shall not be valid or obligatory for any purpose unless the Authentication Certification printed thereon shall be duly executed by an authorized officer of the Paying Agent (hereinafter mentioned).

Section 9. The Borough is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with DTC, as may be necessary in order to provide that the Bonds will be eligible for deposit with DTC and to satisfy any obligation undertaken in connection therewith.

Section 10. In the event that DTC may determine to discontinue providing its service with respect to the Bonds or is removed by the Borough and if no successor Securities Depository is appointed, the Bonds which were previously issued in book-entry form shall be converted to Registered Bonds in denominations of \$5,000, or any integral multiple thereof ("Registered Bonds"). The beneficial owner under the book-entry system, upon registration of the Bonds held in the beneficial owner's name, will become the registered owner of the Registered Bonds. The Borough shall be obligated to provide for the execution and delivery of the Registered Bonds in certified form.

Section 11. The Mayor and Chief Financial Officer are each hereby authorized to solicit proposals for and engage the services of a qualified financial institution to serve as paying agent for the Bonds ("Paying Agent") and/or Dissemination Agent for the Bonds ("Dissemination Agent"). The Mayor and Chief Financial Officer are each hereby authorized to enter into an agreement with the Paying Agent and/or Dissemination Agent for the services to be provided.

Section 12. The preparation of a preliminary official statement ("Preliminary Official Statement") relating to the Bonds, and the distribution of said Preliminary Official Statement to prospective purchasers of the Bonds and others having an interest therein, are hereby authorized and directed. The Mayor, Chief Financial Officer and Borough Clerk are each hereby authorized to deem the Preliminary Official Statement "final", as contemplated by paragraph (b)(1) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

Section 13. The appointment of Bowman & Company, LLP, Voorhees, New Jersey ("Printer"), to provide electronic and/or physical dissemination of the Preliminary Official Statement and Official Statement (hereinafter defined) is hereby authorized, approved, ratified and confirmed. The Chief Financial Officer of the Borough is hereby authorized and directed to enter into an agreement with Printer for the services to be provided.

Section 14. Pursuant to the Local Bond Law, the Mayor and Chief Financial Officer each a "Sale Official", are hereby authorized to sell and award the Bonds at a public sale. The sale of the Bonds shall be in accordance with the provisions of the Local Bond Law, and the advertised terms of such public sale. If necessary or desirable, the Sale Official is hereby authorized to postpone, from time to time, the date and time established for receipt of bids for the sale of the Bonds in accordance with the Local Bond Law. If any date fixed for receipt of bids and the sale of the Bonds is postponed, the Sale Official is hereby authorized to announce an alternative sale date at least forty-eight (48) hours prior to such alternative sale date. The Sale Official is hereby authorized and directed to cause a summary notice of sale and a notice of sale of the Bonds to be prepared and disseminated in accordance with the Local Bond Law. At the next meeting of the Borough Council after the sale and award of the Bonds, the Sale Official shall report, in writing, to the Borough Council the principal amount, the rate or rates of interest, the maturity dates, the dates upon which interest on the Bonds shall be paid, the price and the purchaser or purchasers of the Bonds.

Section 15. The utilization of i-Deal LLC, New York, New York, to provide electronic bidding services to the Borough in connection with the competitive sale of the Bonds ("Bidding Agent") through the use of the Bidding Agent's BiDCOMP/PARITY auction system, pursuant to the Local Bond Law and the regulations promulgated thereunder, is hereby authorized, approved,

ratified and confirmed.

Section 16. The preparation of a final official statement ("Official Statement") with respect to the Bonds is hereby authorized and directed. Within seven (7) business days of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from a customer, the Borough will deliver sufficient copies of the Official Statement to the purchaser of the Bonds in order for the same to comply with Paragraph (b)(4) of Rule 15c2-12. The Mayor, Chief Financial Officer and Borough Clerk are each hereby authorized to execute the Official Statement, and the distribution thereof to purchasers and others is hereby authorized and directed. The execution of the final Official Statement by the Mayor, Chief Financial Officer and Borough Clerk shall constitute conclusive evidence of approval by the Borough of the changes therein from the Preliminary Official Statement. The Mayor, Chief Financial Officer and Borough Clerk are each hereby authorized to approve any amendments of or supplements to the Official Statement.

Section 17. The Borough hereby covenants that it will not make any use of the proceeds of the Tax-Exempt Bonds or do or suffer any other action that would cause: (i) the Tax-Exempt Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code") and the Income Tax Regulations promulgated thereunder; (ii) the interest on the Tax-Exempt Bonds to be included in the gross income of the owners thereof for federal income taxation purposes; or (iii) the interest on the Tax-Exempt Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

Section 18. The Borough hereby covenants as follows: (i) it shall timely file such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; and

(ii) it shall take no action that would cause the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 19. To the extent not otherwise exempt, the Borough hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to the Tax-Exempt Bonds.

Section 20. The Borough hereby designates the Tax-Exempt Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the Borough hereby represents that it reasonably anticipates that the amount of tax-exempt obligations to be issued by the Borough during the period from January 1, 2014 to December 31, 2014, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Tax-Exempt Bonds.

For purposes of this Section 20, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the Borough: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

Section 21. Application to Moody's Investors Service and/or Standard & Poor's Rating Service, a division of The McGraw-Hill Companies, for a rating of the Bonds, and the furnishing of certain information concerning the Borough and the Bonds, for the purpose of qualifying the Bonds for municipal bond insurance, are hereby authorized, ratified, confirmed and approved.

Section 22. All actions heretofore taken and documents prepared or executed by or on behalf of the Borough by the Mayor, Chief Financial Officer, Borough Clerk, other Borough officials or by the Borough's professional advisors, in connection with the issuance and sale of the Bonds are hereby ratified, confirmed, approved and adopted.

Section 23. The Mayor, Chief Financial Officer and Borough Clerk are each hereby authorized to determine all matters and execute all documents and instruments in connection with the Bonds not determined or otherwise directed to be executed by the Local Bond Law, the Bond Ordinances, or by this or any subsequent resolution, and the signatures of the Mayor, Chief Financial Officer or Borough Clerk on such documents or instruments shall be conclusive as to such determinations.

Section 24. All other resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 25. This resolution shall take effect immediately upon adoption this 14th day of July, 2014.

Exhibit "A"

TAX-EXEMPT BONDS

Ordinance Number	Amount Authorized	Notes Outstanding	Notes to be Issued
03-13	\$73,100	\$70,550	\$70,397
04-12	108,540	87,540	87,540
05-07	76,636	47,765	47,765
06-07	104,750	89,450	89,450
07-09	147,250	120,826	120,826
09-15	29,195	26,716	26,716
10-07	191,425	181,930	181,930
10-09	179,835	169,343	169,343
11-02	166,278	166,278	166,278
12-07	332,500	332,500	332,500
08-12	1,845,000	45,500	0
13-14	369,170	369,170	217,170
14-14	1,961,085	0	1,465,085
TOTAL	\$3,623,679	\$1,707,568	\$2,975,000

TAXABLE BONDS

Ordinance	Amount Authorized	Notes Outstanding	Bonds to be Issued
09-05	\$1,200,000	\$1,169,600	\$1,169,000
TOTAL	\$1,200,000	\$1,169,600	\$1,169,000

APPROVED:

ATTEST:

Frank M. North
MAYOR

Denise L. Brouse
BOROUGH CLERK

July 14, 2014

Recorded Vote

AYE

NO

ABSTAIN

ABSENT

The foregoing is a true copy of a resolution adopted by the Borough Council on July 14, 2014.

DENISE BROUSE, Municipal Clerk

[Seal]