

Merchantville, November 26, 2018

A Caucus meeting of Borough Council was held at 7:30 PM, Monday, November 26, 2018. Mayor Ted Brennan presided. Pledge of Allegiance and Silent Prayer were observed. Announcement was made that the meeting had been advertised in accordance with the regulations prescribed by the "Open Public Meetings Act".

**ROLL CALL:** Council Present: Kidd, Scarpa, Fitzgerald, Sperrazza, McLoone and Perno. Clerk Brouse, CFO Moules and Attorney Higgins were present. (Councilman Perno arrived at 7:40pm)

**PUBLIC - None**

**PUBLIC HEARING ORDINANCE for second reading and adoption**

18-15 Bond Ordinance, Community Center Improvements

**ADOPT ORDINANCE 18-15 Bond Ordinance, Community Center Improvements** - On a motion of Mr. Kidd and second of Mr. Sperrazza, Council adopted the following Ordinance

**ORDINANCE 2018-18-15**

**BOND ORDINANCE AUTHORIZING THE COMPLETION OF VARIOUS IMPROVEMENTS TO THE COMMUNITY CENTER IN AND FOR THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY; APPROPRIATING THE SUM OF \$975,000 THEREFOR; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$926,250, MAKING CERTAIN DETERMINATIONS AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING**

**BE IT ORDAINED** by the Borough Council of the Borough of Merchantville, County of Camden, New Jersey (not less than two-thirds of all the members thereof affirmatively concurring), pursuant to the provisions of 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"), as follows:

**Section 1.** The purposes described in Section 7 hereof are hereby authorized as general improvements to be made or acquired by the Borough of Merchantville, County of Camden, New Jersey ("Borough").

**Section 2.** It is hereby found, determined and declared as follows:

- (a) the estimated amount to be raised by the Borough from all sources for the purposes stated in Section 7 hereof is \$975,000;
- (b) the estimated amount of bonds or bond anticipation notes to be issued for the purposes stated in Section 7 hereof is \$926,250; and

a down payment in the amount of \$48,750 for the purposes stated in Section 7 hereof is currently available in accordance with the requirements of Section 11 of the Local Bond Law, N.J.S.A. 40A:2-11.

**Section 3.** The sum of \$926,250, to be raised by the issuance of bonds or bond anticipation notes, together with the sum of \$48,750, which amount represents the required down payment, are hereby appropriated for the purposes stated in this bond ordinance ("Bond Ordinance")**Section 4.** The issuance of negotiable bonds of the Borough in an amount not to exceed \$926,250 to finance the costs of the purposes described in Section 7 hereof is hereby authorized. Said bonds shall be sold in accordance with the requirements of the Local Bond Law.

**Section 5.** In order to temporarily finance the purposes described in Section 7 hereof, the issuance of bond anticipation notes of the Borough in an amount not to exceed \$926,250 is hereby authorized. Pursuant to the Local Bond Law, the Chief Financial Officer is hereby authorized to sell all or part of the bond anticipation notes from time to time at public or private sale and to deliver the same to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their date to delivery thereof. The Chief Financial Officer is hereby directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the bond anticipation 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 bond anticipation notes sold, the price obtained and the name of the purchaser.

**Section 6.** The amount of the proceeds of the obligations authorized by this Bond Ordinance which may be used for the payment of interest on such obligations, accounting, engineering, legal fees and other items as provided in Section 20 of the Local Bond Law, N.J.S.A. 40A:2-20, shall not exceed the sum of \$200,000.

**Section 7.** The improvements hereby authorized and the purposes for which said obligations are to be issued; the estimated costs of each said purpose; the amount of down payment for each said purpose; the amount of available grants; the maximum amount of obligations to be issued for said purpose and the period of usefulness of said purpose within the limitations of the Local Bond Law are as follows:

<u>Purpose/Improvement</u>	<u>Estimated Total Cost</u>	<u>Down Payment</u>	<u>Amount of Obligations</u>	<u>Period of Usefulness</u>
A. Various Improvements to the Community Center including, but not limited to, installation of exterior handicap lift, renovations to bathroom facilities and improvements to the basement for water infiltration issues, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto	\$975,000	\$48,750	\$926,250	20 years

**Section 8.** Grants or other monies received from any governmental entity, if any, will be applied to the payment of, or repayment of obligations issued to finance, the costs of the purposes described in Section 7 above.

**Section 9.** The supplemental debt statement provided for in Section 10 of the Local Bond Law, N.J.S.A. 40A:2-10, was duly filed in the office of the Clerk prior to the passage of this Bond Ordinance on first reading and a complete executed duplicate original 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 supplemental debt statement shows that the gross debt of the Borough, as defined in Section 43 of the Local Bond Law, N.J.S.A. 40A:2-43, is increased by this Bond Ordinance by \$926,250 and that the obligations authorized by this Bond Ordinance will be within all debt limitations prescribed by said Local Bond Law.

**Section 10.** The full faith and credit of the Borough are irrevocably pledged to the punctual payment of the principal of and interest on the bonds or bond anticipation notes authorized by this Bond Ordinance, 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 11.** The Capital Budget is hereby amended to conform with the provisions of this Bond Ordinance to the extent of any inconsistency therewith, and the resolution promulgated by the Local Finance Board showing full detail of the amended Capital Budget and Capital Program as approved by the Director of the Division of Local Government Services, is on file with the Clerk and available for inspection.

**Section 12.** The Borough hereby declares its intent to reimburse itself from the proceeds of the bonds or bond anticipation notes authorized by this Bond Ordinance pursuant to Income Tax Regulation Section 1.150-2(e), promulgated under the Internal Revenue Code of 1986, as amended ("Code"), for "original expenditures", as defined in Income Tax Regulation Section 1.150-2(c)(2), made by the Borough prior to the issuance of such bonds or bond anticipation notes.

**Section 13.** The Borough hereby covenants as follows:  
 (a) it shall take all actions necessary to ensure that the interest paid on the bonds or bond anticipation notes is exempt from the gross income of the owners thereof for federal income taxation purposes, and will not become a specific item of tax preference pursuant to Section 57(a)(5) of the Code;

(b) it will not make any use of the proceeds of the bonds or bond anticipation notes or do or suffer any other action that would cause the bonds or bond anticipation notes to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder;

(c) it shall calculate or cause to be calculated and pay, when due, the rebatable arbitrage with respect to the "gross proceeds" (as such term is used in Section 148(f) of the Code) of the bonds or bond anticipation notes;

it shall timely file with the Internal Revenue Service, such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; and

it shall take no action that would cause the bonds or bond anticipation notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

**Section 14.** The improvements authorized hereby are not current expenses and are improvements that the Borough may lawfully make. No part of the cost of the improvements authorized hereby has been or shall be specially assessed on any property specially benefited thereby.

**Section 15.** All ordinances, or parts of ordinances, inconsistent herewith are hereby repealed to the extent of any such inconsistency.

**Section 16.** In accordance with the Local Bond Law, this Bond Ordinance shall take effect twenty (20) days after the first publication thereof after final passage.

#### **DISCUSSION ITEMS**

Legalization of Marijuana – 1<sup>st</sup> Phase may be approved in 2019 with 12% and 2% local tax tier levels

#### **OLD BUSINESS**

**SAVE Program-** Mayor gave overview on how we are receiving funding and creating opportunities for bids to be available.

#### **NEW BUSINESS**

RFP – Professional services

Financial status of state at large. Small Municipalities actually have less waste overall.

Resolutions to be approved during the caucus meeting. On a motion of Mr. Perno and second of Mr. Fitzgerald, Council approved the following resolution.

**R18-151**

**RESOLUTION OF THE BOROUGH OF MERCHANTVILLE, COUNTY**

**OF CAMDEN AND STATE OF NEW JERSEY DESIGNATING  
DEPOSITORIES FOR THE BOROUGH OF MERCHANTVILLE**

**WHEREAS**, R.S. 40A:4-63 provides that monies held in any separate fund shall be treated as monies held in trust for the purpose for which such separate fund was treated and shall not be diverted to any other purpose.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Council of the Borough of Merchantville that 1<sup>st</sup> Colonial Bank of New Jersey shall establish the depositories for the following account:  
Developer Escrow Trust Fund

**BE IT FURTHER RESOLVED**, that the Finance Officer shall be the custodian of the funds listed above and that all disbursements shall be made by checks signed by the Mayor and Finance Officer. In the absence of the Mayor, Council President shall sign and in the absence of the Finance Officer, the Borough Clerk, shall sign; and

**BE IT FURTHER RESOLVED**, that the Mayor (Edward T. Brennan) may sign using facsimile signatures as evidenced below.

**R18-152 Private Session** -On a motion of Mr. Perno and second of Mr. Kidd, council adjourned to private session

**R18-152  
RESOLUTION OF THE BOROUGH OF MERCHANTVILLE,  
COUNTY OF CAMDEN AND STATE OF NEW JERSEY  
AUTHORIZING A PRIVATE SESSION OF COUNCIL**

**Anthony Perno** offered the following resolution and moved its adoption:

**WHEREAS**, Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975 permits the exclusion of the public from a meeting in certain circumstances; and

**WHEREAS**, this public body is of the opinion that such circumstances presently exist;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Borough of Merchantville, County of Camden, State of New Jersey, as follows:

1. The public shall be excluded from discussion of and action upon the hereinafter specified subject matters.
2. The general nature of the subject matter to be discussed is as follows:  
**Matters of Contract**
3. It is anticipated at this time that the above stated subject matter shall be made public.
4. This Resolution shall take effect immediately.

Seconded by **Griffin Kidd** and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Mr. Kidd	( X )	( )	( )	( )
Mr. Scarpa	( X )	( )	( )	( )
Mr. Fitzgerald	( X )	( )	( )	( )
Mr. Sperrazza	( X )	( )	( )	( )
Mr. McLoone	( X )	( )	( )	( )
Mr. Perno	( X )	( )	( )	( )

On a motion of Mr. Sperrazza and second of Ms. Scarpa, council voted to return to public session

**MOTION TO ADJOURN:**

On the motion of Mr. Kidd and second of Mr. Fitzgerald, the meeting was adjourned at 8:10 PM.

\_\_\_\_\_  
Denise Brouse, Borough Clerk