**NOTICE OF PENDING BOND ORDINANCE AND SUMMARY**
**#9-11**

The bond ordinance, the summary terms of which are included herein, was introduced and passed upon first reading at a meeting of the Borough Council of the Borough of Keyport, in the County of Monmouth, State of New Jersey, on March 15, 2011. It will be further considered for final passage, after public hearing thereon, at a meeting of the Borough Council to be held at the Municipal Complex, 70 West Front Street, Keyport, New Jersey, on April 12, 2011 at 7:00 p.m. During the week prior to and up to and including the date of such meeting copies of the full ordinance will be available at no cost and during regular business hours, at the Clerk's office for the members of the general public who shall request the same. The summary of the terms of such bond ordinance follows:

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|---|---|
| **Title:** | BOND ORDINANCE PROVIDING FOR VARIOUS ROADWAY IMPROVEMENTS, BY AND IN THE BOROUGH OF KEYPORT, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY; APPROPRIATING $900,000 THEREFOR (INCLUDING A $250,000 GRANT FROM THE NEW JERSEY DEPARTMENT OF TRANSPORTATION AND A $194,559 GRANT FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM) AND AUTHORIZING THE ISSUANCE OF $445,000 IN BONDS OR NOTES TO FINANCE THE COST THEREOF |
| **Purpose(s):** | Various roadway improvements to the entire lengths or portions, as applicable, of various roads within the Borough, including, but not limited to: Division Street, West First Street, West Second Street, Chingarora Avenue and Luppatatong Avenue |
| **Appropriation:** | $900,000 |
| **Bonds/Notes Authorized:** | $445,000 |
| **Grants Appropriated:** | $250,000 received or expected to be received from the NJDOT<br>$194,559 received or expected to be received from the Community Development Block Grant Program |
| **Section 20 Costs:** | $175,000 |
| **Useful Life:** | 10 years |

**VALERIE TORNICK HEILWEIL, RMC**
**Municipal Clerk**

**BOROUGH OF KEYPORT**
**BOND ORDINANCE NUMBER #9-11**

**BOND ORDINANCE PROVIDING FOR VARIOUS ROADWAY IMPROVEMENTS, BY AND IN THE BOROUGH OF KEYPORT, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY; APPROPRIATING $900,000 THEREFOR (INCLUDING A $250,000 GRANT FROM THE NEW JERSEY DEPARTMENT OF TRANSPORTATION AND A $194,559 GRANT FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM) AND AUTHORIZING THE ISSUANCE OF $445,000 IN BONDS OR NOTES TO FINANCE THE COST THEREOF**

**BE IT ORDAINED AND ENACTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF KEYPORT, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY** (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

**SECTION 1.** The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized as general improvements or purposes to be undertaken by the Borough of Keyport, in the County of Monmouth, State of New Jersey (the "Borough"). For the said improvements or purposes stated in Section 3, there is hereby appropriated the aggregate sum of $900,000, which sum includes a $250,000 grant received or expected to be received from the New Jersey Department of Transportation (the "DOT Grant"), a $194,559 grant received or expected to be received from the Community Development Block Grant Program (the "CDBG Grant" and, together with the DOT Grant, the "Grant"), and the down payment for said improvements or purposes required by the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law") in the amount of $10,441. The $10,441 down payment is now available therefor from the general capital improvement fund by virtue of a provision or provisions in a previously adopted budget or budgets of the Borough for down payment or for capital improvement purposes.

**SECTION 2.** For the financing of said improvements or purposes described in Section 3 hereof and to meet the portion of the $900,000 aggregate appropriation not provided by the down payment or the Grant, negotiable bonds of the Borough are hereby authorized to be issued in the aggregate principal amount of $445,000 pursuant to the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the Borough in an aggregate principal amount not exceeding $445,000 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 purposes for the financing of which said obligations are to be issued include, but are not limited to the following:

| Description | Appropriation | Authorization | Down Payment | Grant | Useful Life |
|---|---|---|---|---|---|
| (i) Various roadway improvements to the entire lengths or portions, as applicable, of various roads within the Borough, including, but not limited to Division Street, including but not limited to, the total reconstruction of roadway, installation of new drainage, the installation of new concrete curb and sidewalk on both sides of the roadway, the inspection of and replacement, as applicable and necessary, of existing stormwater inlets; and | $500,000 | $250,000 | $0 Pursuant to N.J.S.A. 40A:2-11(c) of the Local Bond Law, no down payment is required. | $250,000 DOT Grant | 10 years |
| (ii) various roadway improvements to the entire lengths or portions, as applicable, of various roads within the Borough, including, but not limited to: West First Street, West Second Street, Chingarora Avenue and Luppatatong Avenue, including but not limited to, the total reconstruction of roadway, and the inspection of and replacement, as applicable and necessary, of existing stormwater inlets. | $400,000 | $195,000 | $10,441 | $194,559 CDBG Grant | 10 years |
| TOTALS | $900,000 | $445,000 | $10,441 | $444,559 | |

(b) The aggregate estimated maximum amount of bonds or notes to be issued for said improvements or purposes is $445,000.

(c) The aggregate estimated cost of said improvements or purposes is $900,000, the excess thereof over the said estimated maximum amount of bonds or notes to be issued therefore, is the down payment in the amount of $10,441 and the Grant in the aggregate amount of $444,559.

(d) All such improvements or purposes set forth in Section 3(a) shall include, but are not limited to, as applicable, milling, paving, joint stabilization, reconstruction and resurfacing the roadways, the repairing and/or installation of curbs, sidewalks, culverts and driveway aprons, drainage work, roadway painting, landscaping and aesthetic improvements, and all engineering and design work, surveying, construction planning, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, and all work, materials, equipment, labor and appurtenances necessary therefor or incidental thereto.

**SECTION 4.** Except for the Grant, in the event the United States of America, the State of New Jersey, the County of Monmouth and/or any other lawful outside source make a contribution or grant in aid to the Borough for the improvement and purpose authorized hereby and the same shall be received or appropriated, as applicable, by the Borough prior to the issuance of the bonds or notes authorized in Section 2 hereof, then the amount of such bonds or notes to be issued shall be reduced by the amount so received or appropriated, as applicable, from the United States of America, the State of New Jersey, the County of Monmouth and/or any other lawful outside source. Except for the Grant, in the event, however, that any amount so contributed or granted by the United States of America, the State of New Jersey, the County of Monmouth and/or any other lawful outside source, shall be received or appropriated, as applicable, by the Borough after the issuance of the bonds or notes authorized in Section 2 hereof, then such funds shall be applied to the payment of the bonds or notes so issued and shall be used for no other purpose. This Section 4 shall not apply, however, with respect to any contribution or grant in aid received by the Borough as a result of using funds from this bond ordinance as "matching local funds" to receive such contribution or grant in aid.

**SECTION 5.** All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the Borough, provided that no note shall mature later than one (1) year from its date or otherwise authorized by the Local Bond Law. 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 the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time in accordance with the provisions of the Local Bond Law. The Chief Financial Officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price and accrued interest thereon 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 principal amount, the description, the interest rate, and the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

**SECTION 6.** The Capital Budget 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, a resolution in the form promulgated by the Local Finance Board showing full detail of the amended Capital Budget and capital programs as approved by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs will be on file in the office of the Clerk and will be available for public inspection.

**SECTION 7.** 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 and are improvements which 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 said improvements or purposes within the limitations of the Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is ten (10) years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the Office of the Clerk of the Borough and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, and 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 or notes provided for in this bond ordinance by $445,000 and the said bonds or notes authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding $175,000 for items of expense listed in and permitted under section 20 of the Local Bond Law is included in the estimated cost indicated herein for the purpose or improvement hereinbefore described.

**SECTION 8.** The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the bonds or notes authorized by this bond ordinance. The bonds or notes 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 bonds or notes and the interest thereon without limitation as to rate or amount.

**SECTION 9.** The Borough reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 9 is intended to be and hereby is a declaration of the Borough's official intent to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations §1.150-2. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of any bonds or notes authorized herein used to reimburse the Borough for costs of the improvements or purposes described in Section 3 hereof, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of any bonds or notes authorized herein or