

ORDINANCE #2004-991

REFUNDING BOND ORDINANCE PROVIDING FOR THE RETIREMENT OF THE PRESENT VALUE OF UNFUNDED PENSION LIABILITIES FOR EARLY RETIREMENT INCENTIVE BENEFITS IN THE ESTIMATED AMOUNT OF \$939,603 OF THE BOROUGH OF MANVILLE, IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY, APPROPRIATING A SUM NOT EXCEEDING \$990,000 TO PAY THE COST THEREOF AND AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$990,000 AGGREGATE PRINCIPAL AMOUNT OF REFUNDING BONDS OF SAID BOROUGH TO FINANCE SUCH APPROPRIATION

BE IT ORDAINED by the Borough Council of the Borough of Manville, in the County of Somerset, New Jersey, as follows:

Section 1. The Borough of Manville, in the County of Somerset, New Jersey (the "Borough") is hereby authorized, pursuant to N.J.S.A. 40A:51.3, to retire the present value of unfunded pension liabilities for early retirement incentive benefits in the estimated aggregate amount of \$939,603 (the "Pension Liability"), consisting of liabilities to the Public Employees' Retirement System (estimated liability to April 15, 2004 of \$398,119) and to the Police and Firemen's Retirement System (estimated liability at April 15, 2004 of \$541,484).

Section 2. The Borough Council of the Borough has ascertained and hereby determines that the Pension Liability set forth in Section 1 of this ordinance has not been paid or discharged and that the Borough is authorized by Section 51.3 of the Local Bond Law of New Jersey (Chapter 2 of Title 40A of the New Jersey Statutes Annotated, as amended; the "Local Bond Law") to issue its refunding bonds as hereinafter provided to retire the Pension Liability. The object of the refunding is to effect pension cost savings for the Borough.

Section 3. A sum not exceeding \$990,000 is hereby appropriated (a) to retire the Pension Liability set forth in Section 1 of this ordinance in the estimated amount of \$939,603 (the actual amount required to retire the Pension Liability is subject to adjustment by the Division of Pensions and Benefits in the New Jersey Department of the Treasury) and (b) to pay an amount not exceeding \$20,397 for the cost of the issuance of the refunding bonds, including underwriter's compensation, accounting and financial and legal expenses therefor, as permitted by Section 51(b) of the Local Bond Law (collectively, the "Purpose").

Section 4. To finance the Purpose, refunding bonds of said Borough in an aggregate principal amount not exceeding \$990,000 are hereby authorized to be issued pursuant to the Local Bond Law (the "Refunding Bonds"). The Refunding Bonds shall be sold at private sale by resolution of the Borough Council and shall be in registered form and shall contain the word "refunding" in their title and shall recite that they are issued pursuant to the Local Bond Law and shall bear such date or dates, mature at such time or times not exceeding 40 years as may be approved by the Local Finance Board from their date, bear interest at such rate or rates per annum, be payable at such time or times, be in such denominations, carry such registration privileges, be executed in such manner consistent with the provisions of the Local Bond Law for bonds of a municipality, be payable at such place or places, and be subject to such terms of redemption, with or without premium, as may be hereafter determined by resolution of the Borough Council within the limitations prescribed by law.

Section 5. The Refunding Bonds shall be direct, unlimited and general obligations of the Borough and the Borough shall be obligated to levy ad valorem taxes

upon all taxable real property within the Borough for the payment of the principal of and the interest on the Refunding Bonds without limitation as to rate or amount. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the Refunding Bonds. Each Refunding Bond issued pursuant to this ordinance shall recite that all conditions, acts and things required by the Constitution or statutes of the State of New Jersey to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bond exist, have happened and have been performed, and that the Refunding Bond, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by the Constitution or statutes of said State.

Section 6. All matters with respect to the Refunding Bonds not determined by this ordinance shall be determined by subsequent resolution or resolutions to be hereafter adopted by the Borough Council of the Borough, or the performance or determination thereof delegated by resolution or resolutions, to the Chief Financial Officer.

Section 7. It is hereby determined and stated that the Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the office of the Borough Clerk of said Borough, and that such statement so filed shows that the gross debt of said Borough, as defined in Section 43 of the Local Bond Law, increased by this ordinance by \$990,000, but said \$990,000 shall be deducted from gross debt pursuant to Section 52 of the Local Bond Law, and that the issuance of the bonds and notes authorized by this ordinance will be within all debt limitations prescribed by said Local Bond Law.

Section 8. It is hereby determined and stated that (a) a certified copy of this refunding bond ordinance as passed on first reading shall be filed with the Director of the Division of Local Government Services, in the Department of Community Affairs of the State of New Jersey, prior to the final adoption, together with a complete statement in the form prescribed by the Director and signed by the chief financial officers of the Borough as to the principal amount of the Pension Liability to be retired by the issuance of the Refunding Bonds and (b) no sum need be appropriated hereby as a down payment.

Section 9. The Borough is hereby authorized to enter into any agreements that may be necessary to effect the purchase of securities, as permitted by Sections 53© and 60 of the Local Bond Law, to accomplish the retirement of the Pension Liability.

Section 10. This refunding bond ordinance shall take effect twenty days after the first publication thereof after final passage as provided by the Local Bond Law, provided that the consent of the Local Finance Board had been endorsed upon a certified copy of this ordinance as finally adopted.

Borough of Manville

Angelo Corradino, Mayor

ATTEST:

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Philip E. Petrone, Borough Clerk

**ORDINANCE #2004-991**

**FIRST READING:**

<b>Introduced</b>	<b>Seconded</b>	<b>Council</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
√		<b>ALLAN</b>	√			
	√	<b>ASHER</b>	√			
		<b>OTRIMSKI</b>	√			
		<b>PETROCK</b>				√
		<b>POLAK</b>				√
		<b>WEISS</b>	√			
		<b>MAYOR CORRADINO</b>				

**PASSED** this 23<sup>rd</sup> day of February, 2004.

Attest:

Philip E. Petrone, Borough Clerk

**SECOND READING:**

<b>Introduced</b>	<b>Seconded</b>	<b>Council</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
√		<b>ALLAN</b>	√			
		<b>ASHER</b>	√			
	√	<b>OTRIMSKI</b>	√			
		<b>PETROCK</b>	√			
		<b>POLAK</b>	√			
		<b>WEISS</b>	√			
		<b>MAYOR CORRADINO</b>				

**ADOPTED** this 22<sup>nd</sup> day of March, 2004.

Attest:

Philip E. Petrone, Clerk