

ORDINANCE NO. 24-21

A BOND ORDINANCE APPROPRIATING \$750,000.00 AND AUTHORIZING THE ISSUANCE OF \$712,500.00 IN BONDS AND NOTES OF THE CITY OF OCEAN CITY FOR THE VARIOUS IMPROVEMENTS OR PURPOSES AUTHORIZED TO BE UNDERTAKEN BY THE CITY OF OCEAN CITY, NEW JERSEY

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OCEAN CITY, COUNTY OF CAPE MAY, STATE OF NEW JERSEY, (not less than two-thirds of members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The several improvements described in Section 3 of this Bond Ordinance are hereby respectively authorized as general improvements to be made or acquired by Ocean City, New Jersey for said several improvements or purposes stated in Section 3, there are hereby appropriated the respective sums of money therein stated as the appropriations made for said improvements or purposes, said sums being inclusive of all appropriations heretofore made therefore and amounting in the aggregate to \$750,000.00 including the aggregate sum of \$37,500.00 from Capital Improvement Fund as the several down payments for said improvements for purposes required by law and more particularly described in Section 3 and now available therefore by virtue of a provision in a previously adopted budget or budgets of the City for down payment or for capital improvement or purposes.

Section 2. For the financing of said improvements or purposes and to meet the part of said \$750,000.00 appropriations not provided for by application hereunder of said down payments, negotiable bonds of the City of Ocean City are hereby authorized to be issued in the principal amount of \$712,500.00 pursuant to the Local Bond Law of New Jersey. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the City in a principal amount not exceeding \$712,500.00 are hereby authorized to be issued pursuant to and within the limitations prescribed by said law.

Section 3. The improvements hereby authorized and the several purposes for the financing of which said obligations are to be issued, the appropriations made for an estimated cost of each purpose (in each case, including all work or materials necessary therefore or incidental thereto, and as shown on and in accordance with the plans and specifications therefore on file in the Office of the City Clerk and hereby approved), and the estimated maximum amounts of bonds or notes to be issued for each such purpose, are respectively as follows:

SEE ATTACHED SECTION 3

The excess of the appropriations made for each of the improvements or purposes aforesaid over the estimated maximum amount of bonds or notes to be issued therefore, as above stated, is the amount of the said down payment for said purpose.

Section 4. The following additional matters are hereby determined, declared and recited as stated:

(a) The said purposes described in Section 3 of this Bond Ordinance are not current expenses and are each a property or improvement which the City may lawfully acquire or make as a general improvement, and no part of the cost thereof has been or shall be specifically assessed on property specifically benefited thereby.

(b) The average period of usefulness of said purposes within the limitations of said Local Bond Law and taking into consideration the respective amounts of the said obligations authorized for the several purposes, according to the reasonable life thereof computed from the date of the said bonds authorized by this Bond Ordinance is 40.00 years.

(c) The supplemental debt statement required by the said law has been duly made and filed in the Office of the City 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, and such statements show that the gross debt of the City as defined in said law is increased by the authorization of the bonds and notes provided for in this Bond Ordinance by \$712,500.00 and the said obligations authorized by this Bond Ordinance will be within all debt limitations prescribed by said law.

(d) Amounts not exceeding \$100,000.00 in the aggregate for interest on said obligations, costs of issuing said obligations, engineering cost and other items of expense listed in and permitted under Section 40A:2-20 of said Law, may be included as part of the cost of said improvements are included in the foregoing estimate therefore.

Section 5. The funds from time to time received by the City on account of any grant or monies referred to in Section 1 of this Bond Ordinance shall be used for financing the improvement or purpose described in Section 3 of this Bond Ordinance, by application thereof, either to direct payment of the costs of said improvements or purpose, or to payment or reduction of the amount of the obligations of the City authorized by this Bond Ordinance. Any such funds so received may, and all such funds so received which are not required for direct payment of such costs shall, be held and applied by the City as funds applicable only to the payment of obligations of the City authorized by this Bond Ordinance.

Section 6. All bond anticipation notes issued hereunder shall mature at such time as may be determined by the Chief Financial Officer; provided that no note shall mature later than one (1) 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 Ordinance, and the Chief Financial Officer's signature upon the notes shall be conclusive evidence as to all such terminations. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:2-8.1(a). 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 the same to the purchaser 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 Administrator and Council at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this Ordinance is made. Such report must include the amount, the description, the interest rate, the maturity schedule of the notes sold, and price obtained and the name of the purchaser.

Section 7. The City hereby declares the intent of the City to issue bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use the proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3(a) of this bond ordinance. This Section 7 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

Section 8. The Chief Financial Officer of the City is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the City and to execute such disclosure document on behalf of the City. The Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the City and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the City fails to comply with its undertaking, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 9. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and interest on the said obligations authorized by this Bond Ordinance. Said obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of said obligations and interest thereon without limitations of rate or amount.

Section 10. The Capital Budget of the City of Ocean City is hereby amended to conform with the provisions of this Ordinance to the extent of any inconsistencies created hereby. To the extent of any inconsistencies, a revised budget has been filed with the Division of Local Government Services.

Section 11. The Mayor, City Administrator, City Clerk and City Attorney, as the case may be, are authorized pursuant to N.J.S.A. 40A:12-1 *et seq.*, and any other applicable law, to prepare and sign any and all necessary documentation to effectuate the acquisition as described herein, concerning the properties known as 844 Central Avenue, listed as Block 806, Lot 22 on the municipal tax map, including but not limited to, any contracts and amendments thereto and all closing documents needed to complete the purchases.

Section 12. The Bond Ordinance shall take effect twenty (20) days after first publication thereof after final adoption, as provided by said Local Bond Law.

Jay A. Gillian, Mayor

Peter V. Madden, Council President

The above Ordinance was passed by the Council of Ocean City, New Jersey, at a meeting of said Council held on the 19th day of December, 2024, and was taken up for a second reading and final passage at a meeting of said Council held on the 9th day of January, 2025 in Council Chambers, City Hall, Ocean City, New Jersey, at 6 o'clock in the evening.

Melissa G. Rasner, City Clerk