

**MINUTES**  
**SPECIAL MEETING**  
**MUNICIPAL COUNCIL - CITY OF RAHWAY, NEW JERSEY**  
**MARCH 3, 2015**  
**6:45 P.M.**

1. Council President Bresenhan called the meeting to order at 6:45 p.m. and asked for a Roll Call.

**PRESENT:** Councilmembers Baker, Brown, Giacobbe, Mojica, Wenson Maier, Bresenhan

**ABSENT:** Councilmembers Cox, Farrar, Miles

The City Clerk, Jeffrey J. Jotz, announced the meeting had been advertised and posted in accordance with the Open Public Meetings Act of the State of New Jersey.

2. **PLEDGE OF ALLEGIANCE**

In the absence of a member of the Clergy, Council President Bresenhan offered an invocation.

Councilmembers Farrar and Miles arrived at 6:46 p.m.

3. **ORDINANCES – SECOND READING**

- O-2-15** Council President Bresenhan: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption:

**A BOND ORDINANCE PROVIDING FOR IMPROVEMENTS TO THE WATER TREATMENT PLANT AND THE CONSTRUCTION OF A NEW INTERCONNECTION PIPELINE, BY AND IN THE CITY OF RAHWAY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY; APPROPRIATING \$19,785,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$19,785,000 IN BONDS OR NOTES TO FINANCE THE COST THEREOF**

**BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF RAHWAY, IN THE COUNTY OF UNION, 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 to be undertaken by the City of Rahway, in the County of Union, State of New Jersey (the “City”) as general improvements. For the said improvements or purposes stated in Section 3, there is hereby appropriated the sum of \$19,785,000 from the Water Utility of the City. Pursuant to the provisions of N.J.S.A. 40A:2-7 and 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), no down payment is required.

**SECTION 2.** For the financing of said improvements or purposes described in Section 3 hereof and to meet the said \$19,785,000 appropriation, negotiable bonds of

the Water Utility of the City are hereby authorized to be issued in the aggregate principal amount not exceeding \$19,785,000 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 City in an aggregate principal amount not exceeding \$19,785,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by said Local Bond Law.

**SECTION 3.** (a) The improvements hereby authorized and purposes for the financing of which said obligations are to be issued are improvements to the City's water treatment plant and the construction of a new interconnection pipeline, including but not limited to, gravity filter system improvements, the acquisition and installation, as applicable, of a new membrane filter system, a new emergency electrical generator and various improvements to the supervisory control and data acquisition system.

(b) The estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$19,785,000.

(c) The aggregate estimated cost of said improvements or purposes is \$19,785,000.

(d) The above improvements and purposes set forth in Section 3(a) are more particularly described in documents on file in the Office of the City Clerk and shall also include, but are not limited to, the following, as applicable, surveying, construction planning, engineering and design work, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, environmental testing and remediation and also all work, materials, equipment, labor and appurtenances as necessary therefor or incidental thereto.

**SECTION 4.** In the event the United States of America, the State of New Jersey, the County of Union or a private entity make a contribution or grant in aid, as applicable, to the City for the improvements or purposes authorized hereby and the same shall be received by the City 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 from the United States of America, the State of New Jersey and/or the County of Union. In the event, however, that any amount so contributed or granted, as applicable, by the United States of America, the State of New Jersey, the County of Union or a private entity, shall be received by the City 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 City 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 City, 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 of the City 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 Water Utility of the City is hereby amended to conform with the provisions of this bond ordinance, and to the extent of any inconsistency herewith, a resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital programs of the Water Utility 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 or purposes which the City 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 said Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 25 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 City 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 City as defined in the Local Bond Law is increased by the authorization of the bonds or notes provided for in this bond ordinance by \$19,785,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding \$4,775,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purposes or improvements hereinbefore described.

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

**SECTION 9.** The City 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 City'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 Section 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 by this bond ordinance used to reimburse the City 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 by this bond ordinance or another issue of debt obligations of the City, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the City for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will be issued in an amount not to exceed \$19,785,000. The costs to be reimbursed with the proceeds of the bonds or notes authorized herein will be "capital expenditures" in accordance with the meaning of Section 150 of the Code. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized by this bond ordinance is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

**SECTION 10.** The City covenants to maintain the exclusion from gross income under Section 103(a) of the Code of the interest on all bonds and notes issued under this ordinance.

**SECTION 11.** This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption and approval by the Mayor, as provided by the Local Bond Law.

Council President Bresenhan opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

With no one appearing, Council President Bresenhan closed the Public Hearing.

Roll Call for O-2-15:

YES: Councilmembers Baker, Brown, Farrar, Giacobbe, Miles, Mojica, Wenson  
Maier, Bresenhan

ABSENT: Councilmember Cox

Council President Bresenhan: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

## **5. COMMUNICATIONS - Hearing of Citizens**

With no one appearing, Council President Bresenhan closed the Public Hearing.

## **6. ADJOURNMENT**

Motion to adjourn the meeting at 6:48 p.m. was made by Councilmember Brown and seconded by Councilmember Wenson Maier.

YES: Councilmembers Baker, Brown, Farrar, Giacobbe, Miles, Mojica, Wenson Maier,  
Bresenhan

ABSENT: Councilmember Cox

Council President Bresenhan declared the motion carried. .