

ORDINANCE

20-34

1st Reading APR 16 2020

Public Hearing _____

2nd Reading & Passage _____

Withdrawn _____ Lost MAY 07 2020

Approved as to Form and Legality

[Signature]
CITY ATTORNEY

Councilman /woman _____

No. _____

Date to Mayor _____

Date Returned _____

Date Resubmitted to Council _____

Factual content certified by

[Signature]
TITLE Comptroller

presents the following Ordinance:

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL PROJECTS AND IMPROVEMENTS FOR TRENTON WATER WORKS TO BE FINANCED THROUGH THE NEW JERSEY INFRASTRUCTURE BANK, BY AND IN THE CITY OF TRENTON, IN THE COUNTY OF MERCER, STATE OF NEW JERSEY; APPROPRIATING \$50,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$50,000,000 BONDS OR NOTES TO FINANCE THE COST THEREOF

WHEREAS, the Trenton Water Works ("TWW"), owned and operated by the City of Trenton, in the County of Mercer, State of New Jersey ("City") provides drinking water to approximately 215,000 customers with approximately 63,000 metered accounts and utilizes approximately 650 miles of distribution mains in Trenton, Hamilton, Lawrence, Ewing, and Hopewell; and

WHEREAS, the TWW is under two administrative consent orders ("ACOs") from the New Jersey Department of Environmental Protection ("DEP"); and

WHEREAS, the ACOs require the City to approve and implement certain capital projects and improvements (the "Projects"); and

WHEREAS, TWW has prepared a two-year capital plan to implement the Projects, in accordance with the requirements of the ACOs; and

ORDINANCE

WHEREAS, the City Council of the City has determined that such Projects are necessary and shall finance the appropriation for the Projects through the authorization and issuance of bonds or notes of the City through the New Jersey Infrastructure Bank program.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF TRENTON, IN THE COUNTY OF MERCER, STATE OF NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring), **AS FOLLOWS:**

SECTION 1. The improvements described in Section 3 of this bond ordinance are hereby authorized to be undertaken on behalf of the Trenton Water Works ("TWW") by the City of Trenton, in the County of Mercer, State of New Jersey (the "City") as general improvements. For the said improvements stated in Section 3 hereof, there is hereby appropriated the amount of \$50,000,000. Pursuant to the provisions of N.J.S.A. 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 as this bond ordinance authorizes obligations for environmental infrastructure projects which are funded by a loan from the New Jersey Infrastructure Bank (the "I-Bank") and the State of New Jersey, acting by and through the Department of Environmental Protection. Additionally, pursuant to the provisions of N.J.S.A. 40A:2-7(h) and 40A:2-11(c) of the Local Bond Law, no down payment is required as the Trenton Water Works is a self-liquidating water utility of the City.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof, negotiable bonds of the City are hereby authorized to be issued in the principal amount of \$50,000,000 pursuant to, and within the limitations

ORDINANCE

prescribed by, 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 a principal amount not exceeding \$50,000,000 are hereby authorized to be issued pursuant to, and within the limitations prescribed by, said Local Bond Law. The obligations authorized herein are deductible from gross debt of the City, as more fully described in Section 7(e) of this bond ordinance.

SECTION 3. The Capital Improvements and Projects hereby authorized and the several purposes for which the bonds are issued, the estimated cost of each project and the appropriation therefor, the estimated maximum amount of bonds or notes to be issued for each project, and the period of usefulness for each improvement or project are as follows:

- a. *Decentralized Storage Tank System:* Project includes the installation of various storage, treatment, and piping system improvements to provide a decentralized water storage tank network to ultimately replace the Pennington Reservoir, including all property acquisition, work and materials necessary therefore and incidental thereto.

**Appropriation, Estimated Cost
and Amount of Bonds or Notes**

\$30,000,000

**Period of
Usefulness**

40 years

- b. *Meter Replacement Program:* Furnish and install a turnkey, system-wide remote read water metering system including all work and materials necessary therefore and incidental thereto.

**Appropriation, Estimated Cost
and Amount of Bonds or Notes**

\$20,000,000

**Period of
Usefulness**

20 years

SECTION 4. In the event the United States of America, the State of New Jersey, and/or the County of Mercer make a loan, contribution or grant-in-aid to the City

ORDINANCE

for the improvements 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 Mercer. In the event, however, that any amount so loaned, contributed or granted by the United States of America, the State of New Jersey, and/or the County of Mercer 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 such 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, unless such bond anticipation notes are permitted to mature at such later date in accordance with the provisions of the New Jersey Infrastructure Trust Act, N.J.S.A. 58:11B-1 et seq. ("NJIT Act"). 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 and, as applicable, the provisions of

ORDINANCE

the NJIT Act. 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 City hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

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 for the Water Utility System of the City, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

ORDINANCE

b. The weighted average period of usefulness of said improvements 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 32 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 gross debt of the City, as defined in the Local Bond Law, is increased by the authorization of bonds or notes provided for in this bond ordinance by \$50,000,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law as the Trenton Water Works is self-liquidating.

d. An amount not exceeding \$6,000,000 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 improvements hereinbefore described.

e. This bond ordinance authorizes obligations of the Local Unit solely for purposes described in N.J.S.A. 40A:2-7(h). The obligations authorized herein are to be issued for purposes that are deemed to be self-liquidating pursuant to N.J.S.A. 40A:2-47(a) and are deductible from gross debt pursuant to N.J.S.A. 40A:2-44(c).

SECTION 8. Unless paid from other sources, the full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the debt obligations authorized by this bond ordinance. Unless paid from other sources,

ORDINANCE

the debt 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 debt 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.

SECTION 10. The City covenants to maintain the exclusion from gross income under section 103(a) of the Internal Revenue Code of 1986, as amended of the interest on all bonds and notes issued under this ordinance.

SECTION 11. The bonds authorized herein shall be designated as "Qualified Bonds", pursuant to the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq. (the "Municipal Qualified Bond Act"), and shall contain a recital that it is issued pursuant to Title 40A of the New Jersey Statutes and is entitled to the benefits of the provisions of the Municipal Qualified Bond Act. The City shall certify to the State Treasurer the name and address of the paying agent, the maturity schedule, the interest rate and the dates of payment of debt service on such Qualified Bonds within ten (10) days after the date of issuance of such Qualified Bonds.

ORDINANCE

SECTION 12. This bond ordinance shall take effect twenty (20) days after the first publication hereof after final adoption, as provided by the Local Bond Law.

INTRODUCTION				ADOPTION				INTRODUCTION				ADOPTION				INTRODUCTION				ADOPTION			
AYE	NAY	NV	AB	AYE	NAY	NV	AB	AYE	NAY	NV	AB	AYE	NAY	NV	AB	AYE	NAY	NV	AB	AYE	NAY	NV	AB
BLAKELEY	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			MUSCHAL	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			MCBRIDE		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
CALDWELL	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			RODRIGUEZ	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>										
WILSON	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			VAUGHN	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>										
HARRISON	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>																		
NV - NO VOTE				AB - ABSENT																			

Adopted on first reading at a meeting of the City Council of the City of Trenton, NJ on APR 16 2020

Failed

Adopted on second reading after the public hearing on MAY 07 2020

Mayor

Kathy McBride
President of Council

APPROVED
REJECTED

Reconsidered by Council - Override Vote

AYE
NAY

[Signature]
City Clerk