

**RESOLUTION 2020 – 61**

**RESOLUTION AUTHORIZING THE ISSUANCE OF \$200,000 SPECIAL EMERGENCY NOTES FOR THE PREPARATION AND EXECUTION OF A COMPLETE PROGRAM OF REVALUATION OF REAL PROPERTY AND ALL RELATED EXPENSES IN AND BY THE BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF MORRIS, NEW JERSEY**

BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF MORRIS, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. An ordinance of the Borough of Mount Arlington, in the County of Morris, New Jersey (the "Borough"), authorizing a special emergency appropriation in the amount of \$200,000 for the preparation and execution of a complete program of revaluation of real property and all related expenses has been finally adopted on April 7, 2020 and a copy thereof has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey (the "Director").

Section 2. (a) In order to finance the special emergency appropriation described in Section 1 of this resolution, the Borough is hereby authorized to borrow the sum of \$200,000 and to issue its special emergency notes (the "Notes") in accordance with the Local Budget Law of the State of New Jersey (N.J.S.A. 40A:4-55) (the "Local Budget Law").

(b) The Notes authorized by this resolution may be issued in amounts and denominations not exceeding in the aggregate the amount of Notes authorized herein, as determined by the chief financial officer of the Borough pursuant to this resolution.

(c) The Borough may finance the special emergency appropriation from surplus funds available or may borrow money in the manner prescribed herein. Where an appropriation is financed from surplus funds available, at least one-fifth of the amount thereof shall be included in each annual budget until the appropriation has been fully provided for.

Section 3. The following matters in connection with the Notes are hereby determined:

(a) All Notes issued hereunder and any renewals thereof shall mature at such time as may be determined by the chief financial officer within the limitations of the Local Budget Law, provided however, that at least one-fifth of all such Notes and the renewals thereof shall mature and be paid in each year so that all Notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of adoption of this resolution;

(b) All Notes issued hereunder shall bear interest at such rate or rates as may be determined by the chief financial officer; and

(c) The Notes shall be in the form determined by the chief financial officer and the chief financial officer's signature upon the Notes shall be conclusive as to such determination.

Section 4. The chief financial officer is hereby authorized and directed to determine all matters in connection with the Notes not determined by this or a subsequent resolution and the chief financial officer's signature upon the Notes shall be conclusive as to such determination.

Section 5. The chief financial officer is hereby authorized to sell the Notes from time to time at public or private sale in such amounts as such officer may determine at not less than par and to deliver the same from time to time to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof and payment therefor.

Section 6. Any instrument issued pursuant to this resolution shall be a general obligation of the Borough. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the obligations and, unless otherwise paid or payment provided for, an amount sufficient for such payment shall be inserted in the budget and a tax sufficient to provide for the payment thereof shall be levied and collected.

Section 7. The chief financial officer is authorized and directed to report in writing to this governing body at the meeting next succeeding the date when any sale or delivery of the Notes pursuant to this resolution is made, such report to include the amount, description, interest rate and maturity of the Notes sold, the price obtained and the name of the purchaser.

Section 8. The Borough hereby makes the following covenants and declarations with respect to Notes to be issued by the chief financial officer of the Borough on a tax-exempt basis. The Borough hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the Notes, including, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Notes. The chief financial officer is hereby authorized to

act on behalf of the Borough to deem the obligations authorized herein as bank qualified for the purposes of Section 265 of the Code, when appropriate. The Borough hereby declares the intent of the Borough to issue Notes in the amount authorized in Section 1 of this resolution and to use the proceeds to pay or reimburse expenditures for the costs of the purpose described herein. This Section 8 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 9. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Notes are not exempt from the Rule and provided that the Notes are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Notes remain outstanding (unless the Notes and any renewals thereof have been wholly defeased), the Borough shall provide for the benefit of the holders of the Notes and the beneficial owners thereof:

(a) On or prior to September 30 of each fiscal year, beginning September 30, 2021 for the fiscal year ending December 31, 2020, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Borough consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Borough and certain financial information and operating data consisting of (1)

Borough indebtedness and overlapping indebtedness including a schedule of outstanding debt issued by the Borough; (2) property valuation information; and (3) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following events occur regarding the Notes, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough;
- (13) The consummation of a merger, consolidation or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Notes, if material; and

- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Borough, if any such event reflects financial difficulties.

The term "Financial Obligation" as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(c) Notice of failure of the Borough to provide required annual financial information on or before the date specified in this resolution shall be sent in a timely manner to EMMA.

(d) If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

(e) The chief financial officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of Notes prior to their offering. Such chief financial officer is hereby authorized to enter into written contracts or undertakings to implement this resolution and is further authorized to amend such contracts or undertakings as needed to comply with the Rule or upon the advice of Bond Counsel.

(f) In the event that the Borough fails to comply with this resolution or the written contract or undertaking, the Borough shall not be liable for monetary damages,

remedy of the holders or beneficial owners of the notes being hereby specifically limited to specific performance of the covenants contained in this resolution or the written contract or undertaking.

Section 10. A copy of this resolution as adopted shall be filed with the Director.

Section 11. This resolution shall take effect immediately.

The foregoing resolution was adopted by the following vote:

AYES: Councilwoman Farris, Councilman Loughridge, Councilman Cangiano,  
Councilwoman Fostle, Councilwoman Galate, Council President Delaney

NAYS: None

**I HEREBY CERTIFY** this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, and adopted on April 7, 2020.



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L. Dwyer  
Acting Borough Clerk