

ORDINANCE

20-35

1st Reading APR 16 2020

Public Hearing _____

2nd Reading & Passage _____

Withdrawn _____ Lost MAY 07 2020

No. _____

Date to Mayor _____

Date Returned _____

Date Resubmitted to Council _____

Approved as to Form and Legality

Rodol DeWitt
CITY ATTORNEY

Factual content certified by

Janet Schenck
TITLE Comptroller

Councilman /woman _____ presents the following Ordinance:

BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL PROJECTS AND IMPROVEMENTS FOR TRENTON WATER WORKS, BY AND IN THE CITY OF TRENTON, IN THE COUNTY OF MERCER, STATE OF NEW JERSEY; APPROPRIATING \$33,550,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$33,550,000 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

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; and

NOW THEREFORE, BE IT ORDAINED 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 members thereof affirmatively concurring) AS FOLLOWS:

ORDINANCE

SECTION 1. The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized as general improvements or purposes to be undertaken by Trenton Water Works (“TWW”), which is a water utility of the City of Trenton, in the County of Mercer, State of New Jersey (the “City”). For the said improvements or purposes stated in Section 3 hereof, there is hereby appropriated the aggregate sum of \$33,550,000 by TWW on behalf of the City. Pursuant to the provisions of N.J.S.A. 40A:2-7(h) and 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the “Local Bond Law”), no down payment is required as TWW is a self-liquidating water utility of the City.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet the \$33,550,000 appropriation not otherwise provided for, negotiable bonds of the City are hereby authorized to be issued in the principal amount of \$33,550,000 pursuant to, and within the limitations 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 \$33,550,000 are hereby authorized to be issued pursuant to, and within the limitations prescribed by, the 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 is as follows:

- a. *Water Treatment Plant Resiliency*: Engineering evaluation to recommend improvements to reinforce the water treatment plant (“WTP”) and pump facilities that would reduce the frequency of shutdowns and disruptions.

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

\$250,000

**Period of
Usefulness**

5 years

ORDINANCE

- b. *Vehicles*: Purchase of non-passenger vehicles to support the operations of the water department, including but not limited to, vans, backhoes, trucks, and specialized construction vehicles.

<u>Appropriation, Estimated Cost and Amount of Bonds or Notes</u>	<u>Period of Usefulness</u>
\$1,500,000	5 years

- c. *Superpulsator upgrade*: Upgrades to the superpulsator treatment units at the WTP to improve treatment efficiency and operability, including all work and materials necessary therefore and incidental thereto.

<u>Appropriation, Estimated Cost and Amount of Bonds or Notes</u>	<u>Period of Usefulness</u>
\$2,000,000	30 years

- d. *Gravity Thickener Rehabilitation*: Major rehabilitation of the gravity thickeners at the WTP to repair aged equipment and materials and improve operability, including all work and materials necessary therefore and incidental thereto.

<u>Appropriation, Estimated Cost and Amount of Bonds or Notes</u>	<u>Period of Usefulness</u>
\$1,500,000	20 years

- e. *Water Storage Tank Improvements*: Improvements to TWW existing storage tank to improve tank longevity and water quality, including, but not limited to, tank painting, recirculation measures, and structural improvements, and including all work and materials necessary therefore and incidental thereto.

<u>Appropriation, Estimated Cost and Amount of Bonds or Notes</u>	<u>Period of Usefulness</u>
\$2,300,000	20 years

ORDINANCE

- f. *Water Accountability Act Compliance:* Work related to Water Quality Accountability Act compliance including valve assessment, cyber security improvements, unaccounted for water, and operations and maintenance improvements.

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

\$1,000,000

**Period of
Usefulness**

5 years

- g. *Water Distribution System Improvements:* Various TWW water distribution improvements including furnishing and installation of new water mains and services and cleaning and lining projects to improve system reliability and performance including all work and materials necessary therefore and incidental thereto.

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

\$2,000,000

**Period of
Usefulness**

30 years

- h. *Facilities Improvements:* Exterior and interior repairs and improvements to TWW operational and administrative buildings and sites to upgrade parking, structural, plumbing, electrical, fire safety, security, HVAC, and communication systems and office spaces to accommodate additional staff, including all work and materials necessary therefore and incidental thereto.

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

\$23,000,000

**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 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

ORDINANCE

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 ("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 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.

ORDINANCE

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.

(b) The weighted 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 19.96 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 in the 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 \$33,550,000, and the obligations authorized herein will be within all debt limitations prescribed by said Local Bond Law as the Trenton Water Works is self-liquidating.

(d) An aggregate amount not exceeding \$4,000,000 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.

(e) This bond ordinance authorizes obligations of the City 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 obligations authorized by this bond ordinance. Unless paid from other sources, the obligations shall be direct, unlimited obligations of the City, and the City shall be obligated

ORDINANCE

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 §1.150-2.

SECTION 10. 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, which are authorized herein, 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 11. The City covenants to maintain the exclusion from gross income under section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") of the interest on all bonds and notes issued under this ordinance.

SECTION 12. 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

ORDINANCE

of payment of debt service on such Qualified Bonds within ten (10) days after the date of issuance of such Qualified Bonds.

SECTION 13. 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	✓				✓				MUSCHAL	✓				✓				MCBRIDE	✓				✓			
CALDWELL WILSON	✓				✓				RODRIGUEZ	✓				✓												
HARRISON	✓				✓				VAUGHN	✓				✓												

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

 Mayor
Kathy McBride
 President of Council

APPROVED
 REJECTED

 Reconsidered by Council - Override Vote
[Signature]
 City Clerk

AYE
 NAY