

**THE BOARD OF EDUCATION OF THE
BOROUGH OF NORTH HALEDON
IN THE COUNTY OF PASSAIC, NEW JERSEY**

NOTICE OF PENDING ORDINANCE

The Refunding Bond Ordinance published herewith was introduced and passed upon first reading at a meeting of The Board of Education of the Borough of North Haledon in the County of Passaic, New Jersey on February 21, 2024 and will be further considered for final passage, after public hearing thereon, at a meeting of said Board of Education to be held at Memorial Elementary School, 201 Squaw Brook Road, North Haledon, New Jersey on Wednesday, March 13, 2024 at 6:30 p.m.

**REFUNDING BOND ORDINANCE OF THE BOARD OF
EDUCATION OF THE BOROUGH OF NORTH
HALEDON IN THE COUNTY OF PASSAIC, NEW
JERSEY PROVIDING FOR THE REFUNDING OF ALL
OR A PORTION OF ITS (i) OUTSTANDING
REFUNDING SCHOOL BONDS, DATED JUNE 26,
2014, ISSUED IN THE ORIGINAL PRINCIPAL
AMOUNT OF \$9,595,000, AND/OR (ii) OUTSTANDING
REFUNDING SCHOOL BONDS, DATED FEBRUARY
25, 2015, ISSUED IN THE ORIGINAL PRINCIPAL
AMOUNT OF \$7,240,000, AND AUTHORIZING THE
ISSUANCE OF NOT TO EXCEED \$9,500,000
AGGREGATE PRINCIPAL AMOUNT OF REFUNDING
SCHOOL BONDS TO EFFECT SUCH REFUNDING**

WHEREAS, on June 26, 2014, The Board of Education of the Borough of North Haledon in the County of Passaic, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) issued \$9,595,000 aggregate principal amount of tax-exempt Refunding School Bonds, dated June 26, 2014 (the "2014 School Bonds"); and

WHEREAS, on February 25, 2015, the Board issued \$7,240,000 aggregate principal amount of tax-exempt Refunding School Bonds, dated February 25, 2015 (the "2015 School Bonds"); and

WHEREAS, the Board has determined that the current tax-exempt interest rate environment may enable it to realize going-forward debt service savings for property taxpayers residing in the School District through the issuance by the Board of Refunding School Bonds (the "Refunding School Bonds") to refund (i) all or a portion of the \$3,585,000 aggregate principal amount of the outstanding 2014 School Bonds maturing

on or after February 15, 2025 (the "2014 Refunded Bonds"), and/or (ii) all or a portion of the \$5,640,000 aggregate principal amount of the outstanding 2015 School Bonds maturing on or after February 15, 2025 (the "2015 Refunded Bonds", and together with the "2014 Refunded Bonds", the "Refunded Bonds"); and

WHEREAS, in efforts to realize such taxpayer savings, the Board now desires to adopt and enact a refunding school bond ordinance (the "Refunding Bond Ordinance") authorizing the issuance of the Refunding School Bonds in an aggregate principal amount not to exceed \$9,500,000 (the "Refunding School Bonds"), in one or more series of Bonds, the net proceeds of which shall be used to refund all or a portion of the Refunded Bonds in accordance with their terms; and

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF EDUCATION OF THE BOROUGH OF NORTH HALEDON IN THE COUNTY OF PASSAIC, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The Board is hereby authorized to refund (i) all or a portion of the \$3,585,000 aggregate principal amount of the outstanding 2014 School Bonds maturing on or after February 15, 2025, and/or (ii) all or a portion of the \$5,640,000 aggregate principal amount of the outstanding 2015 School Bonds maturing on or after February 15, 2025.

Section 2. In order to finance the cost of the purposes set forth in Section 1 hereof, the Board is hereby authorized to issue not to exceed \$9,500,000 aggregate principal amount of Refunding School Bonds, all in accordance with the requirements of N.J.S.A. 18A:24-61 through 62, which Refunding School Bonds may be issued in one or more multiple series.

Section 3. An aggregate amount not exceeding \$200,000 may be allocated from the aggregate principal amount of the Refunding School Bonds to pay for the aggregate costs of issuance for the Refunding School Bonds, including, but not limited to, bond insurance premiums, underwriting fees, official statement printing fees, public advertisement expenses, refunding verification agent fees, refunding escrow agent fees, bond counsel fees and other expenses in connection therewith.

Section 4. The purpose of the issuance of the Refunding School Bonds is to realize net present value interest cost savings for property taxpayers residing in the School District ("net" meaning savings after payment of all costs of issuance of the Refunding School Bonds). Applicable State requirements mandate that such net present value interest cost savings equal at least 3% of the principal amount of the Refunded Bonds. In addition, the issuance of the Refunding School Bonds shall comply with the provisions of N.J.A.C. 5:30-2.5, including that within 10 days of the date of the closing on the Refunding School Bonds, the Business Administrator/Board Secretary shall file a report with the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs setting forth (a) a comparison

of the Refunding School Bonds' debt service and the Refunded Bonds' debt service, which comparison shall set forth the present value savings achieved by the issuance of the Refunding School Bonds; (b) a summary of the issuance of the Refunding School Bonds; (c) an itemized accounting of all costs of issuance in connection with the issuance of the Refunding School Bonds; and (d) a certification of the Business Administrator/Board Secretary that (i) all of the conditions of Section (b) of N.J.A.C. 5:30-2.5 have been met, and (ii) a resolution authorizing the issuance of the Refunding School Bonds, adopted pursuant to 18A:24-61.5(b), was approved by a two-thirds vote of the full membership of the Board.

Section 5. The Supplemental Debt Statement required by N.J.S.A. 18A:24-16, N.J.S.A. 18A:24-17, and N.J.S.A. 18A:24-61.4 has been duly prepared by the Chief Financial Officer of the Borough of North Haledon and has been filed in the Office of the Clerk of the Borough of North Haledon and in the Office of the Business Administrator/Board Secretary as of the date of approval of this Refunding Bond Ordinance 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 Supplemental Debt Statements show that the gross debt of the Constituent Municipalities is increased by \$275,000 as a result of the authorization of the Refunding School Bonds.

Section 6. The Board 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 Refunding School Bonds issued under this Refunding Bond Ordinance.

Section 7. This Refunding Bond Ordinance shall take effect upon final adoption hereof.