

**SPECIAL MEETING
MAYOR AND CITY COUNCIL
August 11, 2010 – 6:00 p.m.**

Meeting called to order at 6:00 p.m. by President McGuigan. Roll call was recorded as follows:

Present: D'Adamo, Kern, Smith, Triboletti & McGuigan

Also Present: Mayor Glasser, Administrator Swain & Atty. Franklin

Absent: Dill & Parker

Open Public Meetings Act

Pursuant to the Open Public Meetings Act, adequate notice of this meeting has been provided. Agenda for this meeting has been provided to two local newspapers and posted in the City Clerk's Office.

The purpose of this meeting is to consider the following resolution:

Resolution No. 127 – Authorizing issuance of Tax Anticipation Notes in amounts not exceeding \$5,000,000.

Public Portion on Resolution

Meeting was opened to the public and duly closed.

Resolution No. 127

Administrator Swain explained that we are hoping not to have to borrow any money and that the schools and the County are working with us. He also stated that if the State continues to do this in the future we may have to consider sending out estimated tax bills.

M/S – Approved by a unanimous roll call vote of those present.

City of Somers Point

Resolution

No. 127 of 2010

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOMERS POINT, IN THE COUNTY OF ATLANTIC, NEW JERSEY (not less than the majority of the full membership of the governing body) AS FOLLOWS:

Section 1. In anticipation of the collection of taxes during the current fiscal year, there are hereby authorized to be issued tax anticipation notes of the City, each to be known as "Tax Anticipation Note of 2010," in amounts not exceeding \$5,000,000. The proceeds of such notes shall be applied only to purposes provided for in the budget or for which taxes are levied for the current year.

Section 2. The following certificate has been prepared by the Chief Financial Officer and is filed in the office of the City Clerk:

Re

Certificate As To Borrowing Power

I, John J. Hansen, Chief Financial Officer of the City of Somers Point, County of Atlantic, State of New Jersey ("City") pursuant to N.J.S.A. 40A:4-66, do hereby certify that:

(1). the gross borrowing power in respect to tax anticipation notes for the fiscal year of 2010, being 30% of the tax levy for all purposes of the fiscal year of 2009, plus 30% of the amount of miscellaneous revenues realized in cash during the fiscal year of 2009, is \$9,273,975.87.

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(2). the amount of notes outstanding in anticipation of the collection of taxes of the fiscal year of 2010, except such notes as will be renewed by or paid from the proceeds of the notes to be issued, is \$0.

(3). the net borrowing power, being the excess of the first over the second of the two above amounts, is \$9,273,975.87.

(4). this certificate is made with respect to \$5,000,000 Tax Anticipation Notes of 2010 about to be authorized by the City Council of the City of Somers Point.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of August, 2010.

CITY OF SOMERS POINT

Dated: August 10th, 2010

John J. Hansen, Chief Financial Officer

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

(a) All notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer, provided that no note shall mature later than 120 days following the end of the fiscal year, and shall be issued in denominations of not less than \$100,000.

(b) All notes issued hereunder shall bear interest at such rate or rates as may be determined by the Chief Financial Officer, subject to the maximum rate limitation of 6% per annum.

(c) All notes shall be in the form prescribed by the Local Budget Law and otherwise as determined by the Chief Financial Officer and such officer's signature upon the notes shall be conclusive as to such determination.

(d) Notes issued hereunder may be renewed from time to time, provided, however, that no renewal note shall be issued later than the last day of the fiscal year.

(e) All notes shall be executed by the Mayor and the Chief Financial Officer and attested by the City Clerk or Deputy City Clerk.

Section 4. The Chief Financial Officer is authorized and directed to determine all matters in connection with the notes not determined by this or by a subsequent resolution and such 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 them 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 City, and 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.

Section 7. The Chief Financial Officer is authorized and is directed to report in writing to the City Council 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, the description, the interest rate and the maturity of the notes sold, the price obtained and the name of the purchaser.

Section 8. The Chief Financial Officer, in connection with other professionals of the City acting under his direction, is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document for the City, as it may be so updated from time to time, to be distributed in connection with the sale of obligations of the City. The Chief Financial Officer is hereby authorized to execute such disclosure document on behalf of the City.

Section 9. (a) Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), and provided that an issue of notes authorized by this resolution is not exempt from the Rule, for so long as an issue of notes of the City remains outstanding (other than an issue of notes which has been wholly defeased), the City shall provide, on or prior to 270 days from the end of each fiscal year, beginning with the fiscal year ending December 31, 2010, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access Dataport (the "MSRB") and to the appropriate State

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information depository ("State Repository"), if any, annual financial information with respect to the City 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 City and certain financial information and operating data consisting of (i) City and overlapping indebtedness including a schedule of outstanding debt issued by the City, (ii) the City's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the National Repository;

(b) in a timely manner to the MSRB, and to the State Repository, if any, notice of the following events with respect to the notes, if material (herein "Material Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (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 or events affecting the tax-exempt status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities; and
- (11) Rating changes;

(c) in a timely manner to each National Repository or to the Municipal Securities Rulemaking Board, and to the State Repository, if any, notice of failure of the City to provide required annual financial information on or before the date specified in this resolution.

(d) The covenants and undertakings contained in this Section 9 are made for the benefit of the holders or beneficial owners of the notes issued under this resolution.

(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 officer is hereby authorized to enter into written contracts or undertaking 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 City fails to comply with this resolution or the written contract or undertaking, the City 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) The City covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any obligations issued hereunder under Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). The City will not directly or indirectly use or permit the use of any proceeds of any obligations issued hereunder or any other funds of the City, or take or omit to take any action, that would cause such obligations issued hereunder to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to any obligations issued hereunder. In the event that at any time the City is of the opinion that for purposes of this Section 10 it is necessary to restrict or limit the yield on the investment of any proceeds of any obligations issued hereunder held by or on behalf of the City, the City shall take such action as may be necessary to effect such restriction.

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(b) Without limiting the generality of the foregoing, the City shall pay or cause to be paid from time to time all amounts required to be rebated (“Rebate Amount”) to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to any obligations issued hereunder and such notes from time to time. This covenant shall survive payment in full or defeasance of any obligations issued hereunder.

(c) Notwithstanding any provision of this Section 10, if the City obtains an opinion of nationally recognized bond counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on any obligations issued hereunder pursuant to Section 103 of the Code, the City may rely conclusively on such opinion in complying with the provision hereof, and the covenants hereunder shall be modified to the extent set forth in such opinion without further action by the City.

Section 11. All actions heretofore taken and documents prepared or executed by or on behalf of the City by the Mayor, Members of the City Council, the City Administrator, the Chief Financial Officer, the City Clerk, Deputy City Clerk, or by the City’s professional advisors, in connection with the issuance and sale of the notes including, without limitation, solicitation from financial institutions of proposals to purchase the notes are hereby ratified, confirmed, approved and adopted. Settlement of the sale of the notes shall be as soon as is practicable.

Section 12. All resolutions or parts thereof to the extent inconsistent herewith are hereby repealed and rescinded.

Section 13. This Resolution shall take effect immediately upon adoption, this 11th day of August, 2010.

Public Portion

Meeting was opened to the public and duly closed.

Adjournment

There being no further business, meeting adjourned at 6:15 p.m.

Carol L. Degrassi, RMC/MMC
Municipal Clerk

Approved: 03/10/11