

TOWNSHIP OF WASHINGTON
BERGEN COUNTY, NEW JERSEY

RESOLUTION No. 19-310

**RESOLUTION AUTHORIZING SUBMISSION OF AN
EMERGENCY APPROPRIATION FOR THE 2019 CURRENT BUDGET FOR
PAYMENT OF INTEREST ASSOCIATED WITH THE RENEWAL OF BOND
ANTICIPATION NOTES FOR A SHORT TERM IN ANTICIPATION OF ISSUING
GENERAL OBLIGATION BONDS FOR THE
TOWNSHIP OF WASHINGTON IN THE YEAR 2019**

WHEREAS, an emergency has arisen with respect to the payment of interest associated with the renewal of Bond Anticipation Notes in the amount of \$5,630,000 with an interest rate of 1.75% for three months in anticipation of the issuance of General Obligation Bonds at a rate of 1.81% for ten years in the amount of \$6,785,000 with the amount of such General Obligation Bonds to include the conversion of the Bond Anticipation Notes; and

WHEREAS, previously the Government Accounting Standards Board ("GASB") allowed for interest associated with this type of financing to be capitalized, that is, permitted to be paid from a bond ordinance associated with the project; and

WHEREAS, GASB just recently issued GASB Statement No. 89, effective December, 2019, which does not allow for the capitalization of interest on a project before the end of the construction period; and

WHEREAS, the auditor for the Township of Washington, Louis Mai, has advised the CFO that it is best to submit this emergency appropriation to pay the above-mentioned interest costs; and

WHEREAS, the CFO, Judith Curran, has read GASB Statement No. 89 and agrees with the auditor; and

WHEREAS, no adequate provision was made in the 2019 budget for the aforesaid purpose since GASB No. 89 was just recently passed; and N.J.S.A. 40A:4-46 provides for the creation of an emergency appropriation for the purpose mentioned above, and; and

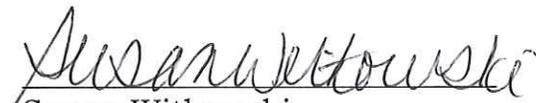
WHEREAS, such emergency appropriation shall be raised in the 2020 current budget as a deferred charge; and

WHEREAS, the foregoing appropriation with prior appropriations does not exceed three (3) percent of the total operating appropriations (including utility operation appropriations) in the budget for 2019; and

NOW, THEREFORE, BE IT RESOLVED, (by not less than 2/3 of all governing body members affirmatively concurring) that in accordance with N.J.S.A. 40A:4-489:

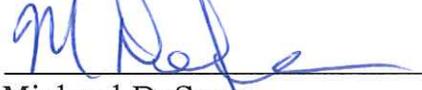
1. An emergency appropriation is hereby made for Interest on Bond Anticipation Notes in the amount of \$24,631.24
2. That said emergency appropriation shall be provided for in full in the 2019 budget, and is requested to be excluded from CAPS, pursuant to N.J.S.A. 40A:4-53.3c (1)
3. That two (2) certified copies of this resolution be filed with the Director of the Division of Local Government Services.

ATTEST:


 Susan Witkowski,
 Township Clerk

APPROVED:

TOWNSHIP COUNCIL OF THE
 TOWNSHIP OF WASHINGTON

BY 
 Michael DeSena
 Council President

DATED: November 25, 2019

MOTION		SECOND		COUNCIL	AYES	NAYES	ABSTAIN	ABSENT
Bruno		Bruno		Bruno	X			
Cascio	X	Cascio		Cascio	X			
Cumming		Cumming	X	Cumming	X			
DeSena		DeSena		DeSena	X			
Ullman		Ullman		Ullman	X			