

**BOROUGH OF NORTH PLAINFIELD
BOND ORDINANCE NUMBER 18-08**

**BOND ORDINANCE NO. 18-08 PROVIDING FOR
VARIOUS 2018 CAPITAL IMPROVEMENTS, BY AND IN
THE BOROUGH OF NORTH PLAINFIELD, IN THE
COUNTY OF SOMERSET, STATE OF NEW JERSEY,
APPROPRIATING \$2,216,000 THEREFOR (INCLUDING
NEW JERSEY DEPARTMENT OF TRANSPORTATION
GRANTS IN THE AMOUNT OF \$479,000) AND
AUTHORIZING THE ISSUANCE OF \$1,650,000 IN
BONDS OR NOTES OF THE BOROUGH TO FINANCE
PART OF THE COST THEREOF**

BE IT ORDAINED AND ENACTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF NORTH PLAINFIELD, IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring), AS FOLLOWS:

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 the Borough of North Plainfield, in the County of Somerset, State of New Jersey (the "Borough"). For the said improvements or purposes stated in Section 3, there is hereby appropriated the aggregate sum of \$2,216,000, which sum includes grants in the aggregate amount of \$479,000 received or expected to be received from the New Jersey Department of Transportation (the "Grants"), and \$87,000 as the aggregate amount of down payments for said improvements or purposes required by the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"). The down payments are now available by virtue of a provision or provisions in a previously adopted budget or budgets of the Borough for down payment or for capital improvement purposes.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet the part of said \$2,216,000 appropriation not provided for by application hereunder of the Grants or said down payments, negotiable bonds of the Borough are hereby authorized to be issued in the principal amount of \$1,650,000 pursuant to the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the Borough in a principal amount not exceeding \$1,650,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

SECTION 3. (a) The improvements hereby authorized and purposes for the financing of which said obligations are to be issued are as follows:

<u>Description</u>	<u>Appropriation</u>	<u>Authorization</u>	<u>Down Payment</u>	<u>Useful Life</u>
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<p>(i) Police Department: the acquisition and replacement of police equipment including, but not limited to, shotguns and long arms for patrol and CID;</p>	\$37,275	\$35,411	\$1,864	5 years
<p>(ii) Fire Department: the repair of an exhaust system and the acquisition and replacement of fire department equipment including, but not limited to, UHF portable radios and pagers;</p>	\$113,250	\$107,587	\$5,663	6.62 years
<p>(iii) Buildings and Grounds: various capital improvements to the Public Works Yard including, but not limited to, environmental testing and cleanup; renovations to the Veterans Memorial Library, including, but not limited to, renovations and</p>				

furnishings consisting of new carpeting, lighting, painting, electrical, wiring, bookshelves, tables, chairs, circulation desk, cabinets, and the replacement of a handicap ramp; the acquisition of a new electronic message sign for the Municipal Complex; miscellaneous site improvements to the Vermeule Mansion and the Community Center including, but not limited to, paving, masonry, communication lines improvements, and the construction of a patio; and improvement

\$565,250

\$536,987

\$28,263

5.36 years

s to Green Acres Parks and Recreation, including, but not limited to, paving, masonry, fencing and drainage;

(iv) Roads and Safety Improvements:
the replacement of street signs at various locations within the Borough, and various roadway improvements by and in the Borough, including, but not limited to, the construction, reconstruction or resurfacing, as applicable, of the entire lengths or portions of the following roadways: Lawrence Avenue (from Greenbrook Road to its dead end); Columbia Avenue (from Holly Drive to Greenbrook Road); Fisk Place (entire length); Anna Place (entire length); North Drive (from Mountain

Avenue to U.S. Route 22); Grandview Avenue (from Sanford Avenue to Norwood Avenue, and from Belmont Avenue to Norwood Avenue); Manning Avenue (from Norwood Avenue to Belmont Avenue); Westervelt Avenue (from U.S. Route 22 to Mountain Avenue); Verdon Street; Oakridge Avenue; and Belmont Avenue and Leonard Place. Such roadway improvements shall include but are not limited to, as applicable, milling, construction, reconstruction, repairing, restriping and resurfacing of said roadways, streetscape improvements, drainage improvements to said roadways, and the repair, restoration or construction of or improvements

\$1,115,475 (including the Grants in the amount of \$479,000 received or expected to be received from the State of New Jersey Department of Transportation)

\$604,503

\$31,972

9.95 years

<p>to curbs, sidewalks, driveway aprons or handicapped accessible curb ramps along various roadways in the Borough;</p>				
<p>(v) <u>Department of Public Works:</u> the replacement and acquisition of various equipment including, but not limited to, a front end loader;</p>	<p>\$236,250</p>	<p>\$224,437</p>	<p>\$11,813</p>	<p>15 years</p>
<p>(vi) <u>Stormwater Maintenance and Compliance:</u> capital improvements to the stormwater system at various locations throughout the Borough including, but not limited to, drainage improvements, replacement or repair, as applicable, of sewer grates, pipes, manholes, catch basins and outfall structures;</p>	<p>\$66,000</p>	<p>\$62,700</p>	<p>\$3,300</p>	<p>10 years</p>

<p>(vii) <u>COAH Housing Rehabilitation Friends of the Carpenter Program:</u> the construction, rehabilitation and repair of COAH housing including, but not limited to, replacing roofs, windows, and repairing structural elements; and</p>	\$55,000	\$52,250	\$2,750	10 years
<p>(viii) <u>Demolition of Hazardous Properties within the Borough:</u> the demolition, clearing and grading of various properties located in the Borough, which are deemed hazardous, including, but not limited to, the disposal and removal of all materials related to the demolished properties.</p>	\$27,500	\$26,125	\$1,375	5 years
TOTALS	\$2,216,000	\$1,650,000	\$87,000	

(b) The above improvements and purposes set forth in Section 3(a) shall also include, as applicable, surveying, construction planning, engineering and design work, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, environmental testing and remediation and also all work, materials, equipment, labor and appurtenances as necessary therefor or incidental thereto.

(c) The aggregate estimated maximum amount of bonds or notes to be issued

for said improvements or purposes is \$1,650,000.

(d) The aggregate estimated cost of said improvements or purposes is \$2,216,000, the excess amount thereof over the said Grants and the estimated maximum amount of bonds or notes to be issued therefor, is the aggregate down payments for said purposes in the amount of \$87,000.

SECTION 4. Except for the Grants, in the event the United States of America, the State of New Jersey and/or the County of Somerset make a contribution or grant in aid to the Borough for the improvements and purposes authorized hereby and the same shall be received by the Borough 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 Somerset. In the event, however, that any amount so contributed or granted by the United States of America, the State of New Jersey and/or the County of Somerset shall be received by the Borough after the issuance of the bonds or notes authorized in Section 2 hereof, then 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 Borough as a result of using 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 Borough (the "Chief Financial Officer"), provided that no note shall mature later than one (1) year from its date. 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 N.J.S.A. 40A:2-8.1. 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 Borough hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable, for the Borough. The capital or temporary capital budget of the Borough 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 of the Borough, a revised capital or temporary capital budget for the Borough has been filed with the Division of Local Government Services.

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 Borough may lawfully undertake as general improvements or purposes, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The 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 9.08 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 Borough and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, and such statement shows that the gross debt of the Borough as defined in the Local Bond Law is increased by the authorization of the bonds or notes provided for in this bond ordinance by \$1,650,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding \$217,000 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 improvements or purposes herein before described.

SECTION 8. 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 authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Borough, and the Borough shall be obligated to levy *ad valorem* taxes upon all the taxable property within the Borough for the payment of the obligations and the interest thereon without limitation as to rate or amount.

SECTION 9. The Borough 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 Borough'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 §150-2. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of any bonds or notes authorized by this bond ordinance used to reimburse the Borough for costs of the improvements or purposes described in Section 3 hereof, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of any bonds or notes authorized by this bond ordinance or another issue of debt obligations of the Borough, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the Borough for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will be issued in an amount not to exceed \$1,650,000.

The costs to be reimbursed with the proceeds of the bonds or notes authorized herein will be "capital expenditures" in accordance with the meaning of Section 150 of the Code. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized by this bond ordinance is paid, or (ii) the date the improvement or purpose described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than three years after the expenditure is paid.

SECTION 10. The Borough covenants to maintain the exclusion from gross income under section 103(a) of the Code of the interest on all bonds and notes issued under this ordinance.

SECTION 11. The Chief Financial Officer of the Borough 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 Borough and to execute such disclosure document on behalf of the Borough. The Chief Financial Officer is further authorized to enter into an appropriate undertaking to provide secondary market disclosure on behalf of the Borough 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 Borough 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 Borough fails to comply with its undertaking, the Borough shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

SECTION 12. This bond ordinance shall take effect twenty (20) days after the first publication hereof after final adoption and approval by the Mayor, as provided by the Local Bond Law.

ADOPTED ON FIRST READING

DATED: May 29, 2018

**RICHARD K. PHOENIX, RMC,
Clerk of the Borough of North Plainfield**

ADOPTED ON SECOND READING

DATED: June 25, 2018

**RICHARD K. PHOENIX, RMC,
Clerk of the Borough of North Plainfield**

APPROVAL BY THE ACTING MAYOR ON THIS 25th DAY OF JUNE, 2018

DAVID E. HOLLLOD, Acting Mayor