

**TOWNSHIP OF FRANKLIN  
ORDINANCE NUMBER 3691**

**BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS, BY AND IN THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY (THE "TOWNSHIP"); APPROPRIATING \$900,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$857,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COSTS THEREOF**

**BE IT ORDAINED AND ENACTED** BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY (not less than two-thirds of all 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 to be undertaken by the Township of Franklin, in the County of Somerset, State of New Jersey (the "Township"). For said improvements or purposes stated in Section 3 hereof, there is hereby appropriated the aggregate sum of \$900,000, said sum being inclusive of down payments in the aggregate amount of \$43,000 now available for said improvements or purposes as required by the Local Bond Law, N.J.S.A. § 40A:2-1 et seq., as amended and supplemented, (the "Local Bond Law") by virtue of a provision or provisions in a previously adopted budget or budgets of the Township 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 \$900,000 appropriation not provided for by application hereunder of said down payment, negotiable bonds of the Township are hereby authorized to be issued in the aggregate principal amount of \$857,000 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 Township in an aggregate principal amount not exceeding \$857,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by said Local Bond Law.

**SECTION 3.** 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>
(i) Acquisition and installation of control systems for the heating ventilation and air conditioning systems in the Public Safety Building and Township Municipal Building;	\$150,000	\$142,800	\$7,200	5 years
(ii) Improvements to Inman, Castleton, Consovoy, Williams, Delar, Dunham Lebed, and Nassau parks within the Township including the acquisition, replacement, rehabilitation and installation of, as applicable, picnic shelters, bleachers, benches, storage boxes, barrier free paths, fit trail equipment, Frisbee and golf equipment, water fountains, garbage cans, picnic tables, soccer goals, basketball backboards and standards, bike racks, picnic grills, park signs, backstops and baseline fencing, playground equipment, bathrooms, lighting, and doors at the Inman Park storage facility, and the reconstruction of the roller hockey rink located at Castleton Park and improvements to the parking area at Castleton Park including, but not limited to, the paving, surfacing, resurfacing of the parking area;	\$331,000	\$315,180	\$15,810	15 years
(iii) Acquisition of a dump truck, mason dump truck, rack body truck and Plow Truck by the Department of Public Works within the Township;	\$262,000	\$249,500	\$12,500	5 years
(iv) Acquisition and installation of computers and related computer software, including mobile computers for the Township Police Department and computer of upgrades for computers located in the Senior Citizen Center within the Township; and	\$82,000	\$78,100	\$3,910	5 years
(v) the reconfiguring and resurfacing of the Township Municipal Building parking lot, with pavement having a useful life or durability equal to that of a <u>Class C</u> Roadway (as defined in the Local Bond Law), including, but not limited to, milling, paving, ancillary drainage improvements, and the construction and reconstruction of curbs and sidewalks.	<u>\$75,000</u>	<u>\$71,420</u>	<u>\$3,580</u>	5 years
TOTALS	<u>\$900,000</u>	<u>\$857,000</u>	<u>\$43,000</u>	

(a) The estimated aggregate maximum amount of bonds or notes to be issued for said improvements or purposes is \$857,000.

(b) The estimated aggregate cost of said improvements or purposes is \$900,000, the excess thereof over the estimated aggregate maximum amount of bonds or notes to be issued therefor, is the aggregate down payments available for such improvements or purposes in the amount of \$43,000.

(c) All such improvements or purposes described above shall include all materials, equipment, accessories and work necessary therefor or incidental thereto.

**SECTION 4.** 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 Township for the improvements or purposes authorized hereby and the same shall be received by the Township 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 Township 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.

**SECTION 5.** All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the Township, 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 of the Township 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 capital budget of the Township is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith and a resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital programs as approved by the Director of the Division of Local Government Services, within the New Jersey Department of Community Affairs, will be on file in the Office of the Clerk and will be available for public inspection.

**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 which the Township may lawfully undertake as general improvements, and no part of the costs thereof have 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 8.68 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 Township and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, within the New Jersey Department of Community Affairs, and such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the authorization of the bonds or notes provided for in this bond ordinance by \$857,000 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 \$45,000 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 described in Section 3 hereof.

**SECTION 8.** The full faith and credit of the Township 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 Township, and the Township shall be obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of the obligations and the interest thereon without limitation as to rate or amount.

**SECTION 9.** The Township 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. No funds from sources other than the bonds or notes authorized herein have been or are reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside by the Township, or any member of the same “Controlled Group” as the Township, within the meaning of Treasury Regulation Section 1.150-1(e), pursuant to its budget or financial policies with respect to any expenditures to be reimbursed. This Section 9 is intended to be and hereby is a declaration of the Township’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 Regulation Section 1.150-2, and no further action (or inaction) will be an abusive arbitrage device in accordance with Treasury Regulation Section 1.148-10 to avoid the arbitrage yield restrictions or arbitrage rebate requirements under section 148 of the Internal Revenue Code of 1986, as amended and supplemented (the “Code”). The proceeds of any bonds or notes authorized herein used to reimburse the Township for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will not be used directly or indirectly (i) to “refund” an issue of governmental obligations within the meaning of Treasury Regulation Section 1.150-1(d) of the Code, (ii) to create, within one year, following the reimbursement of any expenditures of bond proceeds, “replacement proceeds” within the meaning of Treasury Regulation Section 1.148-1 of the bonds, or any

other bond issue, or (iii) to reimburse the Township for any expenditure or payment that was originally paid with the proceeds of any obligation of the Township (other than borrowing by the Township from one of its own funds or the funds of a member of the same "Controlled Group" within the meaning of Treasury Regulation Section 1.150-1(e)). The bonds or notes authorized herein to reimburse the Township 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 \$857,000. 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 and Treasury Regulation Section 1.150-1. This provision will take effect immediately, but will be of no effect with regard to expenditures for costs paid outside the permitted reimbursement period set forth in Treasury Regulation Section 1.150-2(d)(2).

**SECTION 10.** The Township 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 bond ordinance.

**SECTION 11.** This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law.

**ORDINANCE NO. 3691**

This is a true copy of an ordinance adopted by the Township of Franklin, County of Somerset, State of New Jersey.

Introduced: March 27, 2007  
Public Hearing: April 24, 2007  
Adoption: April 24, 2007  
Published: April 30, 2007  
Effective: May 20, 2007

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Ann Marie McCarthy, Township Clerk

