

TOWNSHIP OF BORDENTOWN, NEW JERSEY

ORDINANCE NO. 2012-11

AN ORDINANCE OF THE TOWNSHIP OF BORDENTOWN, IN THE COUNTY OF BURLINGTON, NEW JERSEY, PROVIDING FOR THE REPAIR AND RESURFACING OF HEDDING ROAD IN AND FOR THE TOWNSHIP, APPROPRIATING \$250,000 THEREFOR, AND AUTHORIZING THE ISSUANCE OF \$250,000 IN GENERAL IMPROVEMENT BONDS OR NOTES OF THE TOWNSHIP TO FINANCE THE SAME.

BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF BORDENTOWN, IN THE COUNTY OF BURLINGTON, 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 to be undertaken by the Township of Bordentown, in the County of Burlington, New Jersey (the "Township") as general improvements. For the improvements or purposes described in Section 3 hereof, there is hereby appropriated the \$250,000, including a grant of \$200,000 to be received by the Township on a reimbursement basis from the New Jersey Department of Transportation (the "State Grant"). Pursuant to N.J.S.A. 40A:2-11(c), no down payment is required because the project set forth in Section 3 is being funded in part by the State Grants.

Section 2. In order to finance the cost of the improvement or purpose not covered by application of the down payment or otherwise provided for hereunder,

negotiable bonds or notes are hereby authorized to be issued in the principal amount of \$250,000, pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes 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 the purposes for which the bonds or notes are to be issued include undertaking the repair and resurfacing of Hedding Road from Rising Sun Road to Dunns Mill Road, as more fully set forth in the project summary prepared by the Township Engineer and on file in the Office of the Township Clerk, and including all work and related materials necessary therefor or incidental thereto.

(b) The estimated maximum amount of bonds or notes to be issued for the improvements or purposes is as stated in Section 2 hereof.

(c) The estimated cost of the improvements or purposes authorized herein is equal to the amount of the appropriation herein made therefor.

Section 4. All bond anticipation 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 one 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 notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:2-8(a). The chief financial officer is hereby authorized to sell part or all of the notes from time to time, at

not less than par and accrued interest, at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest 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 amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The capital budget or temporary capital budget (as applicable) of the Township is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget or amended temporary capital budget (as applicable) and capital program as approved by the Director of the Division of Local Government Services is on file with the Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The several improvements or purposes described in Section 3 of this bond ordinance are not current expenses. They are improvements or purposes the Township may lawfully undertake as general improvements, 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 the improvements or purposes, within the limitations of the Local Bond Law, computed on the basis of

respective amounts or obligations for the several purposes and the respective reasonable life thereof within the limitations of the Local Bond Law, is 10.00 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. 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 and notes provided in this bond ordinance by \$250,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$50,000 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.

(e) The Township reasonably expects to commence the acquisition of the several improvements or purposes described in Section 3 hereof, and to advance all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are advanced, the Township further reasonably expects to reimburse such expenditures from the proceeds of the bonds or notes authorized by this bond ordinance, in an aggregate amount not to exceed the amount of bonds or notes authorized in Section 1 hereof.

Section 7. Any grant moneys received for the purposes described in Section 3 hereof, including the State Grants, shall be applied either to direct payment of the cost of the improvements or to payment of the obligations issued pursuant to this

bond ordinance. The amount of obligations authorized hereunder shall be reduced to the extent that such funds are so used.

Section 8. The full faith and credit of the Township is 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 real property within the Township for the payment of the obligations and the interest thereon without limitation as to rate or amount.

Section 9. The Township Committee hereby covenants on behalf of the Township to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the bonds and notes authorized hereunder as is or may be required under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

Section 10. This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law.

INTRODUCED: NOVEMBER 13, 2012
ADOPTED: NOVEMBER 26, 2012

ORDINANCE No. 2012-12

AN ORDINANCE OF THE TOWNSHIP COMMITTEE
OF THE TOWNSHIP OF BORDENTOWN ESTABLISHING
GOALS FOR MAINTAINING AN UNRESERVED FUND BALANCE

WHEREAS, the Township Committee of the Township of Bordentown recognizes that municipal governments throughout the State are operating in an increasingly difficult fiscal environment adversely impacted by periods of economic slowdown; and

WHEREAS, municipal governments that are dependent on revenues from taxes on real property, such as the Township of Bordentown, are particularly affected by economic slowdowns associated with downturns in the market value of real estate; and

WHEREAS, local government revenues can also be limited as a result of the passage of voter referenda, the financial impacts of labor agreements, including those stemming from binding arbitration decisions, unanticipated expenditures resulting from natural disasters, unforeseen increases in energy costs, unexpected capital expenditures, unexpected extraordinary employee overtime costs, and similar circumstances; and

WHEREAS, changes in federal and state government spending policies can also impact local government revenues, particularly if reductions in such spending force local governments to increase their own spending to make up for the loss in federal and state government revenue; and

WHEREAS, the maintenance of fiscal stability is a particularly important factor that is considered by credit rating agencies in their evaluation of the creditworthiness of local government debt; and

WHEREAS, municipal governments can take action to seek to improve their chances of avoiding financial difficulty during periods of sluggish or negative economic growth, including the use of an unreserved fund balance in the municipal budget, or a fund established specifically for those contingencies; and

WHEREAS, unreserved fund balances, and undesignated portions of those fund balances, represent expendable available financial resources that can be used to meet contingencies and working capital requirements; and

WHEREAS, sufficient levels of unreserved fund balance can ensure the continued orderly operation of government and the provision of services to residents and the continued stability of the tax structure; and

WHEREAS, local governments frequently utilize a percentage of the municipality's annual operating expenditures as an appropriate means of determining the proper size of an unreserved fund balances; and

WHEREAS, maintaining the stability of sufficient levels of unreserved fund balance will be equally important for the Township, so that the Township's fund balance policy will be meaningful and effective;

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Bordentown, in the County of Burlington, State of New Jersey, based on recommendation as provided by the Chief Financial officer that:

"The unreserved fund balance shall consist of a minimum ten percent of cash surplus or five percent of budgeted expenditures, whichever is less; until which time the unreserved fund balance is an amount equal to no more than ten percent of annual operating expenditures."

INTRODUCED: DECEMBER 10, 2012
ADOPTED: DECEMBER 27, 2012