

BOROUGH OF BOUND BROOK  
County of Somerset

ORDINANCE NO. 2024-14

**BOND ORDINANCE PROVIDING FOR VARIOUS 2024 CAPITAL ACQUISITIONS AND IMPROVEMENTS, BY AND IN THE BOROUGH OF BOUND BROOK, IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY, APPROPRIATING \$2,711,109 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,709,496 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 BOUND BROOK, 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 Bound Brook, in the County of Somerset, State of New Jersey (the "Borough"). For the said improvements or purposes stated in Section 3(a)(ix), there is hereby appropriated the aggregate amount of \$1,350,000, which amounts include two grants received or expected to be received from the New Jersey Department of Transportation in the amounts of \$491,309 and \$337,210, respectively (the "DOT Grants"). Pursuant to N.J.S.A. 40A:2-11(c), as amended and supplemented, no down payment is required for the improvements or purposes set forth in Section 3(a)(ix) hereof, as such projects are being funded by the Grants provided by the State of New Jersey. For the said improvements or purposes stated in Sections 3(a)(i) through 3(a)(viii), inclusive, and 3(a)(x), there is hereby appropriated the aggregate amount of \$1,361,109, which amounts include \$173,094 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”), which down payment amount includes \$117,800 in funding received or expected to be received from New Jersey American Water Company (the “NJAW Grant”), and together with the DOT Grants, the “Grants”). 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 capital improvement purposes or, as it relates to the NJAW Grant, from moneys actually held by the Borough and previously contributed for such purpose other than by the Borough.

**SECTION 2.** For the financing of said improvements or purposes described in Section 3 hereof and to meet the part of said \$2,711,109 appropriation not provided for by application hereunder of the Grants and said down payments, negotiable bonds of the Borough are hereby authorized to be issued in the principal amount of \$1,709,496 pursuant to, and within the limitations prescribed by, 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 \$1,709,496 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 including, but not limited to, as follows:

<u>Description</u>	<u>Appropriation</u>	<u>Authorization</u>	<u>Down Payment</u>	<u>Useful Life</u>
i. Climate control technology improvements to the ambulance for Emergency Medical Services;	\$6,000	\$5,714	\$286	7 years
ii. The purchase of an electric vehicle charging station, various paid parking meter stations, and related signage to be placed throughout the Township;	\$65,000	\$61,904	\$3,096	10 years

<u>Description</u>	<u>Appropriation</u>	<u>Authorization</u>	<u>Down Payment</u>	<u>Useful Life</u>
iii. The purchase of various equipment for the Police Department, including but not limited to handguns and portable radios;	\$49,844	\$47,470	\$2,374	5 years
iv. The purchase of various equipment for the Fire Department, including but not limited to hoses, nozzles, fire-safe helmets, radios, and a rescue vehicle;	\$710,000	\$676,190	\$33,810	10 years
v. Various improvements to the municipal court room, including, but not limited to, the acquisition of various furniture items, and upgrades to the sound system;	\$10,265	\$9,776	\$489	5 years
vi. The purchase of portable pitching mounds for the Department of Recreation;	\$20,000	\$19,047	\$953	5 years
vii. The purchase of a weed killer truck-mounted unit for the Department of Public Works;	\$50,000	\$47,619	\$2,381	10 years
viii. Various roadway repairs and improvements as more fully described in a list on file in the office of the Borough Clerk, which list is hereby approved and also including, but not limited to, milling, overlay, paving, tarring, striping, curbs, aprons, ADA walkways and driveways;	\$250,000	\$238,095	\$11,905	10 years
ix. Various road improvements and repairs, including, but not limited to, to West Franklin Street (from John Street to Winsor Street) and West Franklin Street (from Winsor Street to Livingston Street);	\$1,350,000 (Includes NJDOT Grants of \$491,309 and \$337,210, respectively)	\$521,481	N/A	10 years
x. Drainage improvements to Farm Lane and related repairs	\$200,000	\$82,200	117,800 (provided by New Jersey)	15 years

<u>Description</u>	<u>Appropriation</u>	<u>Authorization</u>	<u>Down Payment</u>	<u>Useful Life</u>
and reconstruction to Watchung Road.			American Water Company)	
<b>TOTALS:</b>	\$2,711,109	\$1,709,496	\$173,094	

(b) The above improvements and purposes set forth in Section 3(a) shall also include, as applicable, surveying, construction planning, engineering and design work, training classes, 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 \$1,709,496.

(d) The aggregate estimated cost of said improvements or purposes is \$2,711,109, the excess amount thereof over the DOT Grants and the estimated maximum amount of bonds or notes to be issued therefor, is the aggregate down payments for said improvements or purposes in the amount of \$173,094.

**SECTION 4.** Except for the DOT 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. Except for the DOT Grants, 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. This 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 said bonds authorized by this bond ordinance, is 10.02 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 \$1,709,496 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 \$200,000 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, unless paid from other sources, 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 Regulation Section 1.150-2.


**SECTION 10.** The Borough covenants to maintain the exclusion from gross income under section 103(a) of the Internal Revenue Code of 1986, as amended of the interest on all tax-exempt 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, which are authorized herein, 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, which are authorized herein, 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 of this bond ordinance, after final adoption and, if applicable, approval by the Mayor, as provided by the Local Bond Law.

ATTEST

  
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Jasmine D. McCoy, Borough Clerk

BOROUGH OF BOUND BROOK

  
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Mayor Dominic Longo

Date of Introduction: April 23, 2024

Date of Adoption: May 14, 2024