

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$12,468,800 FOR VARIOUS IMPROVEMENTS AND PURPOSES FOR AND BY THE COUNTY OF SOMERSET, NEW JERSEY, AND AUTHORIZING THE ISSUANCE OF \$11,845,360 BONDS OR NOTES OF SOMERSET COUNTY FOR FINANCING PART OF THE COST THEREOF

BE IT ORDAINED, BY THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF SOMERSET, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

The improvements described in Section 3 of this bond ordinance (the "Improvements") are hereby authorized to be undertaken by the County of Somerset, New Jersey (the "County") as general improvements. For the said Improvements there is hereby appropriated the amount of \$12,468,800 including the sum of \$623,440 as the down payment (the "Down Payment") for the Improvements required by the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended and supplemented (the "Local Bond Law"). The Down Payment is now available by virtue of provision in one or more previously adopted budgets for down payments or capital improvement purposes.

In order to finance the cost of the Improvements not covered by the application of the Down Payment, negotiable bonds of the County are hereby authorized to be issued in the principal amount of \$11,845,360 pursuant to the provisions of the Local Bond Law (the "Bonds"). In anticipation of the issuance of the Bonds and to temporarily finance said improvements or purposes, negotiable bond anticipation notes of the County are hereby authorized to be issued in the principal amount not exceeding \$11,845,360 pursuant to the provisions of the Local Bond Law (the "Bond Anticipation Notes" or "Notes").

The Improvements authorized and the purposes for which obligations are to be issued hereunder, the estimated cost of each Improvement, the appropriation therefore and the estimated maximum amount of Bonds or Notes to be issued for each Improvement are as set forth in Exhibit I attached hereto.

The estimated maximum amount of Bonds or Notes to be issued for the purpose of financing a portion of the cost of the Improvements is \$11,845,360.

The estimated cost of the improvements is \$12,468,800, which amount represents the initial appropriation made by the County. The excess of the appropriations made for each of the Improvements over the estimated maximum amount of Bonds or Notes authorized to be issued therefore is the Down Payment.

All Bond Anticipation Notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the County (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 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 subject to the provisions of Section 8(a) of the Local Bond Law. 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 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 Board of Chosen Freeholders of the County at the meeting next succeeding the date when any sale or delivery of the Notes pursuant to this 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.

The capital budget of the County is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. The resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director, Division of Local Government Services, Department of Community Affairs, State of New Jersey is on file with the Deputy Clerk of the Board of Chosen Freeholders and is available for public inspection.

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

The Improvements described in Section 3 of this bond ordinance are not current expenses, and are capital improvements or properties that the County may lawfully make or acquire as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

The average period of usefulness of the Improvements, within the limitations of the Local Bond Law, taking into consideration the respective amounts of all obligations authorized for the several purposes, according to the reasonable life thereof computed from the date of the Bonds authorized by this bond ordinance, is 13.12 years.

The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the Office of the Deputy Clerk of the Board of Chosen Freeholders and a complete executed duplicate thereof has been filed in the office of the Director, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such statement shows that the gross debt of the County, as defined in the Local Bond Law, is increased by the authorization of Bonds and Notes provided in this bond ordinance by \$11,845,360 and the obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law.

An aggregate amount not exceeding \$2,000,000 for items of expense listed in and permitted under Section 20 of the Local Bond Law is included in the estimated cost of the Improvements, as indicated herein.

Any funds received from time to time by the County as contributions in aid of financing the purposes described in Section 3 of this Ordinance shall be used for financing said Improvements by application thereof either to direct payment of the cost of said Improvements or to the payment or reduction of the authorization of the obligations of the County authorized therefore by this Bond Ordinance. Any such funds received may, and all such funds so received which are not required for direct payment of the cost of said Improvements shall, be held and applied by the County as funds applicable only to the payment of obligations of the County authorized by this Bond Ordinance.

The full faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the County, and the County shall be obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the obligations and the interest thereon without limitation of rate or amount.

This Bond Ordinance constitutes a declaration of official intent under Treasury Regulation Section 1.150-2. The County reasonably expects to pay expenditures with respect to the Improvements prior to the date that County incurs debt obligations under this Bond Ordinance. The County reasonable expects to reimburse such expenditures with the proceeds of debt to be incurred by the County under this Bond Ordinance. The maximum principal amount of debt expected to be issued for payment of the costs of the Improvements is \$11,845,360.

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

EXHIBIT 1

IMPROVEMENTS	APPROPRIATION	ESTIMATED AMOUNT OF BONDS OR NOTES
(a)(1) Various Building Improvements, including but not limited to improvements to 9-1-1 communications - replace chiller and condenser (inspection and construction), improvements to 40 N. Bridge Street steps, 40 N. Bridge Street air intake modifications (design), 40 N. Bridge Street elevator renovations (design), renovations to Bernie Field Parking Deck (design), replacements of carpet and furniture, Cedar House wet basement (design), HVAC upgrades (design), renovation of Jailhouse air handlers (inspection and construction), replacement of fire alarm system at South County Department of Public Works, all as shown on and in accordance with the plans and specifications therefore on file in the Office of the Deputy Clerk of the Board of Chosen Freeholders and hereby approved.	\$2,195,000	\$2,085,250
(a)(2) Various Building Improvements, including but not limited to improvements to new Courthouse, facility improvements throughout the County, including but not limited to wall coverings, security improvements, carpet and floor coverings, replacement of two booths at parking deck, replacement of air conditioning unit at 20 N. Bridge penthouse and acquisition of various equipment for the Hillsborough Senior Center.	315,000	299,250
(b) Acquisition of various passenger buses.	1,120,000	1,064,000
(c) Acquisition of recycling containers.	700,000	665,000
(d) Acquisition of Various Vehicles and Equipment, including but not limited to offset press, arm mower, dump trucks with plow and	3,249,300	3,086,835

IMPROVEMENTS	APPROPRIATION	ESTIMATED AMOUNT OF BONDS OR NOTES
<p>spreader, pick-up trucks with plow, truck bodies and rams, roll off containers, utility body pick-up with plow, smoke test machine, hot shot truck, front loader garbage trucks, rear load cart tipper, rear loader garbage truck, hook and lift truck, recycling trucks, sport utility vehicle, fire coordinator sport utility vehicle, fire academy equipment, van, radios and batteries, jail management computer tracking system, kitchen equipment, dishwasher and racks.</p>		
(e) Improvements to Richard Hall Mental Health Center and acquisition of security camera and refrigerator.	509,500	484,025
(f) Bridge Improvements - Zion-Wertsville Road over Rock Brook (Bridge No. B0301), Montgomery and Hillsborough Townships; Liberty Corner Road over Dead River (Bridge No. F1105), Township of Bernards; Meeker Road over Mine Brook (Bridge No. F1303), Borough of Bernardsville; Mountain Avenue over Tributary to Passaic River (Bridge No. K1104), Township of Warren. Rehabilitation and reconstruction of Bridges in various municipalities, various locations for construction and inspection repairs, various bridges on county or municipal roads throughout the County.	1,900,000	1,805,000
(g) Highway Reconstruction Class "A" – Great Road (Route 601), Township of Montgomery from Montgomery High School to Blawenburg. Construction and Inspection, Pedestrian Improvements, Drainage Structures, Milling, Curb, Bituminous Concrete Pavement, Traffic Stripes, Beam Guardrail, etc.	600,000	570,000

IMPROVEMENTS	APPROPRIATION	ESTIMATED AMOUNT OF BONDS OR NOTES
(h) Acquisition of information technology equipment, including but not limited to servers upgrade, computer equipment replacement, security camera replacement, card readers, computer equipment software upgrades, County network cluster firewall setup, wireless communications equipment, County wide switch replacements and computer hardware and software updates.	1,050,000	997,500
Installation of Traffic Safety Improvements (such as new traffic signals, modernization of existing traffic signals, new traffic signalization units including related equipment, easements and inspection, installation of underground electrical equipment and permanent pavement markings and raised pavement markings, beam guide rails, at various intersections in various municipalities within the County of Somerset).	150,000	142,500
(j) Highway Drainage and Flood Control - Drainage improvements at various locations throughout the County.	150,000	142,500
(k) Acquisition of various items of communications equipment, including but not limited to dispatcher consoles, replacement of tower site equipment, batteries for radio system, installation of new radio tower at Elizabeth Avenue and various electronic equipment.	530,000	503,500
TOTAL	\$12,468,800	\$11,845,360