OFFICIAL STATEMENT DATED JULY 30, 2019

NEW ISSUE (BOOK-ENTRY ONLY)

RATINGS: Moody's: "A1" (BONDS)
Moody's: "MIG-1" (NOTES)
(See "RATINGS" herein)

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds and Notes (as respectively defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

$24,592,000
CITY OF PLAINFIELD
IN THE COUNTY OF UNION
STATE OF NEW JERSEY

GENERAL IMPROVEMENT BONDS,
SERIES 2019

CALLABLE

Dated: Date of Delivery
Due: August 15, as shown on the inside front cover

$6,725,000
CITY OF PLAINFIELD
IN THE COUNTY OF UNION
STATE OF NEW JERSEY

BOND ANTICIPATION NOTES, SERIES 2019

NON-CALLABLE

Dated: Date of Delivery
Due: August 20, 2020
Coupon: 2.00%
Yield: 1.05%
CUSIP: 726345LE9

The (i) $24,592,000 aggregate principal amount of General Improvement Bonds, Series 2019, dated the date hereof (the "Bonds"), and (ii) $6,725,000 aggregate principal amount of Bond Anticipation Notes, Series 2019 (the "Notes") are general obligations of the City of Plainfield, in the County of Union, State of New Jersey (the "City") for which the full faith and credit of the City are pledged and, unless paid from other sources, the City is authorized and required by law to levy *ad valorem* taxes on all taxable property within the City without limitation as to rate or amount for the payment of the principal of the Bonds and Notes and the interest thereon.

The Bonds and the Notes will be issued in fully registered book-entry only form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds and the Notes. Individual purchases of the Bonds and Notes will be made in book-entry only form in the principal amount of $5,000 or any integral multiple thereof, with a minimum purchase of $5,000 required, except that any Bonds or Notes in excess of the largest principal amount equaling a multiple of $5,000 shall be in denominations of $1,000 or any integral multiple thereof.

The Bonds shall bear interest from the date of delivery thereof, and be payable semi-annually on the fifteenth day of February and August of each year, commencing February 15, 2020, at such rates of interest as shown on the inside front cover hereof, until maturity or prior redemption. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Chief Financial Officer of the City or a duly designated paying agent. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the City to the registered owner thereof as of the Record Dates (as defined herein).

The Notes will bear interest at the rate set forth above from the date of delivery thereof. Interest on the Notes will be payable at maturity as set forth above. Principal of and interest on the Notes will be payable by the City or a duly designated paying agent at the date of maturity.

The Bonds and Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), various bond ordinances duly adopted by the City Council of the City on the dates set forth herein, and by a resolution duly adopted by the City Council of the City on July 8, 2019.

The proceeds of the Bonds are being issued to refund, on a current basis, a $24,592,000 portion (along with $1,083,000 in budgeted paydowns of the City and $3,400,000 of bond anticipation notes) of bond anticipation notes of the City issued in the aggregate principal amount of $29,075,000 on August 24, 2018 and maturing on August 23, 2019 (the "Prior Bond Anticipation Notes"). The proceeds of the Notes are being issued to: (i) refund, on a current basis, a $3,400,000 portion of the remaining Prior Bond Anticipation Notes, and (ii) temporarily finance the cost of various capital improvements and purposes in and by the City in the amount of $3,325,000, including paying the costs associated with the issuance of the Notes

The Bonds are subject to optional redemption prior to their stated maturities as set forth herein. *See* "DESCRIPTION OF THE BONDS" under the subheading entitled "Optional Redemption". The Notes are not subject to redemption prior to their stated maturity.

The Bonds and the Notes are not debt or obligations, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof other than the City.

This cover page and inside front cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including all appendices, to obtain information essential to making an informed investment decision.

The Bonds and Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City, and certain other conditions. NW Financial Group, LLC, Hoboken, New Jersey has served as Municipal Advisor to the City in connection with the issuance of the Bonds and the Notes. Certain legal matters will be passed upon for the City by Corporation Counsel, David Minchello, Esq. It is anticipated that the Bonds and the Notes will be available for delivery through DTC on or about August 21, 2019.

BofA Merrill Lynch
Underwriter for the Bonds

OPPENHEIMER
Underwriter for the Notes

CITY OF PLAINFIELD
IN THE COUNTY OF UNION
STATE OF NEW JERSEY

$24,592,000
GENERAL IMPROVEMENT BONDS,
SERIES 2019

CALLABLE

Dated: Date of Delivery

Due: August 15, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Year (August 15)	General Improvement Bonds	Interest Rates	Yields	CUSIP Number*
2020	$ 1,300,000	4.000%	1.000%	726345KT7
2021	1,300,000	4.000%	1.030%	726345KU4
2022	1,300,000	4.000%	1.040%	726345KV2
2023	2,500,000	4.000%	1.050%	726345KW0
2024	2,592,000	4.000%	1.060%	726345KX8
2025	2,600,000	4.000%	1.180%	726345KY6
2026	2,600,000	3.000%	1.490%	726345KZ3
2027	2,600,000	3.000%	1.630%**	726345LA7
2028	2,600,000	2.000%	2.060%	726345LB5
2029	2,600,000	2.125%	2.190%	726345LC3
2030	2,600,000	2.250%	2.290%	726345LD1

* "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above for the Bonds are being provided solely for the convenience of holders of the Bonds only at the time of issuance of the Bonds. The City does not make any representations with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Bonds is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**** Priced to the first optional call date of August 15, 2026**

CITY OF PLAINFIELD
IN THE COUNTY OF UNION
STATE OF NEW JERSEY

MAYOR

Adrian O. Mapp

CITY COUNCIL

Joylette Mills-Ransome, President
Steve G. Hockaday, Vice President
Ashley Davis
Cory Storch
Barry N. Goode
Charles McRae
Elton Armady

ACTING BUSINESS ADMINISTRATOR/
CITY CLERK

Abubakar Jalloh

DIRECTOR OF FINANCE

Ronald E. West

CHIEF FINANCIAL OFFICER

Richard J. Gartz

CORPORATION COUNSEL

David Minchello, Esq.

CITY AUDITORS

Suplee, Clooney & Company
Westfield, New Jersey

MUNICIPAL ADVISOR

NW Financial Group, LLC
Hoboken, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No dealer, broker, salesperson or other person has been authorized by the City of Plainfield, in the County of Union, State of New Jersey (the "City") to give any information or to make any representations with respect to the Bonds and Notes other than those contained in this Official Statement and if given or made, such information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the City, The Depository Trust Company, New York, New York ("DTC") and other sources deemed reliable by the City; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the City, such information is not to be construed as a representation or warranty by the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The City has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of, and exceptions to, statements made herein. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, and is not intended to indicate future or continuing trends in the financial condition or other affairs of the City. No representation is made that past experience, as is shown by the financial and other information contained herein, will necessarily continue or be repeated in the future.

The order and placement of materials in this Official Statement, including the appendices, are not deemed to be a determination of the relevance, materiality or importance of such materials, and this Official Statement, including the appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds and Notes, the respective Underwriters may engage in transactions intended to stabilize the price of the Bonds and Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds and Notes are offered to the public by the respective Underwriters and the yields resulting there from may vary from the initial public offering prices or yields shown on the cover page and/or inside cover page hereof, as applicable. In addition, the Underwriters may allow concessions or discounts from such initial public offering prices to dealers and others.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under, the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT
OF THE**

**CITY OF PLAINFIELD
IN THE COUNTY OF UNION, STATE OF NEW JERSEY**

RELATING TO

**$24,592,000 GENERAL IMPROVEMENT BONDS, SERIES 2019
AND
$6,725,000 BOND ANTICIPATION NOTES, SERIES 2019**

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the City of Plainfield (the “City”), in the County of Union (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of $24,592,000 aggregate principal amount of General Improvement Bonds, Series 2019 (the “Bonds”) and $6,725,000 aggregate principal amount of Bond Anticipation Notes, Series 2019 (the “Notes”) of the City. This Official Statement, which includes the cover page, inside front cover page and appendices attached hereto, has been authorized by the City Council of the City, executed by and on behalf of the City by its Chief Financial Officer, and is to be distributed in connection with the marketing and sale of the Bonds and Notes.

This Official Statement contains specific information relating to the Bonds and Notes including their general description, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the City.

DESCRIPTION OF THE BONDS

General Description

The Bonds are dated the date of delivery thereof and shall bear interest at the rates shown on the inside front cover page hereof from such date, payable semi-annually on the fifteenth day of February and August of each year (each an "Interest Payment Date"), commencing February 15, 2020, until maturity or prior redemption. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be paid by check, draft or wire transfer mailed, transmitted or delivered to the registered owners of the Bonds as of each respective February 1 and August 1 preceding each Interest Payment Date (the "Record Dates"), at the address shown on the registration books for the Bonds kept for that purpose by the City's Chief Financial Officer, as registrar and paying agent for the City, or such other duly designated paying agent.

The Bonds will mature on August 15 in each of the years and in the respective principal amounts as set forth on the inside front cover page.

The Bonds, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds (the “Securities Depository”). Purchases of beneficial interests in the Bonds will be made in book-entry only form, without certificates, in denominations of $5,000 each or any integral multiple thereof, with minimum purchases of $5,000 required, except that any Bonds in excess of the largest principal amount equaling a multiple of $5,000 shall be in denominations of $1,000 or any integral multiple thereof. Under certain circumstances, such beneficial interests in the Bonds are exchangeable for one or more fully registered Bond certificates of like series, maturity and tenor in authorized denominations.

So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly by the City as Paying Agent, or some other paying agent as may be designated by the City, to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the owners of beneficial interests in the Bonds is the responsibility of the DTC Participants and Indirect Participants (as hereinafter defined). *See* "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption

The Bonds maturing prior to August 15, 2027 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after August 15, 2027 are subject to redemption at the option of the City, in whole or in part, on any date on or after August 15, 2026, upon notice as required herein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of Redemption ("Notice of Redemption") shall be given by first class mail, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, in a sealed envelope with postage prepaid to the owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the City or a duly appointed bond registrar. So long as The Depository Trust Company (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the Beneficial Owners of the Bonds. Any failure of the Securities Depository to advise any of its Participants or any failure of any Participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the City determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be redeemed by the City in inverse order of maturity and within any maturity shall be selected by the City by lot. The Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Authorization for the Issuance of the Bonds

The Bonds are authorized by, and are issued pursuant to, the provisions of (i) the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), (ii) various bond ordinances duly adopted by the City Council of the City ("City Council") on the dates set forth in the chart below and approved by the Mayor and published as required by law, and (iii) a resolution duly adopted by the City Council of the City on July 8, 2019.

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their validity, enforceability, sale, execution or delivery by the City. Such estoppel period for the aforementioned bond ordinances has concluded as of the date of this Official Statement.

Purpose of the Bonds

The proceeds of the Bonds are being issued to refund, on a current basis, a $24,592,000 portion (along with $1,083,000 in budgeted paydowns of the City and $3,400,000 of bond anticipation notes) of bond anticipation notes of the City issued in the aggregate principal amount of $29,075,000 on August 24, 2018 and maturing on August 23, 2019 (the "Prior Bond Anticipation Notes"). The purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the City, which bond ordinances are described on the following table by ordinance number, description and date of final adoption and the amount of bond proceeds used for such purposes. The bond ordinances are as follows:

Ordinance Number	Description and Date of Final Adoption	Amount of Issue
1245, as amended by 1246	Road Improvements, finally adopted 9/15/08, as amended on 7/20/09	$ 3,780,000
1252	Road Improvements, finally adopted 9/10/12	6,502,000
1255	Various Capital Improvements, finally adopted 5/13/13	2,264,000
1258	2015 Road Improvement Program, finally adopted 6/16/15	2,805,000
1259	Various 2015 Capital Acquisitions and Improvements, finally adopted 8/17/15	1,790,000
1260	Various 2016 Capital Acquisitions and Improvements, finally adopted 4/11/16	2,118,000
1261	2017 Road Improvement Program, finally adopted 2/13/17	5,333,000
		$ 24,592,000

DESCRIPTION OF THE NOTES

General Description

The Notes are general obligations of the City and are issued in the aggregate principal amount of $6,725,000. The Notes shall be dated and shall bear interest from August 21, 2019 and shall mature on August 20, 2020. The Notes shall bear interest at the rate as indicated on the cover page of this Official Statement, payable upon maturity. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry only form, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the City or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial ownership interests in the Notes will be made in book-entry only form, without certificates, in denominations of $5,000 or any integral multiple thereof, with a minimum purchase of $5,000 required, except that any Notes in excess of the largest principal amount equaling a multiple of $5,000 shall be in denominations of $1,000 or any integral multiple thereof through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Notes will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the City or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. *See* "DESCRIPTION OF THE NOTES" herein.

Optional Redemption

The Notes are not subject to redemption prior to their stated maturity.

Authorization for the Issuance of the Notes

The Notes are authorized by, and are issued pursuant to, the provisions of (i) the Local Bond Law, (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth in the chart on the following page and approved by the Mayor and published as required by law, and (iii) a resolution duly adopted by the City Council of the City on July 8, 2019.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of said bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their validity, enforceability, sale, execution or delivery by the City. Such estoppel period for the aforementioned bond ordinances has concluded as of the date of this Official Statement.

Purpose of the Notes

The Notes are being issued to: refund, on a current basis, a $3,400,000 portion of the remaining Prior Bond Anticipation Notes, and (ii) temporarily finance the cost of various capital improvements and purposes in and by the City in the amount of $3,325,000, including paying the costs associated with the issuance of the Notes. The purposes for which the Notes are to be issued have been authorized by duly adopted, approved and published bond ordinances of the City, which bond ordinances are described on the following table by ordinance number, description and date of final adoption and the amount of note proceeds used for such purposes. The bond ordinances are as follows:

Ordinance Number	**Description and Date of Final Adoption**	**Amount**
1264	Various 2018 Capital Acquisitions and Improvements, finally adopted 7/9/18	$ 3,400,000
1267	Various 2019 Capital Acquisitions and Improvements, finally adopted 5/13/19	3,325,000
		$ 6,725,000

SECURITY FOR THE BONDS AND NOTES

The Bonds and Notes are valid and legally binding general obligations of the City for which the full faith and credit of the City are pledged for the punctual payment of the principal of and interest on the Bonds and Notes. Unless paid from other sources, the City has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of the Bonds and Notes and the interest thereon without limitation as to rate or amount.

The City is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Bonds and Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Bonds and Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. *See* "RISK TO HOLDERS OF BONDS AND NOTES" and “MUNICIPAL BANKRUPTCY” herein.

The Bonds and Notes are not a debt or obligation, legal, moral or otherwise, of the State or any county, municipality or political subdivision thereof, other than the City.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the City as of the date hereof.

MARKET PROTECTION

The City does not anticipate issuing any additional bonds or bond anticipation notes in 2019.

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the City. Accordingly, the City does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued for the Bonds, and will be deposited with DTC. One fully registered Note certificate will be issued for the Notes in the aggregate principal amount of the Notes, as set forth on the cover hereof, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds or Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds or Notes on DTC's records. The ownership interest of each actual purchaser of Bonds or Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds or Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds or Notes, except in the event that use of the book-entry system for the Bonds or Notes is discontinued.

To facilitate subsequent transfers, all Bonds or Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds or Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds or Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds or Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds or Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds or Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds or Notes, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds or Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds and Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds or Notes at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The Paying Agent, upon direction of the City, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds or Notes, the following provisions apply: (i) the Bonds or Notes may be exchanged for an equal aggregate principal amount of Bonds or Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Chief Financial Officer of the City or Paying Agent; (ii) the transfer of any Bonds or Notes may be registered on the books maintained by the Chief Financial Officer of the City or Paying Agent for such purposes only upon the surrender thereof to the Chief Financial Officer of the City or Paying Agent together with the duly executed assignment in form satisfactory to the Chief Financial Officer of the City or Paying Agent; and (iii) for every exchange or registration of transfer of Bonds or Notes, the Chief Financial Officer of the City or Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds or Notes. Interest on the Bonds or Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The City has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of City debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The City is not required to submit the proposed incurrence of indebtedness to a public referendum.

The City, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the City Council and approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the City.

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Bonds and Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the City are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the City) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter, unless an amount of such note at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the City, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. Unless authorized by the Local Bond Law or regulations thereunder, the Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the City is permitted to authorize. The authorized bonded indebtedness of a City is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the City for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. *See* "Exceptions to Debt Limitation-Extensions of Credit" herein.

As shown in APPENDIX A, the City has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 <u>et</u> <u>seq</u>.)

The debt limit of the City may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the City and that the proposed debt authorization would not materially impair the credit of the City or substantially reduce the ability of the City to meet its obligations or to provide essential services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district. The City has not exceeded its debt limit.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 <u>et</u> <u>seq</u>.)

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 <u>et</u> <u>seq</u>., as amended and supplemented (the “Local Fiscal Affairs Law”), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", must be completed within six (6) months (June 30) after the close of the City's fiscal year (December 31), includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the City Clerk and is available for review during regular municipal business hours and shall, within five (5) days thereafter be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the City Clerk’s receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 <u>et</u> <u>seq</u>.)

An annual financial statement (“Annual Financial Statement”) which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, such as the City, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. It reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire annual financial statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 <u>et</u> <u>seq</u>. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America (“Government Obligations”), (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school districts of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the City conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the City does not record obligations for accumulated unused vacation and sick pay. However, the City discloses its obligation for accumulated unused vacation and sick pay as of December 31 of each year in the notes to its annual audited financial statements.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the City, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit may examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the City's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. *See* "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow "eligible" and "qualifying" municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, the City was not eligible for local examination of its budget in 2019. The City adopted its 2019 budget in accordance with the procedures described under the heading entitled, "FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 <u>et</u> <u>seq</u>.)". (Ricky please confirm or update)

State Supervision (N.J.S.A. 52:27BB-1 <u>et</u> <u>seq</u>.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring cash deficit.

Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, <u>et</u> <u>seq</u>.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the City shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the City may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the City for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. *See* N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "Cap Bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, new legislation constituting P.L. 2010, c.44, effective July 13, 2010, imposes a 2% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care costs in excess of 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division of Local Government Services has advised that counties and municipalities must comply with both budget “CAP” and the tax levy limitation. Neither the tax levy limitation nor the Cap Law, however, limits the obligation of the City to levy *ad valorem* taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes, including the Bonds and Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the City, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in N.J.S.A. 40A:4-48, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality’s fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A 40A:4-29 sets limits on the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

Total of Local, County, and School Levies	-	Anticipated Revenues	=	Cash Required from Taxes to Support Local Municipal Budget and Other Taxes

Cash Required from Taxes to Support Local Municipal Budget and Other Taxes / Prior Year's Percentage of Current Tax Collection (or Lesser %)	=	Amount to be Raised by Taxation

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

Debt Statements

The City must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the City, the City must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the City Clerk. This report is made under oath and states the authorized, issued and unissued debt of the City as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the City's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the City must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the City, the local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special district.

Tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county of school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first $1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of $1,500. A penalty of up to six percent (6%) of the delinquency in excess of $10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Corporation Counsel (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April of the current tax year for its review or the 1st day of May for municipalities that have conducted revaluations. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds and Notes in order for the interest on the Bonds and Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds and/or Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds and/or Notes, as applicable. The City will represent in the tax certificates that it expects, intends, and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the representations and covenants to be made in the tax certificates described above, interest on the Bonds and/or Notes is not includable in gross income of the holders thereof for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code.

The Bonds and Notes do not constitute "qualified tax-exempt obligations" as defined in and for the purpose of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds maturing on August 15 in the years 2020 through 2027, inclusive (the "Premium Bonds") were purchased at a premium ("original issue premium") over the stated principal amounts of the Bonds. For federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.

Original Issue Discount

Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 15 in the years 2028 through 2030, inclusive (the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.

Additional Federal Income Tax Consequences Relating to Bonds and Notes

Prospective purchasers of the Bonds and Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds and Notes, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds and Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds and Notes, and any gain on the sale thereof, is not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds or Notes.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect, as applicable, the federal and State tax-exempt status of interest on the Bonds and Notes, gain from the sale or other disposition of the Bonds and Notes, the market value of the Bonds and Notes or the marketability of the Bonds and Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds and Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds and Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds and APPENDIX D for the complete text of the proposed form of Bond Counsel’s legal opinion with respect to the Notes.

Prospective purchasers of the Bonds and Notes should consult their tax advisors with respect to all tax consequences (including but not limited to those listed above) of holding the Bonds and Notes.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the City, including the Bonds and Notes, and such Bonds and Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF BONDS AND NOTES

It is understood that the rights of the holders of the Bonds and Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE CITY HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE CITY EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS AND NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the City should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provided that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the City, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the City defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the City in the Superior Court of New Jersey (the “Superior Court”) to obtain a judgment that the City is so in default. Once a judgment is entered by the Superior Court to the effect that the City is in default, the Municipal Finance Commission (the “Commission”) would become operative in the City. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission’s authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

CERTIFICATES OF THE CITY

Upon the delivery of the Bonds and Notes, the original purchasers thereof shall receive certificates, in form satisfactory to Bond Counsel and signed by officials of the City, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in or contemplated by this Official Statement. In addition, the respective original purchasers of the Bonds and Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and Notes and receipt of payment therefor, and certificates dated as of the date of the delivery of the Bonds and Notes, and signed by the officers who signed the Bonds and Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or Notes or the levy or collection of taxes to pay the Bonds or Notes, as applicable, or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds or Notes, as applicable, are issued, and that neither the corporate existence or boundaries of the City, nor the title of any of the said officers to the respective offices, is being contested.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds and Notes are subject to the approval of Bond Counsel, whose approving legal opinions will be delivered with the Bonds and Notes, respectively, substantially in the forms set forth as APPENDIX C and APPENDIX D, respectively, hereto. Certain legal matters with respect to the Bonds and Notes will be passed on for the City by its Corporation Counsel, David Minchello, Esq., Plainfield, New Jersey (the “Corporation Counsel”).

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the City of Plainfield, Richard J. Gartz, Chief Financial Officer, 515 Watchung Avenue, Plainfield, New Jersey 07061, (908) 753-3207, Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6149 or Heather Litzebauer, NW Financial Group, LLC, 2 Hudson Place, Hoboken, New Jersey 07030, (201) 656-0115.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey, has served as municipal advisor to the City with respect to the issuance of the Bonds and Notes (“Municipal Advisor”). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

Other than as stated in this Official Statement, including as provided in the Audit (as hereinafter defined) included in APPENDIX B hereto, to the knowledge of the Corporation Counsel there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds or Notes offered for sale or the levy and collection of any taxes to pay the principal of or the interest on said Bonds or Notes, or in any manner questioning the authority of the proceedings for the issuance of the Bonds or Notes or for the levy or collection of taxes to pay the principal of and interest on the Bonds or Notes, or any action contesting the corporate existence or boundaries of the City or the title of any of its present officers. Further, to the knowledge of the Corporation Counsel, there is no litigation presently pending or threatened against the City that, in the opinion of the Corporation Counsel, would have a material adverse impact on the financial condition of the City if adversely decided. The respective original purchasers of the Bonds and Notes will receive a certificate of the Corporation Counsel to such effect upon the closing of the Bonds and Notes.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS

The City has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the City each year and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed on behalf of the City by its Chief Financial Officer, in the form appearing in APPENDIX E attached hereto. Such Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, if material, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB").

Within the five years immediately preceding the date of this Official Statement, the City previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements for both the City and the Plainfield Municipal Utilities Authority: (i) audited financial information for the fiscal year ending December 31, 2014; and (ii) operating data for the fiscal years ending December 31, 2014 and 2015. Additionally, the City previously failed to file late filing notices in connection with its untimely filings of: (i) audited financial information; (ii) operating data; (iii) annual debt statements, all as described above, and late filing notices and/or event notices in connection with certain bond insurer rating changes in 2014. Such notices of events and late filings have since been filed with EMMA. The City appointed Phoenix Advisors, LLC in August of 2015 to serve as continuing disclosure agent.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

The City has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes, as set forth in section (b)(5)(i)(C) of the Rule (the "Notices"). The Notices will be filed by the City or a duly appointed dissemination agent with the MSRB. The specific nature of the Notices will be detailed in a certificate to be executed on behalf of the City by its Chief Financial Officer, in the form appearing in APPENDIX F hereto, such certificate to be delivered concurrently with the delivery of the Notes.

PREPARATION OF OFFICIAL STATEMENT

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement nor has Bond Counsel verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto but takes responsibility for the opinions to the extent specified and appearing in APPENDIX C and APPENDIX D hereto.

The Municipal Advisor has participated in the preparation of APPENDIX A to this Official Statement and in the collection of financial, statistical or demographic information contained in this Official Statement but has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

Suplee, Clooney & Company, Westfield, New Jersey, the Auditor to the City, has participated in the preparation of the information contained in this Official Statement but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report appearing in APPENDIX B hereto.

The Corporation Counsel has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the City considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "A1" to the Bonds and "MIG-1" to the Notes.

An explanation of the significance of the ratings on the Bonds and Notes may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Such ratings reflect only the views of Moody's, and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely, if in the judgment of Moody's, circumstances so warrant. Any revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds and Notes. Except as set forth in APPENDIX E and APPENDIX F, the City has not agreed to take any action with respect to any proposed rating changes or to bring the rating changes, if any, to the attention of the owners of the Bonds and Notes.

UNDERWRITING

The Bonds have been purchased from the City at a public sale by Bank of America Merrill Lynch, New York, New York (the "Bond Underwriter") at a price of $26,180,508.71. The purchase price of the Bonds reflects the par amount of Bonds, less an Underwriter's discount of $171,827.65, plus a net original issue premium of $1,760,336.36.

The Notes have been purchased from the City at a public sale by Oppenheimer & Co. Inc., Philadelphia, Pennsylvania (the "Note Underwriter") at a price of $6,772,950. The purchase price of the Notes reflects the par amount of Notes, less an Underwriter's discount of $15,063.25, plus an original issue premium of $63,013.25.

The Bond Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bond Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Bond Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Bond Underwriter without prior notice.

The Note Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

The financial statements of the City for the year ended December 31, 2017 (the "Audit") and unaudited financial information for the year ended December 31, 2018 are presented in APPENDIX B to this Official Statement. The financial statements referred to above have been audited by Suplee, Clooney & Company, Westfield, New Jersey, independent auditors, as stated in their report appearing in APPENDIX B.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or an agreement between the City and any purchasers or holders of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the City, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the City by the Chief Financial Officer of the City.

CITY OF PLAINFIELD, IN THE
COUNTY OF UNION,
STATE OF NEW JERSEY

/s/ Richard J. Gartz
RICHARD J. GARTZ,
Chief Financial Officer

DATED: July 30, 2019

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APPENDIX A

CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION CONCERNING THE CITY OF PLAINFIELD

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INFORMATION REGARDING THE CITY[1]

The following material presents certain economic and demographic information of the City of Plainfield (the "City"), in the County of Union (the "County"), State of New Jersey (the "State").

General Information

The City of Plainfield is an industrial-residential suburb located in north central New Jersey in the western most section of Union County, 24 miles southwest of New York City, 18 miles from the City of Newark, New Jersey and 12 miles from the City of Elizabeth, New Jersey. Although considered part of the greater New York City area, the City is itself the core city for several surrounding New Jersey communities which comprise the greater Plainfield area. The City is approximately six square miles in area.

The City Charter, which was adopted in 1968, provides for a Mayor-Council form of government. The Mayor is elected for a four year term, and appoints the City Administrator, and the Directors of Administration and Finance, Public Affairs and Safety, and Public Works and Urban Development. The Mayor has the veto power over legislation adopted by the City Council but this veto may be overriden by a two-thirds majority vote of the City Council.

Form of Government

The City Council is comprised of seven members who, like the Mayor, serve four year terms. These terms are staggered, however, to ensure that some experienced members remain on the City Council in any given election year.

Retirement Systems

All full-time permanent or qualified City employees who began employment after 1944 must enroll in one of three retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The City is enrolled in the Public Employees' Retirement System ("PERS"), the Police and Firemen's Retirement System ("PFRS") and the Defined Contribution Retirement Program ("DCRP").

Pension Information[2]

Employees, who are eligible to participate in a pension plan, are enrolled in PERS, PFRS or DCRP, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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[1] Source: The City, unless otherwise indicated.
[2] Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the City, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
City				
2018	26,400	24,800	1,600	5.8%
2017	26,801	25,122	1,679	6.3%
2016	26,981	25,161	1,820	6.7%
2015	27,445	25,360	2,085	7.6%
2014	27,502	25,100	2,402	8.7%
County				
2018	272,700	260,900	11,700	4.3%
2017	276,968	263,748	13,220	4.8%
2016	278,562	264,157	14,405	5.2%
2015	280,235	263,283	16,952	6.0%
2014	280,005	260,538	19,467	7.0%
State				
2018	4,422,900	4,239,600	183,400	4.1%
2017	4,518,838	4,309,708	209,123	4.6%
2016	4,530,800	4,305,515	225,262	5.0%
2015	4,537,231	4,274,685	262,531	5.8%
2014	4,527,177	4,221,277	305,900	6.8%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2017)

	City	County	State
Median Household Income	$56,425	$73,376	$76,475
Per Capita Income	24,411	38,163	39,069

Source: US Bureau of the Census, 2017 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the City, the County, and the State.

	City		County		State	
Year	Population	% Change	Population	% Change	Population	% Change
2018 Estimate	51,327	3.04%	558,067	4.02%	8,908,520	1.32%
2010	49,808	4.14	536,499	2.67	8,791,894	4.49
2000	47,829	2.71	522,541	5.82	8,414,350	8.85
1990	46,567	2.22	493,819	-2.04	7,730,188	4.96
1980	45,555	-2.79	504,094	-7.18	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the City are listed below:

Taxpayers	2018 Assessed Valuation	% of Total Assessed Valuation
Verizon	$7,982,801	0.659%
Plainfield Madison Park LLC	3,946,100	0.326%
Netherwoods Village, LLC	3,589,600	0.296%
1400 Woodland Ave Property LLC	3,300,000	0.272%
Norwood Estates LLC	2,606,400	0.215%
LGP Capital Plainfield LLC	2,540,200	0.210%
Michael Manor, LLC	2,400,000	0.198%
Channel Park Avenue, LLC	2,393,800	0.198%
Federal National Mortgage	1,960,200	0.162%
US Bank National Association	1,936,900	0.160%
Total	$32,656,001	2.696%

Source: Comprehensive Annual Financial Report of the School District & Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2018	$99,315,107	$96,287,458	96.95%
2017	97,172,820	94,041,536	96.78%
2016	95,495,904	92,723,195	97.10%
2015	92,862,743	90,121,256	97.05%
2014	90,889,211	87,744,546	96.54%

Source: Annual Audit Reports of the City

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2018	$216,253	$2,377,401	$2,593,654	2.61%
2017	344,755	2,642,264	2,987,019	3.07%
2016	483,729	2,220,134	2,703,864	2.83%
2015	1,003,344	2,313,368	3,316,712	3.57%
2014	785,169	2,692,771	3,477,940	3.83%

Source: Annual Audit Reports of the City

Property Acquired by Tax Lien Liquidation

Year	Amount
2018	$1,772,600
2017	2,068,500
2016	2,310,300
2015	2,636,600
2014	2,636,600

Source: Annual Audit Reports of the City

Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for City residents for the past five (5) years.

Year	Municipal	Local School	County	Total
2018	$4.751	$2.219	$1.216	$8.186
2017	4.670	2.072	1.244	7.986
2016	4.577	2.034	1.212	7.823
2015	4.478	1.994	1.120	7.592
2014	4.329	1.950	1.107	7.386

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2018	$1,206,451,356	$2,765,821,541	43.62%	$4,937,601	$2,770,759,142
2017	1,209,280,956	2,772,308,473	43.62	4,905,207	2,777,213,680
2016	1,211,511,856	2,788,931,529	43.44	4,935,417	2,793,866,946
2015	1,217,098,896	2,722,207,327	44.71	4,991,654	2,727,198,981
2014	1,224,195,056	2,546,692,440	48.07	5,046,629	2,551,739,069

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the City for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2018	$7,108,700	$995,404,256	$0	$122,375,400	$20,300,900	$61,262,100	$1,206,451,356
2017	7,586,900	996,791,856	0	123,176,000	$20,388,900	61,337,300	1,209,280,956
2016	6,642,900	1,001,838,056	0	124,379,700	20,484,400	58,166,800	1,211,511,856
2015	6,571,140	1,007,486,656	0	124,753,000	20,734,200	57,553,900	1,217,098,896
2014	6,545,100	1,012,800,256	0	126,429,500	20,702,300	57,717,900	1,224,195,056

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the City's Current Fund budget. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	**2015**	**2016**	**2017**	**2018**	**2019**
Fund Balance Utilized	$ 5,600,000	$ 5,935,029	$ 6,423,030	$ 6,766,565	$ 6,766,565
Miscellaneous Revenues	15,562,449	15,631,705	18,351,679	17,305,401	18,304,111
Receipts from Delinquent Taxes	2,285,000	2,450,000	2,200,000	2,500,000	2,341,162
Amount to be Raised by Taxation	54,607,286	55,430,816	56,451,614	57,298,113	59,203,357
Total Revenue:	$78,054,735	$79,447,550	$83,426,323	$83,870,079	$86,615,195
Appropriations					
General Appropriations	$67,107,091	$68,746,784	$70,885,669	$72,395,536	$73,549,935
Operations (Excluded from CAPS)	3,101,394	2,744,874	4,250,221	3,145,446	3,258,363
Deferred Charges and Statutory Expenditures	0	0	0	0	90,514
Judgments	0	0	0	0	0
Capital Improvement Fund	140,000	140,000	707,500	380,000	979,255
Municipal Debt Service	3,506,250	3,715,893	3,618,460	3,914,956	4,559,450
Reserve for Uncollected Taxes	4,200,000	4,100,000	3,964,473	4,034,141	4,177,678
Total Appropriations:	$78,054,735	$79,447,550	$83,426,323	$83,870,079	$86,615,195

Source: Annual Adopted Budgets of the City

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Fund Balance

Current Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2018	$10,366,016	$6,766,565
2017	10,094,080	6,766,565
2016	9,174,195	6,423,030
2015	8,527,973	5,935,029
2014	6,807,327	5,600,000

Source: Annual Audit and Budget of the City

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Statement of Debt (as of December 31, 2018)

General Purpose Debt	
Serial Bonds	$9,220,000
Bond Anticipation Notes	29,075,000
Bonds and Notes Authorized but Not Issued	437,332
Other Bonds, Notes and Loans	373,780
Total:	$39,106,112
Local School District Debt	
Serial Bonds	$15,955,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$15,955,000
TOTAL GROSS DEBT	**$55,061,112**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	15,955,000
Self-Liquidating Debt	0
Total:	$15,955,000
TOTAL NET DEBT	**$39,106,112**

Overlapping Debt (as of December 31, 2018)[3]

Name of Related Entity	**Related Entity Debt Outstanding**	**City Percentage**	**City Share**
Local School District	$15,955,000	100.00%	$15,955,000
County	713,793,709	3.86%	27,552,437
Net Indirect Debt			$43,507,437
Net Direct Debt			39,106,112
Total Net Direct and Indirect Debt			**$82,613,549**

[3] City percentage of County debt is based on the City's share of total equalized valuation in the County.

Debt Limit (2018)

Average Equalized Valuation Basis (2016, 2017, 2018)	$2,778,868,480
Permitted Debt Limitation (3 1/2%)	97,260,397
Less: Net Debt	39,106,112
Remaining Borrowing Power	$58,154,285
Percentage of Net Debt to Average Equalized Valuation	1.407%
Gross Debt Per Capita based on 2010 population of 49,808	$1,106
Net Debt Per Capita based on 2010 population of 49,808	$785

Source: Annual Debt Statement of the City

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the City's annual audit report.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF PLAINFIELD FOR THE YEAR ENDING DECEMBER 31, 2017 AND UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

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SCC **SUPLEE, CLOONEY & COMPANY**
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
Telephone 908-789-9300 Fax 908-789-8535
E-mail info@scnco.com

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and Members
of the City Council
City of Plainfield
County of Union
Plainfield, New Jersey 07061

We have compiled the accompanying balance sheets - regulatory basis of the individual funds from the 2018 Annual Financial Statement (AFS) of the City of Plainfield as of December 31, 2018 and the related statements of operations and changes in fund balances - regulatory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements - regulatory basis have been prepared on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of new Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to representing in the form of financial statements information that is the representation of management of the City of Plainfield. We have not audited or reviewed the accompanying financial statements - regulatory basis and, accordingly, do not express an opinion or any other form of assurance on them.

Management of the City of Plainfield has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City of Plainfield's financial position - regulatory basis and the results of its operations and changes in its fund balance - regulatory basis. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Robert W.Swisher
Robert W. Swisher, C.P.A., R.M.A.

July 11, 2019

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
Telephone 908-789-9300 Fax 908-789-8535
E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Plainfield
County of Union
Plainfield, New Jersey 07061

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the City of Plainfield, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the City of Plainfield on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the City of Plainfield as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2017 and 2016, the regulatory basis statement of operations and changes in fund balance for the years then ended in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2018 on our consideration of the City of Plainfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Plainfield's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Robert W. Swisher
Robert W. Swisher, C.P.A., R.M.A

September 11, 2018

"A"
SHEET #1

CITY OF PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2018 UNAUDITED	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
A S S E T S			
Cash	$ 17,281,302.43	$ 18,577,568.60	$ 15,830,460.11
Change Fund	800.00	800.00	800.00
Petty Cash		125.00	
State Aid Receivable		1,056.25	1,881.25
Due State of New Jersey - Senior Citizens and Veterans	289,725.83	281,233.23	290,459.08
	$ 17,571,828.26	$ 18,860,783.08	$ 16,123,600.44
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	$ 2,377,401.36	$ 2,642,263.86	$ 2,220,134.31
Tax Title Liens Receivable	216,253.25	344,755.22	483,729.19
SID Taxes Receivable	11,721.11	8,317.67	4,574.92
Foreclosed Property	1,772,600.00	2,068,500.00	2,310,300.00
Revenue Accounts Receivable	103,754.65	97,583.44	105,037.45
Interfunds Receivable	1,662,933.99	1,511,890.35	483,936.06
Prepaid SID Tax			78,369.49
Prepaid School Tax			2,000,000.00
	$ 6,144,664.36	$ 6,673,310.54	$ 7,686,081.42
	$ 23,716,492.62	$ 25,534,093.62	$ 23,809,681.86
Grant Fund:			
Cash	$ 3,579,526.23	$ 3,589,580.80	$ 3,497,226.27
Grants Receivable	7,076,688.50	7,839,918.78	5,644,150.82
	$ 10,656,214.73	$ 11,429,499.58	$ 9,141,377.09
	$ 34,372,707.35	$ 36,963,593.20	$ 32,951,058.95

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE		BALANCE DECEMBER 31, 2018 UNAUDITED		BALANCE DECEMBER 31, 2017		BALANCE DECEMBER 31, 2016
Appropriation Reserves	$	4,135,303.71	$	3,447,780.75	$	3,775,239.63
Accounts Payable		135,136.62		539,893.10		509,122.69
Encumbrances Payable		1,387,472.01		1,885,454.52		954,312.42
Contracts Payable				5,400.00		
Prepaid Special Improvement Taxes		77.55				
Prepaid Taxes		703,783.11		1,825,467.51		601,786.50
Tax Overpayments		79,164.73		168,957.80		66,489.22
Miscellaneous Current Reserves		688,452.56		861,758.19		992,102.75
County Taxes Payable		22,331.25		31,865.72		50,352.35
Interfunds Payable		54,090.59				
	$	7,205,812.13	$	8,766,577.59	$	6,949,405.56
Reserve for Receivables and Other Assets		6,144,664.36		6,673,310.54		7,686,081.42
Fund Balance		10,366,016.13		10,094,205.49		9,174,194.88
	$	23,716,492.62	$	25,534,093.62	$	23,809,681.86
Grant Fund:						
Reserve for Grants - Unappropriated	$	2,633,951.14	$	3,190,358.71	$	3,196,451.14
Reserve for Grants - Appropriated		6,364,340.50		6,823,394.53		5,492,048.48
Interfunds Payable		1,657,923.09		1,415,746.34		452,877.47
	$	10,656,214.73	$	11,429,499.58	$	9,141,377.09
	$	34,372,707.35	$	36,963,593.20	$	32,951,058.95

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF PLAINFIELD

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

REVENUE AND OTHER INCOME REALIZED	YEAR ENDED DECEMBER 31, 2018 UNAUDITED	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
Fund Balance Utilized	$ 6,766,565.00	$ 6,423,030.00	5,935,029.16
Miscellaneous Revenue Anticipated	20,401,685.73	21,943,973.53	18,435,176.69
Receipts From Delinquent Taxes	3,091,225.58	2,276,536.97	2,282,253.15
Receipts From Current Taxes	96,442,629.91	94,203,466.35	92,723,194.84
Non-Budget Revenue	1,112,806.59	966,350.89	713,631.77
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	3,331,653.08	3,479,434.95	2,215,798.08
Interfunds Returned			714,653.18
Canceled Appropriated Grant Reserves	195,143.51	854,322.38	11,236.00
Canceled Unappropriated Grant Reserves	2,500.00		
Canceled Miscellaneous Reserves	100.00		1,325.00
Receivables Realized		2,078,369.49	
Accounts Payable Canceled	406,404.42		957,091.11
TOTAL REVENUE AND OTHER INCOME	$ 131,750,713.82	$ 132,225,484.56	123,989,388.98

EXPENDITURES	YEAR ENDED DECEMBER 31, 2018 UNAUDITED	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
Budget and Emergency Appropriations:			
Operations Within "CAPS"	$ 63,162,963.00	$ 61,883,872.00	59,740,070.00
Deferred Charges and Statutory Expenditures - Municipal	9,232,567.55	8,976,789.17	8,997,121.98
Other Operations Excluded From "CAPS"	1,939,617.00	1,868,118.00	2,010,756.00
State and Federal Programs Off-Set by Revenue	3,447,240.01	5,355,581.72	2,802,305.67
Municipal Debt Service	3,912,898.18	3,613,912.64	3,711,817.80
Capital Improvements	380,000.00	460,000.00	140,000.00
County Tax	14,742,135.00	15,106,608.73	14,743,624.24
County Share of Added Taxes	22,331.25	31,865.72	50,352.35
Local District School Tax	26,873,885.00	25,153,129.00	24,741,269.00
Municipal Open Space Tax	242,278.00	242,837.00	244,047.43
Special Improvement District	161,323.00	161,930.32	
Canceled Grants Receivable	151,512.89	1,020,883.89	6,500.00
Canceled Accounts Receivable		77,762.17	10,998.42
Accounts Receivable		4,779.62	
Refund of Prior Year Revenue	292,543.66	49,819.68	138,209.50
Prepaid SID Tax			71,065.20
Interfunds Advanced	151,043.64	874,554.29	
TOTAL EXPENDITURES	$ 124,712,338.18	$ 124,882,443.95	117,408,137.59
Statutory Excess in Revenue	$ 7,038,375.64	$ 7,343,040.61	6,581,251.39
Fund Balance, January 1	$ 10,094,205.49	$ 9,174,194.88	8,527,972.65
	$ 17,132,581.13	$ 16,517,235.49	15,109,224.04
Decreased by:			
Utilization as Anticipated Revenue	6,766,565.00	6,423,030.00	5,935,029.16
Fund Balance, December 31	$ 10,366,016.13	$ 10,094,205.49	9,174,194.88

The accompanying Notes to Financial Statements are an integral part of this statement.

"B"

CITY OF PLAINFIELD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2018 UNAUDITED	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
A S S E T S			
Animal Control Fund:			
Cash	$ 14,563.10	$ 9,788.20	$ 9,511.10
Other Funds:			
Cash	$ 10,444,028.61	$ 8,725,580.29	$ 10,525,029.74
Due Current Fund	54,090.59		
	$ 10,498,119.20	$ 8,725,580.29	$ 10,525,029.74
	$ 10,512,682.30	$ 8,735,368.49	$ 10,534,540.84
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Due to State of New Jersey	$ 2.40	$ 34.20	$ 407.20
Due Current Fund	5,010.90	1,346.20	3,300.90
Reserve for Animal Control Expenditures	9,549.80	8,407.80	5,803.00
	$ 14,563.10	$ 9,788.20	$ 9,511.10
Other Funds:			
Reserve For:			
Various Reserves and Deposits	$ 9,615,784.90	$ 7,895,839.91	$ 9,708,408.26
Open Space Trust Deposits	591,114.80	357,169.34	351,525.86
State Unemployment Insurance	282,604.87	330,935.35	413,921.56
Payroll Deductions Payable	8,614.63	46,837.88	23,416.37
Due Current Fund		94,797.81	27,757.69
	$ 10,498,119.20	$ 8,725,580.29	$ 10,525,029.74
	$ 10,512,682.30	$ 8,735,368.49	$ 10,534,540.84

The accompanying Notes to the Financial Statements are an integral part of this statement.

"C"

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2018 UNAUDITED	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
A S S E T S			
Cash	$ 7,016,051.04	$ 9,008,090.49	$ 8,300,340.64
Grants Receivable	1,108,000.00	567,987.50	1,219,062.50
UCIA Accounts Receivable			282,187.51
Deferred Charge - Grant Receivable Cancelation		182,500.00	
Deferred Charges to Future Taxation:			
Funded	9,686,175.68	11,749,888.02	13,726,264.05
Unfunded	29,512,331.72	26,971,331.72	22,407,831.72
	$ 47,322,558.44	$ 48,479,797.73	$ 45,935,686.42
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	$ 9,220,000.00	$ 11,200,000.00	$ 13,090,000.00
Bond Anticipation Notes	29,075,000.00	26,534,000.00	21,971,000.00
Loans Payable	373,780.09	424,340.19	477,563.98
UCIA Leases Payable	92,395.59	125,547.83	158,700.07
Reserve for Encumbrances Payable	2,057,867.43	383,708.12	
Contracts Payable	752,658.74	3,538,823.13	1,878,904.19
Improvement Authorizations-Funded	1,306,428.65	1,577,755.63	2,087,415.85
Improvement Authorizations-Unfunded	3,673,025.06	3,903,757.95	5,342,065.51
Capital Improvement Fund	235,978.90	335,978.90	602,978.90
Reserve for South Avenue Business District	50,000.00	50,000.00	50,000.00
Fund Balance	485,423.98	405,885.98	277,057.92
	$ 47,322,558.44	$ 48,479,797.73	$ 45,935,686.42

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

A S S E T S	BALANCE DECEMBER 31, 2018 *UNAUDITED	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
Operating Fund:			
Cash	$	$ 616.15	1,097.40
TOTAL OPERATING FUND	$	$ 616.15	1,097.40
Capital Fund:			
Fixed Capital	$	$ 1,439,000.00	1,439,000.00
TOTAL CAPITAL FUND	$	$ 1,439,000.00	1,439,000.00
	$	$ 1,439,616.15	1,440,097.40
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Accrued Interest on Bonds	$	$ 616.15	1,097.40
TOTAL OPERATING FUND	$	$ 616.15	1,097.40
Capital Fund:			
Serial Bonds Payable	$	$ 65,000.00	120,000.00
Deferred Reserve for Amortization		1,374,000.00	1,319,000.00
TOTAL CAPITAL FUND	$	$ 1,439,000.00	1,439,000.00
	$	$ 1,439,616.15	1,440,097.40

*Sewer Utility closed in 2018.

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF PLAINFIELD

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	YEAR ENDED DECEMBER 31, 2018 UNAUDITED	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
REVENUE AND OTHER INCOME REALIZED			
Canceled Accrued Interest on Bonds	$	$	$ 8,271.53
Miscellaneous Revenue Not Anticipated	5.48	8.12	194.40
TOTAL INCOME	$ 5.48	$ 8.12	$ 8,465.93
EXPENDITURES			
Debt Service	$ 66,496.35	$ 58,281.25	$ 65,337.50
TOTAL EXPENDITURES	$ 66,496.35	$ 58,281.25	$ 65,337.50
(Deficit) in Revenue	$ (66,490.87)	$ (58,273.13)	$ (56,871.57)
Adjustments to Income Before Fund Balance: Realized from General Budget for Anticipated Deficit	$ 66,490.87	$ 58,273.13	$ 56,871.57
Fund Balance, January 1	$ -0-	$ -0-	$ -0-
Less: Close Sewer Utility Operating Fund	-0-	-0-	-0-
Fund Balance, December 31	$ -0-	$ -0-	$ -0-

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF PLAINFIELD

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
General Fixed Assets:		
Land	$ 14,810,966.00	$ 14,810,966.00
Buildings and Improvements	10,694,500.00	10,694,500.00
Machinery and Equipment	19,195,313.00	16,858,093.00
	$ 44,700,779.00	$ 42,363,559.00
Investments in General Fixed Assets	$ 44,700,779.00	$ 42,363,559.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Plainfield is an instrumentality of the State of New Jersey established to function as a municipality. The City Council consists of elected officials and is responsible for the fiscal control of the City.

Except as noted below, the financial statements of the City of Plainfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Plainfield, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City of Plainfield do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the regional school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the

The accounting policies of the City of Plainfield conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the City of Plainfield are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the City accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund

Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned sewer utility

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the City's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The City has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the City's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date” (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

New Jersey’s municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The City considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

The City of Plainfield had the following cash and cash equivalents at December 31, 2017:

FUND	Cash on Deposit	Deposits in Transit / Other	Outstanding Checks / Other	TOTAL
Current Fund	$ 18,651,435.63	$ 1,008,070.53	$ (1,081,937.56)	$ 18,577,568.60
Grant Fund	3,623,324.06		(33,743.26)	3,589,580.80
Animal Control Trust Fund	9,767.00	21.20		9,788.20
Trust Other Fund	8,641,040.81	289,037.50	(204,498.02)	8,725,580.29
General Capital Fund	9,008,090.49			9,008,090.49
Sewer Utility Operating Fund		616.15		616.15
TOTAL DECEMBER 31, 2017	$ 39,933,657.99	$ 1,297,745.38	$ (1,320,178.84)	$ 39,911,224.53

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank $500,000.00 was covered by Federal Depository Insurance and $39,433,657.99 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the City is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

8. Agreements for the repurchase of fully collateralized securities if:

a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

b. the custody of collateral is transferred to a third party;

c. the maturity of the agreement is not more than 30 days;

d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and

e. a master repurchase agreement providing for the custody and security of collateral is executed.

The City of Plainfield's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.400%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 17,550,000.00	$ 17,550,000.00	$
Sewer Utility Debt	65,000.00		65,000.00
General Debt	38,595,671.91		38,595,671.91
	$ 56,210,671.91	$ 17,550,000.00	$ 38,660,671.91

Net debt of $38,660,671.91 divided by equalized valuation basis per N.J.S.40A:2-2, as amended, of $2,761,149,109.67 equals 1.400%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	December 31, 2017	December 31, 2016	December 31, 2015
Issued:			
General:			
Bonds, Notes and Loans	$ 38,158,340.19	$ 35,538,563.98	$ 33,944,862.24
Sewer Utility:			
Bonds and Notes	65,000.00	120,000.00	180,000.00
Debt Issued	$ 38,223,340.19	$ 35,658,563.98	$ 34,124,862.24
Less:			
Cash on Hand to Pay Notes			315,000.00
Net Debt Issued	$ 38,223,340.19	$ 35,658,563.98	$ 33,809,862.24
Authorized But Not Issued:			
General:			
Bonds and Notes	437,331.72	436,831.72	2,775,861.28
Net Bonds and Notes Issued and Authorized But Not Issued	$ 38,660,671.91	$ 36,095,395.70	$ 36,585,723.52

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis- December 31, 2017	$ 2,761,149,109.67
3-1/2% of Equalized Valuation Basis	$ 96,640,218.84
Net Debt	38,660,671.91
Remaining Borrowing Power	$ 57,979,546.93

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the City of Plainfield for the last three (3) preceding years.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SEWER UTILITY PER N.J.S.40A:2-45

Cash Receipts from Fund Balance, Fees,		
Rents of Other Charges for Year	$	8.12
Deductions:		
Debt Service		58,281.25
Deficit in Revenue - not self-liquidating	$	(58,273.13)

Long-Term Debt Obligations:

General Serial Bonds:

$22,100,000.00 2015 Refunding Bonds due in annual Installments of $1,890,000.00 to $2,465,000.00 through September 2022 at an interest rate of 4 percent	$11,200,000.00

Green Acres Loan Payable:

$165,000.00 2004 Loans due in semi-annual installments of $4,000.21 to $5,555.06 through January 2022 at an interest rate of 2.00%	$48,060.56
$85,000.00 2004 Loans due in semi-annual installments of $2,785.45 to $3,572.15 through January 2018 at an interest rate of 2.00%	3,572.15
$375,000.00 2007 Loans due in semi-annual installments of $7,909.35 to $11,543.91 through October 2026 at an interest rate of 2.00%	191,193.11
$200,000.00 2010 Loan due in semi-annual installments of $6,642.86 through January 2028 at an interest rate of 2.00%	125,264.37
	$368,090.19

N.J. DCA Unsafe Building Demolition Loan Payable:

$125,000.00 Loan due in annual installments of $6,250.00 through October 2026 at an interest rate of 0.00%	$56,250.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt Obligations (Continued):

Sewer Utility Capital Bonds:

$570,000.00 2010 Refunding Bonds due in annual installments of $65,000.00 through September 2018 at an interest rate of 2.00% to 3.25%	$65,000.00

Bonds and Notes Authorized But Not Issued:

There is $437,331.72 General Capital Notes Authorized but not Issued at December 31, 2017.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2017

Calendar Year December 31	General Fund		Sewer Utility Fund		
	Principal	Interest	Principal	Interest	Total
2018	$ 1,980,000.00	$ 448,000.00	$ 65,000.00	$ 2,112.50	$ 2,495,112.50
2019	2,145,000.00	368,800.00			2,513,800.00
2020	2,255,000.00	283,000.00			2,538,000.00
2021	2,355,000.00	192,800.00			2,547,800.00
2022	2,465,000.00	98,600.00			2,563,600.00
	$ 11,200,000.00	$ 1,391,200.00	$ 65,000.00	$ 2,112.50	$ 12,658,312.50

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF GREEN ACRES LOANS PAYABLE
AS OF DECEMBER 31, 2017

Year	Principal	Interest	Total Payment
2018	$ 44,310.10	$ 44,310.10	$ 88,620.20
2019	41,556.78	6,268.84	47,825.62
2020	42,392.06	5,433.57	47,825.63
2021	43,244.16	4,581.49	47,825.65
2022	38,502.76	3,712.27	42,215.03
2023	33,609.94	2,994.48	36,604.42
2024	34,285.50	2,318.91	36,604.41
2025	34,974.65	1,629.77	36,604.42
2026	35,677.64	926.79	36,604.43
2027	12,959.47	326.26	13,285.73
2028	6,577.11	65.77	6,642.88
	$ 368,090.17	$ 72,568.25	$ 440,658.42

SCHEDULE OF URBAN AND RURAL CENTERS UNSAFE BUILDING
DEMOLITION BOND LOAN PROGRAM AS OF DECEMBER 31, 2017

Payment Number	Payment Due	PRINCIPAL
12	10/23/18	$ 6,250.00
13	10/23/19	6,250.00
14	10/23/20	6,250.00
15	10/23/21	6,250.00
16	10/23/22	6,250.00
17	10/23/23	6,250.00
18	10/23/24	6,250.00
19	10/23/25	6,250.00
20	10/23/26	6,250.00
		$ 56,250.00

NOTE 4: SHORT-TERM DEBT

The City had the following short-term debt:

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

Bond Anticipation Notes:

$26,534,000.00 bond anticipation notes issued 8/29/17 maturing on 8/28/18 at an interest rate of 2.00%	$ 26,534,000.00

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018, as introduced were as follows:

Current Fund	$6,766,565.00
Sewer Utility Fund	$ -0-

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The City bills and collects its own property taxes and also the taxes for the County and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
Prepaid Taxes	$1,825,467.51	$601,786.50

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the City, employees are allowed to accumulate unused sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate. As of December 31, 2017, the City estimates that the amount of such unpaid compensation is $3,624,151.57. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, accumulated cost of such paid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2017.

NOTE 8: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

NOTE 8: PENSIONS (CONTINUED)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest alter four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2012 PERS provides for employee contributions of 6.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2012, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The City's share of PERS and PFRS, which is based upon the annual billings received from the state, amounted to $7,017,106.00 for 2017, $6,759,947.00 for 2016 and $6,355,320.00 for 2015.

NOTE 8: PENSIONS (CONTINUED)

Funding Policy (Continued)

The City's share for DCRP amounted to $42,800.00 for 2017, $28,208.00 for 2016 and $17,000.00 for 2015.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain City employees are also covered by Federal Insurance Contribution Act.

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2011. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The City of Plainfield has elected to defer a portion of its pension contributions as follows:

Retirement System	Original Amount Deferred	Balance December 31, 2016	2017 Payments	Balance December 31, 2017
PFRS	$ 2,285,008.00	$ 616,222.00	$ 347,376.00	$ 268,846.00
PERS	427,039.00	111,264.00	66,268.00	44,996.00
Total	$ 2,712,047.00	$ 727,486.00	$ 413,644.00	$ 313,842.00

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions", which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of $36,397,897.00 for the City of Plainfield's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City's proportion was 0.1563590923 percent, which was a decrease of 0.0086129437 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of $2,740,704.00 for the City of Plainfield's proportionate share of the total pension expense. The pension expense recognized in the City's financial statement based on the April 1, 2017 billing was $1,448,500.00.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience		$857,045.00
Changes of assumptions	$7,306,038.00	7,332,922.00
Net difference between projected and actual earnings on pension plan investments		247,845.00
Changes in proportion and differences between City contributions and proportionate share of contributions	2,262,309.00	2,221,936.00
	$9,568,347.00	$10,659,748.00

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the City's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2018	$951,672.00
2019	1,395,362.00
2020	853,490.00
2021	(1,136,308.00)
2022	(972,815.00)
	$1,091,401.00

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. These actuarial valuations used the following assumptions:

	June 30, 2017	June 30, 2016
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 Percent

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement morality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

	June 30, 2017	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	100.00%	

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease 4.00%	At Current Discount Rate 5.00%	1% Increase 6.00%
County's proportionate share of the pension liability	$45,154,062.00	$36,397,897.00	$29,102,927.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of $88,977,596.00 for the City of Plainfield's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City's proportion was 0.5763519341 percent, which was a decrease of 0.0416377800 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of $7,415,349.00. The pension expense recognized in the City's financial statement based on the April 1, 2017 billing was $5,100,821.00

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	$522,224.00	$577,234.00
Changes of assumptions	14,571,929.00	10,971,929.00
Net difference between projected and actual earnings on pension plan investments		1,697,901.00
Changes in proportion and differences between the City's contributions and proportionate share of contributions	7,682,283.00	2,773,683.00
	$22,776,436.00	$16,020,747.00

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2018	$349,003.00
2019	2,456,495.00
2020	(1,461,328.00)
2021	(5,535,131.00)
2022	(2,564,728.00)
	($6,755,689.00)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

	2017	2016
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent	2.10-8.98 Percent
Thereafter	3.10-9.98 Percent	3.10-9.98 Percent
Investment Rate of Return	7.00 Percent	7.65 Percent

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post- retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS s target asset allocation as of June 30, 2017 are summarized in the following table:

	June 30,2017	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	100.00%	

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease 5.14%	At Current Discount Rate 6.14%	1% Increase 7.14%
County's proportionate share of the PFRS pension liability	$117,235,310.00	$88,977,596.00	$65,760,671.00

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the City under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the City related to this legislation.

At December 31, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is $9,966,240.00 and $9,913,427.00 respectively.

At December 31, 2017, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	$88,977,596.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	9,966,240.00
	$98,943,836.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 9: LITIGATION

The City Attorneys' litigation confirmation letters indicate that the City is a defendant in certain lawsuits against the City claiming certain civil rights violations related to actions of Plainfield police officers which led to the arrest and conviction of such plaintiffs. Counsel has indicated that as of the date of audit, it is difficult to estimate a range of loss for such cases, but that demands against the City are significant.

NOTE 10: CONTINGENT LIABILITIES

The City participates in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The grants received and expended in 2017 were subject to a Single Audit under U.S. Office of Management and Budget (OMB) Federal Guidance and State of New Jersey OMB 15-08, which mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2017 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the City does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The City has established a self-insurance program in accordance with New Jersey Statue Chapter 40:10. The Statute enables the governing body of any local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The City self insures for auto liability, tort claims and workers compensation exposures. Additionally, the City is a member of the Public Entity Joint Insurance Fund for excess liability and building insurance and maintains insurance policies, covering fire, flood, fine arts, health and employee fidelity.

At December 31, 2017, the City's exposure for claims incurred under the above self-insurance programs are not presently determinable. There is a balance in the self-insurance trust fund of $792,537.19 at December 31, 2017.

NOTE 11: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. Below is a summary of City contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the City's expendable trust fund for the current and previous two years:

Year	Employee Contributions	City Contributions & Interest	Amount Reimbursed	Ending Balance
2017	$ 37,128.23	$ 44,721.63	$ 164,836.07	$ 330,935.35
2016	50,087.11	4,834.32	193,620.85	413,921.56
2015	24,025.85	5,000.00	99,912.22	552,620.98

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 1,511,890.35	$
Grant Fund		1,415,746.34
Animal Control Fund		1,346.20
Trust Other Fund		94,797.81
	$ 1,511,890.35	$ 1,511,890.35

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 13: CAPITAL LEASES

During the State Fiscal Year 2005, the City entered into an agreement with Union County Improvement Authority to lease purchase various capital projects for $993,742.51. The projects to be funded include the purchase of various items of equipment. In accordance with the lease agreement, the City will be obligated to make the following remaining principal and interest payments:

Payment Number	Payment Date	Principal Component	Interest Component	Total Payment
26	06/01/18	$	$ 148.46	$ 148.46
27	12/01/18	3,621.09	148.46	3,769.55
28	06/01/19		76.04	76.04
29	12/01/19	3,802.14	76.05	3,878.19
		$ 7,423.23	$ 449.01	$ 7,872.24

During the State Fiscal Year 2007, the City entered into an agreement with Union County Improvement Authority to lease purchase various capital projects for $1,940,840.62. The projects to be funded include the purchase of various items of equipment. In accordance with the lease agreement, the City will be obligated to make the following remaining principal and interest payments:

Payment Number	Payment Date	Principal Component	Interest Component	Total Payment
23	02/15/18	$	$ 2,362.48	$ 2,362.48
24	08/15/18	29,531.15	2,362.48	31,893.63
25	02/15/19		1,771.86	1,771.86
26	08/15/19	29,531.15	1,771.86	31,303.01
27	02/15/20		1,181.24	1,181.24
28	08/15/20	29,531.15	1,181.24	30,712.39
29	02/15/21		590.62	590.62
30	08/15/21	29,531.15	590.62	30,121.77
		$ 118,124.60	$ 11,812.40	$ 129,937.00

NOTE 14: DEFERRED COMPENSATION PLAN

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b) and 457. The plans, available to all City employees, permit them to defer a portion of their salaries until future years. The City does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the City's Plans were amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts. All assets of the Plan are held by independent administrators. The City has approved Nationwide Retirement Solutions and MetLife as administrators.

In accordance with IRS regulations, the accompanying financial statements do not include the City's Deferred Compensation Plan activities since the assets are not available to the City's general creditors. The City's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 15: DEFICIENCY AGREEMENT

On October 17, 1997, the City of Plainfield entered into a Deficiency Agreement with the Plainfield Municipal Utilities Authority (PMUA) to provide or appropriate annually the sum or sums as may be necessary to sufficiently provide for any deficit in the operation and maintenance and debt service requirements of the PMUA. This Deficiency Agreement may be terminated at any time, after the payment in full of all obligations and bonds of the PMUA.

Subject to the Deficiency Agreement, on February 1, 1999, the PMUA issued Revenue Bonds in the amount of $16,415,000.00. October 1, 2003, the PMUA issued $1,935,000.00 of Sewer System Revenue Bonds and $5,414,003.75 of Solid Waste System Revenue Bonds. On December 17, 2009, the PMUA issued $11,020,000.00 Revenue Refunding Bonds, which were issued to currently refund the outstanding balance of the Series 1999 Revenue Bonds.

As of December 31, 2017, the amount of outstanding debt subject to the Deficiency Agreement was as follows:

	12/31/2017	12/31/2016
Sewer Revenue Bonds, Series 2003	$ 775,000.00	$ 885,000.00
Sewer Revenue Bonds, Series 2009	3,280,000.00	3,770,000.00
Solid Waste Revenue Bonds, Series 2003	4,576,702.00	4,994,210.00
Solid Waste Revenue Bonds, Series 2007	915,358.00	1,061,774.00
Solid Waste Revenue Bonds, Series 2009	2,375,000.00	2,765,000.00
	$ 11,922,060.00	$ 13,145,984.00

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or required to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes.

Plan Description

The City of Plainfield provides Post-Retirement Benefits to eligible employees in accordance with terms of their various labor agreements:

SUMMARY

- The Actuarial Accrued Liability for retiree healthcare coverage is $201,456,000 with respect to current and future retirees and for the PPACA Cadillac tax is $18,804,000, for a total accrued liability of $220,260,000.

- The estimated cash cost for retiree healthcare benefits for the fiscal year beginning January 1, 2018 is $6,894,000.

- The Annual Required Contribution (ARC) for the fiscal years ending December 31, 2016 and December 31, 2017 under the GASB 45 accounting standard are $18,559,000 and $19,372,000, respectively. These are based on a 30-year amortization of the Unfunded Actuarial Accrued Liability.

- The Annual OPEB Cost for the fiscal years ending December 31, 2016 and December 31, 2017 under the GASB 45 accounting standard are $18,559,000 and $19,172,000, respectively. These are based on a 30-year amortization of the Unfunded Actuarial Accrued Liability.

- The Net OPEB Obligation (NOO) as of December 31, 2017 is $24,642,000, based on estimated cash payments and annual OPEB costs for the period December 31, 2015 through December 31, 2017.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

SUMMARY OF VALUATION RESULTS
(in thousands)

	Healthcare	Cadillac Tax	Total
Present Value of Future Benefits			
Retiree	$130,672	$ 8,443	$139,115
Active	140,383	25,081	165,464
Total	271,055	33,524	304,579
Actuarial Accrued Liability			
Retiree	130,672	8,443	139,115
Active	70,784	10,361	81,145
Total	201,456	18,804	220,260
Assets	-	-	-
Unfunded Actuarial Accrued Liability	201,456	18,804	220,260
Normal Cost	5,377	1,027	6,404
Discount Rate			4.5%

ANNUAL REQUIRED CONTRIBUTION AND OPEB COST
(in thousands)

	Fiscal Year 2016	Fiscal Year 2017
(1) Normal Cost, End of Year	$ 6,128	$ 6,404
(2) Amortization of Unfunded Actuarial Accrued Liability	$ 12,431	$ 12,968
(3) Annual Required Contribution (ARC)	$ 18,559	$ 19,372
(4) Interest on Net OPEB Obligation	$ -	$ 549
(5) Adjustment to the ARC	$ -	$ (749)
(6) Annual OPEB Cost (AOC)	$ 18,559	$ 19,172

Net OPEB Obligation

Fiscal Year	Annual OPEB Cost ($ thousands)	Estimated Premiums	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation ($ thousands)
12/31/2016	$18,559	$6,354	34.2%	$12,205
12/31/2017	$19,172	$6,735	35.1%	$24,642

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

RETIREE HEALTH 25-YEAR EXPECTED CASH PAYOUT

	Current Retirees			Future Retirees			Current and Future Retirees		
Year	Healthcare	Cadillac Tax	Total	Healthcare	Cadillac Tax	Total	Healthcare	Cadillac Tax	Total
2018	6,631,000	0	6,631,000	263,000	0	263,000	6,894,000	0	6,894,000
2019	6,845,000	0	6,845,000	679,000	0	679,000	7,524,000	0	7,524,000
2020	7,031,000	0	7,031,000	926,000	0	926,000	7,957,000	0	7,957,000
2021	7,216,000	0	7,216,000	1,239,000	0	1,239,000	8,455,000	0	8,455,000
2022	7,410,000	597,000	8,007,000	1,613,000	207,000	1,820,000	9,023,000	804,000	9,827,000
2023	7,548,000	622,000	8,170,000	1,902,000	257,000	2,159,000	9,450,000	879,000	10,329,000
2024	7,652,000	646,000	8,298,000	2,340,000	339,000	2,679,000	9,992,000	985,000	10,977,000
2025	7,710,000	650,000	8,360,000	2,810,000	432,000	3,242,000	10,520,000	1,082,000	11,602,000
2026	7,692,000	641,000	8,333,000	3,261,000	521,000	3,782,000	10,953,000	1,162,000	12,115,000
2027	7,664,000	616,000	8,280,000	3,735,000	610,000	4,345,000	11,399,000	1,226,000	12,625,000
2028	7,624,000	595,000	8,219,000	4,092,000	672,000	4,764,000	11,716,000	1,267,000	12,983,000
2029	7,395,000	519,000	7,914,000	4,400,000	723,000	5,123,000	11,795,000	1,242,000	13,037,000
2030	7,357,000	500,000	7,857,000	4,686,000	778,000	5,464,000	12,043,000	1,278,000	13,321,000
2031	7,290,000	458,000	7,748,000	5,062,000	845,000	5,907,000	12,352,000	1,303,000	13,655,000
2032	7,216,000	429,000	7,645,000	5,538,000	954,000	6,492,000	12,754,000	1,383,000	14,137,000
2033	7,007,000	341,000	7,348,000	5,949,000	1,017,000	6,966,000	12,956,000	1,358,000	14,314,000
2034	6,836,000	275,000	7,111,000	6,352,000	1,089,000	7,441,000	13,188,000	1,364,000	14,552,000
2035	6,670,000	245,000	6,915,000	6,757,000	1,160,000	7,917,000	13,427,000	1,405,000	14,832,000
2036	6,439,000	197,000	6,636,000	7,121,000	1,225,000	8,346,000	13,560,000	1,422,000	14,982,000
2037	6,395,000	211,000	6,606,000	7,445,000	1,288,000	8,733,000	13,840,000	1,499,000	15,339,000
2038	6,335,000	219,000	6,554,000	7,860,000	1,382,000	9,242,000	14,195,000	1,601,000	15,796,000
2039	6,311,000	245,000	6,556,000	8,511,000	1,518,000	10,029,000	14,822,000	1,763,000	16,585,000
2040	6,265,000	268,000	6,533,000	9,167,000	1,651,000	10,818,000	15,432,000	1,919,000	17,351,000
2041	6,237,000	300,000	6,537,000	10,022,000	1,865,000	11,887,000	16,259,000	2,165,000	18,424,000
2042	6,194,000	332,000	6,526,000	10,930,000	2,081,000	13,011,000	17,124,000	2,413,000	19,537,000
	174,970,000	8,906,000	183,876,000	122,660,000	20,614,000	143,274,000	297,630,000	29,520,000	327,150,000

APPENDIX 1

DEMOGRAPHIC CHARACTERISTICS OF PARTICIPANTS

Demographic data as of August, 2018 for current retirees and for active employees was provided by the City. Information used includes gender, dates of birth, hire and retirement, and coverage status.

		Employees/ Retirees	Spouses	Average Age
1.	Medicare Retirees and Spouses	160	78	73.2
2.	Pre-Medicare Retirees and Spouses	177	86	55.4
3.	Active Employees	415	N/A	44.7

Retiree Age Distribution

Age Group	Male	Female	Total
Under 35	1	0	1
35-39	1	0	1
40-44	0	1	1
45-49	19	0	19
50-54	34	5	39
55-59	38	13	51
60-64	41	21	62
65-69	35	24	59
70-74	27	10	37
75-79	18	12	30
80-84	14	9	23
85-89	5	5	10
90-94	1	3	4
95+	0	0	0
Total	234	103	337

Active Employee Age/Service Distribution

Male

	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
<25	2	0	0	0	0	0	0	2
25-29	23	3	0	0	0	0	0	26
30-34	24	9	5	0	0	0	0	38
35-39	14	13	11	1	0	0	0	39
40-44	4	4	13	11	1	0	0	33
45-49	3	3	7	15	9	4	0	41
50-54	9	2	3	8	8	11	2	43
55-59	7	3	2	4	6	5	5	32
60-64	0	0	0	3	3	1	4	11
65-69	1	0	2	0	0	1	0	4
70-74	1	0	0	0	0	0	0	1
75-79	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0
Total	88	37	43	42	27	22	11	270

Average Service: 12.3 years

Female

	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
<25	4	0	0	0	0	0	0	4
25-29	14	0	1	0	0	0	0	15
30-34	7	2	2	0	0	0	0	11
35-39	5	3	7	1	0	0	0	16
40-44	4	4	3	7	1	0	0	19
45-49	8	1	4	5	0	0	0	18
50-54	5	0	2	3	2	2	5	19
55-59	6	1	1	0	1	5	2	16
60-64	4	0	1	0	3	1	3	12
65-69	1	1	2	1	0	2	2	9
70-74	2	0	1	0	1	0	1	5
75-79	0	0	0	0	1	0	0	1
80-84	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0
Total	60	12	24	17	9	10	13	145

Average Service: 12.1 years

APPENDIX 2

SUMMARY OF PLAN PROVISIONS

1. Policemen's Benevolent Association Employees (Local 19 Police Officers and Rank and File)

   A. Eligibility - Retire after meeting the eligibility conditions for retirement under the New Jersey Police and Firemen's Retirement System (PFRS).

   B. Benefits – Medical and prescription drug coverage is continued for employees, spouses and eligible dependents to eligible retirees. Pre-Medicare retirees can elect between two Aetna point-of-service plans, the OAMC-10 and OAMC-15, or a Standard Aetna HMO plan. The City's prescription drug base plan has retail copays of $7.50 for generic and $35 for brand and mail order copays of $15 for generic and $70 for brand. Medicare eligible retirees and spouses are covered under an Aetna Medicare Advantage Plan with a Prescription Drug Plan. Any dental coverage provided is fully paid by the retiree.

   C. Survivorship Provisions – The surviving spouse of a deceased retiree receives continued benefits for life. The surviving spouse and eligible dependents of an active employee who dies while employed with the City receive coverage for a period of one year, provided the employee has coverage at the time of death.

   D. Medicare - Medical benefits coordinate with Medicare primary and the City Plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare in a timely manner. The City reimburses Medicare eligible retirees and their spouses for the Medicare Part B premium. Medicare A will only be paid by the City if the employee is not Medicare eligible.

2. Firemen's Mutual Benevolent Association Local 7 (FMBA)

   A. Eligibility - Retire after 25 or more years of service in the New Jersey Retirement System or eligible for a disability retirement regardless of service.

   B. Benefits – Medical and prescription drug coverage is continued for employees, spouses and eligible dependents to eligible retirees. Pre-Medicare retirees can elect between two Aetna point-of-service plans, the OAMC-10 and OAMC-15, or a Standard Aetna HMO plan. The City's prescription drug base plan has retail copays of $7.50 for generic and $35 for brand and mail order copays of $15 for generic and $70 for brand. Medicare eligible retirees and spouses are covered under an Aetna Medicare Advantage Plan with a Prescription Drug Plan. Any dental coverage provided is fully paid by the retiree.

   C. Survivorship Provisions – The surviving spouse of a deceased retiree receives continued benefits for life. The surviving spouse and eligible dependents of an active employee who dies while employed with the City receive coverage for a period of one year, provided the employee has coverage at the time of death.

D. Medicare - Medical benefits coordinate with Medicare primary and the City Plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare in a timely manner. The City reimburses Medicare eligible retirees and their spouses for the Medicare Part B premium. Medicare A will only be paid by the City if the employee is not Medicare eligible.

3. Plainfield Municipal Management Association (PMMA) and Non-Union Employees

A. Eligibility – Retire after meeting the retirement eligibility conditions in the New Jersey Public Employees Retirement System (PERS)

B. Benefits – Medical and prescription drug coverage is continued for employees, spouses and eligible dependents to eligible retirees. Pre-Medicare retirees can elect between two Aetna point-of-service plans, the OAMC-10 and OAMC-15, or a Standard Aetna HMO plan. The City's prescription drug base plan has retail copays of $7.50 for generic and $35 for brand and mail order copays of $15 for generic and $70 for brand. Medicare eligible retirees and spouses are covered under an Aetna Medicare Advantage Plan with a Prescription Drug Plan. Any dental coverage provided is fully paid by the retiree.

C. Survivorship Provisions – The surviving spouse of a deceased retiree receives continued benefits for life.

D. Medicare - Medical benefits coordinate with Medicare primary and the City Plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare in a timely manner. The City reimburses Medicare eligible retirees and their spouses for the Medicare Part B premium.

4. Cost of Plan

Retirees not subject to P.L. 2011 c. 78 (as described below) do not contribute for medical or prescription drug coverage.

Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts, based on the tables below:

Pension Range	Single	Member/Spouse
less than 20,000	4.50%	3.50%
20,000-24,999.99	5.50%	3.50%
25,000-29,999.99	7.50%	4.50%
30,000-34,999.99	10.00%	6.00%
35,000-39,999.99	11.00%	7.00%
40,000-44,999.99	12.00%	8.00%
45,000-49,999.99	14.00%	10.00%
50,000-54,999.99	20.00%	15.00%
55,000-59,999.99	23.00%	17.00%
60,000-64,999.99	27.00%	21.00%
65,000-69,999.99	29.00%	23.00%
70,000-74,999.99	32.00%	26.00%
75,000-79,999.99	33.00%	27.00%
80,000-94,999.99	34.00%	28.00%
95,000-99,999.99	35.00%	30.00%
100,000 and over	35.00%	35.00%

APPENDIX 3

ACTUARIAL ASSUMPTIONS AND METHODS

Assumptions

The actuarial assumptions used to value the postretirement medical liabilities can be categorized into three groups:

- Economic Assumptions – the discount rate and health care cost trend rates.
- Benefit assumptions – the initial per capita cost rates for medical and prescription drug coverage.
- Demographic assumptions – including the probabilities of retiring, dying, terminating (without a benefit), becoming disabled, recovery from disability, election (participating rates) and coverage levels.

In accordance with local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, we used demographic and health care assumptions consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan (SHBP) as reported in their July 1, 2016 Actuarial Valuation to value the GASB obligations.

ECONOMIC ASSUMPTIONS

The two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

Discount Rate

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that are being partially funded. We assumed a discount rate of 4.5% for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. This rate is derived from the historical performance of the New Jersey State Cash Management Fund.

Health Care Cost Trend Rates

Year	Pre-65 Coverage	Post-65 Coverage	Medicare Part B Premium
2018	6.60%	8.20%	5.0%
2019	6.40%	7.80%	5.0%
2020	6.20%	7.50%	5.0%
2021	6.00%	7.10%	5.0%
2022	5.80%	6.60%	5.0%
2023	5.50%	5.90%	5.0%
2024	5.25%	5.20%	5.0%
2025 & later	5.00%	4.85%	5.0%

BENEFIT ASSUMPTIONS

The valuation projects the cost to the City of providing medical benefits to employees who remain in the medical plan after retirement (postemployment coverage). Future retirees are assumed to remain in the same medical plan they were covered under while active. Under the rules set out in GASB 45, both the direct contribution and any implicit subsidy must be considered in measuring post-retirement medical benefit obligation.

The following premium rates are effective for retiree coverage for the 2018 plan year:

	Retiree		Spouse	
Age	POS Plan with Pharmacy	HMO Plan with Pharmacy	POS Plan with Pharmacy	HMO Plan with Pharmacy
Pre-Medicare	$1,473.12	$1,364.25	$1,740.14	$1,610.12

The Medicare Advantage premium rate per covered member is $526.48 per month. The Medicare Part B reimbursement amount is $118 per month and $134 per month, respectively.

DEMOGRAPHIC ASSUMPTIONS

Mortality

Pre-Retirement: RP-2014 Headcount-Weighted Healthy Employee Male/ Female Mortality Projected with Scale MP-2017.

Post-Retirement: RP-2014 Headcount-Weighted Healthy Annuitant Male/ Female Mortality Projected with Scale MP-2017.

Disabled: RP-2014 Headcount-Weighted Disabled Retiree Male/ Female Mortality Projected with Scale MP-2017

Salary Scale

3.0%

Retirement Rates

Police and Firemen with 25 or more years of service are assumed to retire according to the following rates that vary by age:

Age	25	>25	Age	25	>25
45	.5483	.1540	55	.6494	.2447
46	.5483	.1540	56	.7173	.2447
47	.5483	.1540	57	.7749	.2447
48	.5762	.1848	58	.7749	.2447
49	.5762	.1848	59	.7749	.2734
50	.5762	.1848	60	.7749	.2734
51	.5762	.1848	61	.8524	.3189
52	.5762	.1848	62	.8524	.3189
53	.6111	.2185	63	.8524	.3189
54	.6111	.2447	64	.8524	.5103

100% of Police Officers and Firemen are assumed to retire at age 65 (which is mandated under New Jersey State law), regardless of service.

Civilian employees with 25 or more years of service are assumed to retire according to the following rates that vary by age:

Age	25 or more	Age	25 or more
55	.11700	63	.10500
56	.11700	64	.10500
57	.11700	65	.16538
58	.11700	66	.15750
59	.21000	67	.13650
60	.07800	68	.11550
61	.08400	69	.11550
62	.13440	70	1.0000

100% of civilian employees are assumed to retire at age 70, regardless of service.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

Withdrawal

Turnover rates vary by age and service. Illustrative annual rates are shown below.

Police/Firemen	Years of Service				
Age	2	4	10-19	20	21+
30	0.0275	0.0131	0.0024	0.0000	0.0000
35	0.0317	0.0157	0.0024	0.0000	0.0000
40	0.0225	0.0174	0.0027	0.0400	0.0060
45	0.0225	0.0232	0.0028	0.0400	0.0060
50	0.0225	0.0200	0.0030	0.0430	0.0060
55	0.0600	0.0600	0.0600	0.0600	0.0000
60	0.0320	0.0320	0.0320	0.0320	0.0000
65	-	-	-	-	-

Civilian	Years of Service			
Age	0	1	2	3+
30	.38840	.14667	.13318	.06106
35	.33513	.11744	.10768	.03985
40	.32053	.10516	.10662	.02909
45	.31013	.10082	.10356	.02459
50	.28389	.09584	.09567	.01937
55	.27956	.09395	.09081	.01600
60	.22365	.09395	.06844	.01524

Disability Rates

Disability rates vary by age. Illustrative annual rates are shown below.

Police/Firemen			Civilian		
Age	Ordinary	Accidental	Age	Ordinary	Accidental
30	.00147	.00278	30	.00060	.00004
35	.00265	.00393	35	.00189	.00005
40	.00362	.00423	40	.00269	.00012
45	.00394	.00396	45	.00363	.00017
50	.00449	.00179	50	.00434	.00021
55	.00554	.00161	55	.00587	.00026
60	.01024	.00161	60	.00759	.00030
65	-	-	65	.00932	.00027
70	-	-	70	-	-

Decrement Timing
All decrements and benefit payments are assumed to occur mid- year.

Participation Rates
We have assumed 100% of future retirees who meet the eligibility requirements will participate in the postemployment welfare plans upon retirement.

Spousal/Dependent Coverage
55% of future retirees will have spousal/dependent coverage upon retirement. Current retiree spousal/dependent coverage information was provided. Males are assumed to be 3 years older than females if birth dates are missing.

Chapter 78 Retiree Contributions
Non-grandfathered retiree contributions are based on trended 2018 premium equivalent rates.

Expenses
Administrative expenses for medical and prescription drug costs are included in the above per capita claims costs.

Cadillac Tax
The high cost excise tax ("Cadillac tax") provisions of the Act, which as of December 31, 2017, become effective January 1, 2020, are applicable to the Plan. Subsequent legislation delayed the effective date to January 1, 2022. We reflected the Cadillac tax provisions in the valuation. The Cadillac tax is based on the trended 2018 premium equivalent rates. For projecting the Cadillac tax thresholds, we have assumed that the Consumer Price Index (CPI) will increase at 2.5% per annum.

Methods

Cost Method

The actuarial cost method used to determine the plan's funding requirements is the Projected Unit Credit method. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age.

Asset Valuation Method

The plan is currently unfunded.

Amortization Method and Period

The unfunded actuarial accrued liability is amortized as a level dollar amount using an open period of 30 years.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

GASB 75

On June 2, 2015, the Governmental Accounting Standards Board (GASB) approved a new accounting and financial reporting Statement related to other postemployment benefits (OPEB) for state and local governments. Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, applies to state and local government employers that sponsor OPEB. It replaces Statement No. 45 and requires governments to report a liability on the face of their financial statements for the OPEB provided. Statement No. 75 is effective for fiscal years beginning after June 15, 2017. The Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

NOTE 17: SUBSEQUENT EVENTS

The City of Plainfield has evaluated subsequent events occurring after the financial statement date through September 11, 2018 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

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APPENDIX C

FORM OF APPROVING LEGAL OPINION FOR THE BONDS

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WILENTZ
—ATTORNEYS AT LAW—

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

August ____, 2019

Mayor and City Council
of the City of Plainfield
Plainfield, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of the $24,592,000 aggregate principal amount of General Improvement Bonds, Series 2019 (the "Bonds"), of the City of Plainfield, in the County of Union (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey.

The Bonds are authorized by and are issued pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the City Council of the City on July 8, 2019.

The Bonds are being issued to refund, on a current basis, a $24,592,000 portion (along with $1,083,000 in budgeted paydowns of the City and $3,400,000 of bond anticipation notes) of bond anticipation notes of the City issued in the aggregate principal amount of $29,075,000 on August 24, 2018 and maturing on August 23, 2019.

The Bonds are issued in fully registered, book-entry-only form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Individual purchases of the Bonds will be made in book-entry-only form, without certificates, in principal denominations of $5,000 each or any integral multiple thereof, with a minimum purchase of $5,000 required, except that any Bonds in excess of the largest principal amount equaling a multiple of $5,000 shall be in denominations of $1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the City, as paying agent (or a paying agent duly appointed by the City), directly to Cede & Co., as nominee for DTC. Disbursal of such payments to DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semi-annually on the fifteenth day of February and August in each year (each an "Interest Payment Date"), commencing February 15, 2020, until maturity or prior redemption. The Bonds shall mature on August 15 in each of the years, in the principal amounts and at the interest rates as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2020	$1,300,000	4.000%	2026	$2,600,000	3.000%
2021	1,300,000	4.000	2027	2,600,000	3.000
2022	1,300,000	4.000	2028	2,600,000	2.000
2023	2,500,000	4.000	2029	2,600,000	2.125
2024	2,592,000	4.000	2030	2,600,000	2.250
2025	2,600,000	4.000			

The Bonds maturing prior to August 15, 2027 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after August 15, 2027 are subject to redemption at the option of the City, in whole or in part, on any date on or after August 15, 2026, upon notice as required therein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City enforceable in accordance with their terms, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, all the taxable property within the City is

subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.
\

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The City has covenanted in its tax certificate relating to the Bonds to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the aforementioned covenants and representations stated in its tax certificate, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not "specified private activity bonds" within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

The Bonds maturing on August 15 in the years 2020 through 2027, inclusive (collectively, the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.

We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 15 in the years 2028 through 2030, inclusive (collectively, the "Discount Bonds"), and their respective initial public offering prices to the public (excluding bond houses, brokers or similar person or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for Federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of each of the Bonds, as executed by the City, and, in our opinion, the form of each Bond and their execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

FORM OF APPROVING LEGAL OPINION FOR THE NOTES

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WILENTZ
—ATTORNEYS AT LAW—

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

August ___, 2019

Mayor and City Council
of the City of Plainfield
Plainfield, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Council of the City of Plainfield, in the County of Union (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, and other proofs submitted to us relative to the issuance and sale of the $6,725,000 Bond Anticipation Notes (the "Notes") of the City, dated August 21, 2019, maturing August 20, 2020 and bearing interest at the rate of two and zero hundredths per centum (2.00%) per annum. The Notes are issued in fully registered book-entry-only form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in book-entry-only form, without certificates, in principal denominations of $5,000 each or any integral multiple thereof, with a minimum purchase of $5,000 required, except that any Notes in excess of the largest principal amount equaling a multiple of $5,000 shall be in denominations of $1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the City or a duly designated paying agent directly to Cede & Co., as nominee for DTC.

The Notes are not subject to redemption prior to maturity.

The bonds in anticipation of which the Notes are issued have been authorized pursuant to (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the City Council of the City on July 8, 2019. The Notes are being issued to (i) refund, on a current basis, a $3,400,000 portion of bond anticipation notes of the City issued in the aggregate principal amount of $29,075,000 on August 24, 2018 and maturing on August 23, 2019, and (ii) temporarily finance the cost of various capital improvements and purposes in and by the City in the amount of $3,325,000, including paying the costs associated with the issuance of the Notes.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, (ii) the Notes are valid and legally binding general obligations of the City, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The City has covenanted in its tax certificate relating to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the aforementioned covenants and representations stated in its tax certificate, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. The Notes are not "specified private activity bonds" within the meaning of Section 57 of the Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the form of the unexecuted Notes and, in our opinion, the form is regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated August ___, 2019 (the "Disclosure Certificate") is executed and delivered by the City of Plainfield, in the County of Union (the "City" or the "Issuer"), a municipal corporation organized and existing under the laws of the State of New Jersey, in connection with the issuance of its $24,592,000 aggregate principal amount of General Improvement Bonds, Series 2019 (the "Bonds"), all such Bonds being dated their date of delivery. The Bonds are being issued pursuant to (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented; (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law; and (iii) a resolution entitled, "RESOLUTION (A) PROVIDING FOR THE COMBINATION OF CERTAIN BOND ORDINANCES AND DETERMINING THE FORM AND OTHER DETAILS OF THE OFFERING OF $24,592,000 GENERAL IMPROVEMENT BONDS, SERIES 2019, OF THE CITY OF PLAINFIELD, IN THE COUNTY OF UNION, STATE OF NEW JERSEY AND PROVIDING FOR THEIR SALE, AND (B) AUTHORIZING THE SALE AND ISSUANCE OF $6,725,000 BOND ANTICIPATION NOTES, SERIES 2019" (the "Resolution"), being duly adopted by the City Council of the City on July 8, 2019. The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders of the Bonds and Beneficial Owners of the Bonds and in order to assist the participating Underwriter(s) in complying with the Rule (as defined below). The City acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, as applicable (including persons holding Bonds, as applicable, through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for Federal income tax purposes.

"*Business Day*" shall mean any day other than a Saturday, Sunday or a day on which the City or the Dissemination Agent (as defined below) is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report; (ii) any notice required to be filed by the City or the Dissemination Agent (as defined below) with EMMA (as defined below) pursuant to Section 3 of this Disclosure Certificate; and (iii) any notice of a Listed Event required to be filed by the City or the Dissemination Agent (as defined below) with EMMA (as defined below) pursuant to Section 5 of this Disclosure Certificate.

"Disclosure Representative" shall mean the Chief Financial Officer of the City or her designee, or such other person as the City shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, Phoenix Advisors, LLC, or any Dissemination Agent subsequently designated in writing by the City which has filed with the City a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined below) and approved by the SEC (as defined below) to provide a central location where investors can obtain municipal bond information including disclosure documents. The City or the Dissemination Agent shall submit disclosure documents to EMMA as a Portable Document File (PDF file) to www.emma.msrb.org.

"*Financial Obligation*" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below), through the EMMA system, consistent with the Rule (as defined below).

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"*National Repository*" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC (as defined below) as a repository for purposes of the Rule (as defined below).

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC (as defined below) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of New Jersey.

"Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The City shall, not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the City's reporting obligations under this Disclosure Certificate pursuant to the provisions of Section 6 of this Disclosure Certificate, provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the City (commencing for the fiscal year ending December 31, 2018). Each Annual Report provided to the Dissemination Agent by the City shall comply with the requirements of Section 4 of this Disclosure Certificate but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) The Dissemination Agent, promptly (within ten (10) Business Days) after receiving the Annual Report from the City, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate to the National Repository and stating the date it was provided to the National Repository.

(c) If the City fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the City advising of such failure. Whether or not such notice is given or received, if the City thereafter fails to submit the Annual Report to the Dissemination Agent within ten (10) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the City) to the National Repository in substantially the form attached as Exhibit A hereto.

SECTION 4. Content of Annual Reports. (a) The City's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the City as of December 31 of each year (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available);

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles ("GAAP") and the budget laws of the State;

(2) The most current annual debt statement of the City (as of December 31); and

(3) The general financial information and operating data of the City consistent with the information set forth in Appendix A to the Official Statement dated July 30, 2019 prepared in connection with the sale of the Bonds (the "Official Statement"), consisting of (1) City indebtedness, (2) property valuation information, and (3) tax rate, levy and collection data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB, through the EMMA system. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

1. Principal and interest payment delinquencies;

2. Nonpayment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances of the Bonds;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;

11. Rating changes relating to the Bonds;

12. Bankruptcy, insolvency, receivership or similar event of the City;

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;

15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

The City shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the City may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the City has or obtains knowledge of the occurrence of any of the Listed Events, the City shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the City determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the City is not the Dissemination Agent) and the City shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the City determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the City) and the Dissemination Agent (if the Dissemination Agent is not the City) shall be instructed by the City not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the City (if the Dissemination Agent is not the City). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance or payment in full of all of the Bonds or when the City is no longer an "Obligated Person" (as defined in the Rule). The City shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) of this Disclosure Certificate.

SECTION 7. Dissemination Agent; Compensation. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Phoenix Advisors, LLC. The City shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the City to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the City or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Resolution at the time of the amendment. The City shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 of this Disclosure Certificate. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 of this Disclosure Certificate, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the City agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the City) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the City further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the City under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the City:

City of Plainfield
401 Chambers Bridge Road
Plainfield, New Jersey 08723
Attention: Chief Financial Officer

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the City and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 15. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the City and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

CITY OF PLAINFIELD

By: ________________________________
RICHARD J. GARTZ
Chief Financial Officer

Acknowledged and Accepted by:

PHOENIX ADVISORS, LLC,
as Dissemination Agent

____
Authorized Signatory

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Plainfield, in the County of Union, State of New Jersey
Name of Issue:	$24,592,000 General Improvement Bonds, Series 2019 Dated: August 21, 2019 (CUSIP Number: 726345LD1)
Date of Issuance:	August 21, 2019

NOTICE IS HEREBY GIVEN that the above designated City has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution and a Continuing Disclosure Certificate for the Bonds dated August 21, 2019 executed by the City.

DATED: ______________________________

____
DISSEMINATION AGENT
(on behalf of the City)

cc: The City

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

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CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

I, RICHARD J. GARTZ, Chief Financial Officer of the City of Plainfield, in the County of Union (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the issuance of $6,725,000 aggregate principal amount of Bond Anticipation Notes, Series 2019 (the "Notes"), dated August 21, 2019 and maturing August 20, 2020, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the City will provide notice of certain material events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to www.emma.msrb.org, of any of the following events with respect to the Notes herein described, as applicable, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or other material events effecting the tax-exempt status of the security; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and lender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the City other than in the ordinary course of business, entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

"*Financial Obligation*" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below), through the EMMA system, consistent with the Rule (as defined below).

Whenever the City obtains actual knowledge of the occurrence of any of the aforementioned events and when the occurrence of such events will constitute material information to the holders of the Notes, the City shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis.

The City's obligations under this Certificate shall terminate upon the defeasance or payment in full of the Notes.

In the event the City fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the City's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the City, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the City on this ____ day of August, 2019.

CITY OF PLAINFIELD, IN THE COUNTY OF UNION, STATE OF NEW JERSEY

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RICHARD J. GARTZ,
Chief Financial Officer