

THE BOROUGH OF AMBLER
MONTGOMERY COUNTY, PA

ORDINANCE NO. 1076

AN ORDINANCE INCREASING THE INDEBTEDNESS OF
AMBLER BOROUGH, MONTGOMERY COUNTY,
PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION
TERM NOTE IN THE AMOUNT OF \$1.89 MILLION DOLLARS AND A LINE
OF CREDIT NOTE IN THE AMOUNT OF \$1.7 MILLION DOLLARS, THE
LATTER

TO BE CONVERTED TO A GENERAL OBLIGATION NOTE IN AN
AMOUNT NOT TO EXCEED \$1.7 MILLION DOLLARS WITHIN
THIRTY-SIX MONTHS, BOTH FOR SUNDRY PURPOSES RELATED TO
THE PURCHASE AND RENOVATION OF A NEW BOROUGH HALL;
FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY
THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT
SERVICE ON THE NOTES; PROVIDING FOR THE FILING OF THE REQUIRED
DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND
DEPOSITORY FOR THE NOTES; AND AUTHORIZING EXECUTION, SALE
AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Borough of Ambler, Montgomery County, Pennsylvania be increased for the following purpose: purchase and renovation of a new Borough Hall, being the former Mattison Avenue Elementary School; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of \$1.89 million will be needed for acquisition and an amount not in excess of \$1.7 million will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Borough of Ambler, Montgomery County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. That the increase in the indebtedness of Ambler Borough in the aggregate principal amount of the General Obligation Term Note of the Borough of Ambler, Montgomery County, Pennsylvania, proposed to be issued is \$1.89 million dollars fixed amount for acquisition, 30 year conventional financing, and the General Obligation Line of Credit Note with \$1.7 million dollars available, to be converted to a general obligation note (same as previous) in a fixed and determined amount within thirty-six months, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt, is approved.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of thirty years.

SECTION 3. Said indebtedness shall be evidenced by one General Obligation Term Note, in fully registered form, in the sum of \$1.89 million dollars dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act, at the rate of interest of 4.15% per annum, payable on the unpaid balance of said Note monthly commencing December, 2013, during the term of said Note, fixed principal and interest payments for 360 months; AND, a General Obligation Line of Credit Note in the amount of \$1.7 million dollars, also at the rate of 4.15%, interest only for 36 months and thereafter the outstanding balance, in an amount less than \$1.7 million dollars, converted to a term obligation with fixed monthly principal and interest payments for 324 months thereafter.

The repayment schedule is as follows: For the General Obligation Term Note in the amount of \$1.89 million dollars, 360 consecutive payments of \$9,187.36. For the General Obligation Line of Credit Note, the schedule for the first thirty-six months will be determined by the interest due on the amount outstanding on the Note, and the remaining schedule will be determined at the time of conversion to fixed principal and interest payments which shall remain at the rate of 4.15%.

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payments dates thereof, without notice or penalty.

The principal and interest of said Notes shall be payable at the office of the sinking fund depository selected for the Notes as hereinafter provided.

SECTION 4. The said Notes are hereby declared to be general obligations of the

Borough of Ambler, Montgomery County, Pennsylvania. The local government unit hereby covenants that it shall include the amount of debt service on the Notes for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Notes according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Borough of Ambler is hereby irrevocably pledged. Further, Ambler Borough does specifically pledge the revenue from its business privilege tax to repayment of the obligations herein.

SECTION 5. The form of said Notes shall be substantially as set forth in the attached Exhibit A.

SECTION 6. The said Notes shall be executed in the name and under the corporate seal of the local government unit by the President of Borough Council and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Notes to the purchaser, and receive payment and access to funds therefor on behalf of the local government unit. The Council President and Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. Ambler Savings Bank, Ambler, PA is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2013 General Obligation Notes" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTIONS. The Council President and Secretary of the local government unit are hereby authorized to contract with Ambler Savings Bank for its services as Sinking Fund

Depository for the Notes and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the General Obligation Term Note in the amount of \$1.89 million dollars and the General Obligation Line of Credit Note in the amount of \$1.7 million dollars available, herein authorized to be issued and sold are hereby awarded and sold to Ambler Savings Bank in accordance with its proposal to purchase the said Notes at par; provided the said Notes are dated the date of delivery thereof to the Ambler Savings Bank and are in the form set forth in this Ordinance as Exhibit A; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act.

SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Norristown Times Herald, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 17th day of December, 2013.

BOROUGH OF AMBLER

BY: Peter Amento
Peter Amento, Council Vice President

ATTEST: Mary Aversa
Mary Aversa, Borough Secretary