

**TOWNSHIP OF ASTON**  
**DELAWARE COUNTY, PENNSYLVANIA**  
**ORDINANCE NO. 2018 – 975**

AN ORDINANCE THAT AUTHORIZES THE INCURRENCE OF NON-ELECTORAL DEBT BY THE TOWNSHIP OF ASTON, DELAWARE COUNTY, PENNSYLVANIA (THE "TOWNSHIP") PURSUANT TO THE ISSUANCE OF THE GENERAL OBLIGATION NOTES, 2018 SERIES (THE "2018 NOTES") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,250,000 AND APPROVES CERTAIN CAPITAL PROJECTS; APPROVES THE NEGOTIATED SALE OF THE 2018 NOTES TO THE DELAWARE VALLEY REGIONAL FINANCE AUTHORITY; APPROVES THE SUBSTANTIAL FORMS OF THE LOAN DOCUMENTS AND AUTHORIZES EXECUTION AND DELIVERY OF ALL NECESSARY DOCUMENTS; STATES THE AMORTIZATION SCHEDULE AND MAXIMUM ANNUAL DEBT SERVICE PAYMENTS; AUTHORIZES AND AWARDS A TRANSACTION UNDER A QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT AND AUTHORIZES AND DIRECTS A FILING TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; PLEDGES THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP FOR THE TIMELY REPAYMENT OF THE 2018 NOTES, INCLUDING THE PERIODIC PAYMENTS DUE UNDER THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; COVENANTS TO PAY ANY TERMINATION CHARGES; CREATES AND APPOINTS A SINKING FUND DEPOSITORY; AUTHORIZES THE APPLICATION FOR APPROVAL OF THE ISSUANCE OF THE 2018 NOTES TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZES ADVERTISEMENT OF ENACTMENT; AND REPEALS INCONSISTENT ORDINANCES.

**WHEREAS**, the Board of Commissioners of the Township has determined to undertake certain capital projects (collectively, the "2018 Project") consisting of: (i) the acquisition of real estate, (ii) the construction of, and renovations to buildings and facilities of the Township, and (iii) construction of, acquisitions of, and renovations to buildings and facilities of the Aston Township Fire Department, that will benefit the health and welfare of the residents of the Township; and

**WHEREAS**, the Township has obtained preliminary cost estimates for the 2018 Project from persons qualified by experience; and

**WHEREAS**, the incurrence of non-electoral debt by the issuance of the Township's General Obligation Notes, 2018 Series (the "2018 Notes") is necessary to provide the funding to complete the 2018 Project; and

**WHEREAS**, the Township expects to expend its general operating funds on the 2018 Project prior to the issuance of the 2018 Notes; and

**WHEREAS**, the Township has determined to issue the 2018 Notes to (i) reimburse the expenditures of the Township's general operating funds on the 2018 Project, (ii) fund the completion of the 2018 Project, (iii) pay interest during construction, and (iv) pay the costs of issuance of the 2018 Notes; and

**WHEREAS**, the 2018 Project shall be for the benefit and use of the general public, and no private party shall have any special legal entitlement to the beneficial use of the 2018 Project, through a lease, management contract, or any other arrangement that would result in a private business use under the *Internal Revenue Code of 1986*, as amended; and

**WHEREAS**, the proposed increase of non-electoral debt from the issuance of the 2018 Notes, together with the non-electoral and lease rental debt presently outstanding, will not cause the constitutional or statutory debt limitations of the Township to be exceeded; and



**WHEREAS**, the Delaware Valley Regional Finance Authority (“DeIVal”), a public authority within the meaning of the *Local Government Unit Debt Act*, 53 Pa. C.S.A. §8001, *et seq* (the “*Debt Act*”), has from time to time issued Local Government Revenue Bonds (the “DeIVal Bonds”), to provide funds for loans to local government units and municipal authorities (the “Loan Program”); and

**WHEREAS**, from time to time, DeIVal has entered interest rate swap agreements related to the DeIVal Bonds (collectively, the “DeIVal Swap Agreement”) to provide a more cost effective Loan Program and to allow participants in the Loan Program to manage interest rate risk more efficiently; and

**WHEREAS**, Calhoun Baker Inc. (the “Financial Advisor”) is an “Independent Financial Advisor”, as such term is defined in the *Debt Act*, to DeIVal, and the Financial Advisor has prepared an “Interest Rate Management Plan” (the “Plan”), as such term is defined in the *Debt Act*, and an Interest Rate Swap Management Policy (the “Swap Policy”) that have been adopted by the Board of Directors of DeIVal; and

**WHEREAS**, DeIVal established minimum rating criteria for any counterparty to the DeIVal Swap Agreement of long term, senior, unsecured debt ratings in the “AA-” or “Aa3” category or higher, or ratings equal to or higher than any active counterparty, by a Nationally Recognized Statistical Rating Organization registered with the Securities and Exchange Commission, and the Board of Directors of DeIVal found that the award of transactions under the DeIVal Swap Agreement by negotiation in private sales were in the best financial interests of DeIVal and the participants in the Loan Program, and the Financial Advisor concluded that the financial terms and conditions of the DeIVal Swap Agreement were fair and reasonable as of the dates of award; and

**WHEREAS**, the Township wishes to utilize the DeIVal Loan Program by issuing the 2018 Notes to DeIVal; and

**WHEREAS**, under the terms of the Loan Agreement with DeIVal, interest payments on the 2018 Notes (the “Loan Interest”) will equal the amounts allocable to the 2018 Notes for interest on the DeIVal Bonds, periodic scheduled payments on the DeIVal Swap Agreement, and other costs and liquidity requirements incurred by DeIVal to administer the Loan Program; and

**WHEREAS**, under the terms of the Loan Agreement with DeIVal, the principal amount outstanding of the 2018 Notes (the “Loan Principal”) will equal the notional amount of the DeIVal Swap Agreement related to the 2018 Notes; and

**WHEREAS**, the Board of Commissioners intends to (i) designate the Loan Agreement and the allocable portion of the DeIVal Swap Agreement as a Qualified Interest Rate Management Agreement related to the 2018 Notes, (ii) approve the Plan as the Interest Rate Management Plan required by the *Debt Act*, and (iii) adopt the Swap Policy.



NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF ASTON, DELAWARE COUNTY, PENNSYLVANIA, AND IT IS HEREBY ORDAINED AND ENACTED BY THE AUTHORITY OF SAID BOARD OF COMMISSIONERS THAT:

**SECTION 1. APPROVAL OF THE 2018 PROJECT AND AUTHORIZATION TO ISSUE THE 2018 NOTES**

Pursuant to §8142(a)(2) of the *Debt Act*, the thirty-year weighted average useful life of the 2018 Project exceeds the twenty-year term of the 2018 Notes. The principal of the 2018 Notes shall be amortized to provide more overall, level, annual debt service, pursuant to §8142(b)(2) of the *Debt Act*. The amortization of the principal amounts of the 2018 Notes shall begin within two years of the date of issue in accordance with §8142(c) of the *Debt Act*. The Board of Commissioners (the "Board") hereby authorizes and approves the 2018 Project. The Board hereby authorizes and directs the incurrence of non-electoral, general obligation debt in the aggregate principal amount of \$12,250,000 by the issuance of the 2018 Notes.

**SECTION 2. APPROVAL OF THE LOAN COMMITMENT**

The Board, after due deliberation and investigation, hereby determines that a private sale by negotiation of the 2018 Notes to DelVal is in the best financial interests of the Township. The Board hereby accepts the Loan Commitment from DelVal, attached hereto, to purchase the 2018 Notes at an aggregate price of \$12,250,000 from the proceeds of the DelVal Bonds. The Township shall be responsible for paying DelVal's costs of origination in an amount not to exceed \$61,250, as directed by DelVal's Program Administrator upon the issuance of the 2018 Notes. The 2018 Notes shall be purchased by DelVal on or about February 26, 2018, or in such installments and/or at such other times as the President or Vice-President of the Board and DelVal's Program Administrator shall determine.

**SECTION 3. APPROVAL OF THE FORMS OF THE LOAN DOCUMENTS AND AUTHORIZATION TO EXECUTE AND DELIVER ALL NECESSARY DOCUMENTS**

The substantial forms of the Loan Agreement, 2018 Notes, Participant Continuing Disclosure Agreement, and Participant Tax Compliance Agreement (collectively, the "Loan Documents") attached to the Loan Commitment are hereby approved. The President or Vice-President and the Secretary of the Board (collectively, the "Authorized Officers") are hereby authorized and directed to execute and deliver the Loan Documents, in the substantial forms attached to the Loan Commitment, but with such alterations, deletions and additions as the Authorized Officers may approve (such approval to be conclusively established by the execution of the Loan Documents by the Authorized Officers). The Authorized Officers also are hereby authorized and directed (i) to execute and deliver such other certificates, instruments, and agreements (including those required by any institution issuing a financial guaranty policy, municipal bond insurance policy, letter of credit, or similar instrument related to the DelVal Bonds or the 2018 Notes) and (ii) to take all actions that may be necessary or beneficial to issue the 2018 Notes.

**SECTION 4. AMORTIZATION SCHEDULE AND MAXIMUM ANNUAL DEBT SERVICE PAYMENTS**

The indebtedness of the 2018 Notes shall be non-electoral debt and a general obligation of the Township and shall be evidenced by Promissory Notes in the aggregate par amount of TWELVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$12,250,000). The 2018 Notes shall bear interest (the "Loan Rate") at the rate specified in the Loan Agreement and the 2018 Notes, the substantial forms of which are attached to the Loan Commitment. The 2018 Notes shall be subject to optional redemption by the Township as set forth in the



2018 Notes and the Loan Agreement. The amortization schedule of the Loan Principal and the maximum Loan Interest payments under the 2018 Notes, based upon the maximum Loan Rate of 15%, are shown below:

**General Obligation Notes, 2018 Series Principal Amortization Schedule and Maximum Annual Debt Service Payments**

Bond Year Ending	Total Principal (1)	Maximum Interest Rate	Maximum Interest Payment (2)	Maximum Annual Debt Service
25-Feb-19	\$ -	15%	\$ 1,832,395.83	\$ 1,832,395.83
25-Feb-20	240,000.00	15%	1,837,500.00	2,077,500.00
25-Feb-21	246,000.00	15%	1,801,500.00	2,047,500.00
25-Feb-22	253,000.00	15%	1,764,600.00	2,017,600.00
25-Feb-23	259,000.00	15%	1,726,650.00	1,985,650.00
25-Feb-24	268,000.00	15%	1,687,800.00	1,955,800.00
25-Feb-25	274,000.00	15%	1,647,600.00	1,921,600.00
25-Feb-26	457,000.00	15%	1,606,500.00	2,063,500.00
25-Feb-27	469,000.00	15%	1,537,950.00	2,006,950.00
25-Feb-28	771,000.00	15%	1,467,600.00	2,238,600.00
25-Feb-29	793,000.00	15%	1,351,950.00	2,144,950.00
25-Feb-30	815,000.00	15%	1,233,000.00	2,048,000.00
25-Feb-31	838,000.00	15%	1,110,750.00	1,948,750.00
25-Feb-32	862,000.00	15%	985,050.00	1,847,050.00
25-Feb-33	886,000.00	15%	855,750.00	1,741,750.00
25-Feb-34	911,000.00	15%	722,850.00	1,633,850.00
25-Feb-35	937,000.00	15%	586,200.00	1,523,200.00
25-Feb-36	963,000.00	15%	445,650.00	1,408,650.00
25-Feb-37	990,000.00	15%	301,200.00	1,291,200.00
25-Feb-38	<u>1,018,000.00</u>	15%	<u>152,700.00</u>	<u>1,170,700.00</u>
Total	<u>\$ 12,250,000.00</u>		<u>\$ 24,655,195.83</u>	<u>\$ 36,905,195.83</u>

(1) Principal is payable annual, commenting on: 25-Feb-20  
Principal is amortized to provide more level overall annual debt service.

(2) Interest is payable monthly on the 25<sup>th</sup>, commencing: 25-Mar-18  
Interest is calculated for the period beginning on: 26-Feb-18

**SECTION 5. AUTHORIZATION AND AWARD OF A QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT**

The Township is incurring indebtedness under the *Debt Act* that will be issued to DeVal, a public authority, and the Township, by execution of the Loan Agreement, will become obligated for a notional amount of the DeVal Swap Agreement equal to the outstanding principal amount of the 2018 Notes. The Board hereby accepts and adopts the Plan as the Interest Rate Management Plan fulfilling the requirements of §8281(b)(2) of the *Debt Act*. The Board hereby adopts the Swap Policy, accepts and ratifies the minimum criteria used by DeVal to select the counterparties of the DeVal Swap Agreement, and accepts and ratifies the award of the DeVal Swap Agreement in a private sale by negotiation. The Board hereby authorizes and awards the Loan Agreement and the portion of the DeVal Swap Agreement allocable to the 2018 Notes as the Qualified Interest Rate Management Agreement with respect to the 2018 Notes, pursuant to §8281(a)(2) of the *Debt Act*. The Board hereby authorizes and directs the filing, to the Department of Community and Economic Development ("DCEd") within fifteen days of enactment, of a certified copy of this Ordinance and the following documents, in accordance with §8284(a)(1) of the *Debt Act*:

- 1) Form of the Loan Agreement and the DeVal Swap Agreement, the Qualified Interest Rate Management Agreement pursuant to §8281(b)(1) of the *Debt Act*,
- 2) The Interest Rate Management Plan pursuant to §8281(b)(2)(ii) of the *Debt Act*, and
- 3) The finding of the Financial Advisor that the financial terms and conditions of the DeVal Swap Agreement were fair and reasonable as of the date of the award by DeVal, pursuant to §8281(e)(5) of the *Debt Act*.



## **SECTION 6. PLEDGE OF THE FULL FAITH, CREDIT, AND TAXING POWER**

The Township hereby covenants to:

- 1) Include all payments of Loan Interest and Loan Principal payable under the Loan Agreement and the 2018 Notes in the budget of the fiscal year in which such amounts are due and payable,
- 2) Appropriate such amounts from its taxes and other general revenues, and
- 3) Pay, or cause to be paid, punctually and duly, such amounts that are due and payable under the 2018 Notes and the Loan Agreement on the dates, at the places, and in the manner stated in the 2018 Notes and the Loan Agreement. For such budgeting, appropriation, and payment, the Township irrevocably pledges its full faith, credit, and taxing power. As provided by the *Debt Act*, this covenant shall be specifically enforceable.

## **SECTION 7. OBLIGATIONS OF THE TOWNSHIP RELATED TO THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT**

The Township's obligations related to the Qualified Interest Rate Management Agreement are set forth in the Loan Agreement. In accordance with §8281 of the *Debt Act*:

- 1) The Township pledges its full faith, credit, and taxing power to make any periodic scheduled payments due and payable under the De/Val Swap Agreement related to the 2018 Notes and Loan Agreement (the "Periodic Payments"). The Township covenants to (a) include all Periodic Payments in the budget of the fiscal year in which such amounts are due and payable, (b) appropriate such amounts from its taxes and other general revenues, and (c) pay, or cause to be paid, punctually and duly, such amounts that are due and payable on the dates, at the places, and in the manner stated in the 2018 Notes and the Loan Agreement. As provided by the *Debt Act*, this covenant shall be specifically enforceable.
- 2) The notional amount of the De/Val Swap Agreement related to the 2018 Notes is equal to the outstanding principal amount of the 2018 Notes, initially \$12,250,000.
- 3) The Township's obligations under the De/Val Swap Agreement end when the Township repays or prepays the amounts outstanding under the 2018 Notes and the Loan Agreement. The scheduled term of the Township's obligations related to the De/Val Swap Agreement ends on February 25, 2038.
- 4) The Township pledges to budget, appropriate, and pay any termination payment due and payable under the De/Val Swap Agreement related to the 2018 Notes and Loan Agreement (the "Termination Charge"). The Township covenants to (a) include any Termination Charge in the budget of the fiscal year in which such amounts are due and payable, (b) appropriate such amounts from its taxes and other general revenues, and (c) pay, or cause to be paid, punctually and duly, such amounts that are due and payable on the dates, at the places, and in the manner stated in the 2018 Notes and the Loan Agreement. The Township's obligations to make Periodic Payments are senior to any obligation for a Termination Charge.
- 5) The maximum annual Periodic Payments, not including any Termination Charge, shall not exceed the maximum annual debt service payments authorized for the 2018 Notes. The maximum Loan Rate under the Loan Agreement and the maximum floating rate under the De/Val Swap Agreement is 15%.

## **SECTION 8. SINKING FUND DEPOSITORY**

The Board hereby finds and acknowledges that under the terms of the Loan Agreement, Wells Fargo Bank, N.A. (the "Bank"), or its successors or assigns, shall serve and is hereby appointed as the Paying Agent and Sinking Fund Depository, shall maintain separate accounts, subaccounts and sub funds for payments of Loan Principal and Loan Interest to be made by the Township until such 2018 Notes are paid in full. These accounts, subaccounts, and sub funds shall, collectively, constitute the "Sinking Fund" required by the *Debt Act* for

the 2018 Notes. The Township shall deposit into the Sinking Fund sufficient amounts for payment of principal of and interest on the 2018 Notes 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 Township, withdraw available monies in the Sinking Fund and apply said monies to payment of principal of and interest on the 2018 Notes. The Board hereby authorizes, empowers, and directs the Authorized Officers to contract with the Bank, by the execution of the Loan Agreement, to serve as Paying Agent and Sinking Fund Depository for the 2018 Notes.

**SECTION 9. AUTHORIZATION TO SUBMIT STATEMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

The Board hereby authorizes and directs the preparation and submission of an application for approval of the incurrence of the non-electoral debt evidenced by the 2018 Notes to DCED, including the proceedings that authorize issuance, the debt statement, and any other documents required by the *Debt Act* or DCED.

**SECTION 10. LEGAL ADVERTISEMENTS**

The Board hereby ratifies and directs the advertisement of a summary of this Ordinance as finally enacted, as required by the *Debt Act*, in the *Delaware County Daily Times*, a newspaper of general circulation in the Township, within fifteen (15) days following the date of final enactment.

**SECTION 11. CONFLICTING ORDINANCES**

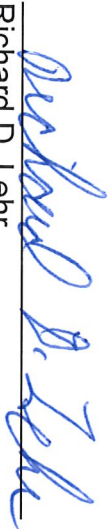
All Ordinances or parts of Ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

**IN WITNESS WHEREOF**, we, the undersigned Authorized Officers, have hereunto set our signatures and affixed hereto the Seal of the TOWNSHIP OF ASTON, Delaware County, Pennsylvania. Dated: January 17, 2018

  
\_\_\_\_\_  
JAMES M. STIGALE  
President, Board of Commissioners

[Seal]

ATTEST:

  
\_\_\_\_\_  
Richard D. Lehr  
Secretary, Board of Commissioners



General Obligation Notes, 2018 Series  
Projects Funded by the Loan

<b>New Fire Station:</b> This includes architectural & engineering fees and construction costs. The existing fire station structure will be used in the construction of the new station.	\$7,000,000
<b>Community Center:</b> This includes new roof, new HVAC system, new security system & cameras, architectural & engineering plans, new addition to the building, community center painting, new rest room stalls and other improvements.	650,000
<b>Special Needs Playground:</b> This includes the design, engineering, construction and equipment for a new facility on the Community Center property.	200,000
<b>Concord Road Streetscaping:</b> This included new pedestrian lighting, traffic signals and other streetscape components similar to the work completed on Pennell Road.	500,000
<b>Pennell Road Streetscaping:</b> This includes completion of the streetscaping on Pennell Road between Lamp Post Lane and Dutton Mill Road similar to the work previously completed.	330,000
<b>Pennell Road Trestle:</b> This includes the preparation, rust removal and painting of the Chester Rail Trail Trestle over Pennell Road below Mount Road.	50,000
<b>New Municipal Building &amp; Police Station:</b> This includes the planning, design, architectural work and engineering needed for the new building which will include the Aston District Court.	2,900,000
<b>Security System &amp; Cameras:</b> This includes the purchase and installation of a new security system and cameras for the existing Police Station and Public Works compound.	150,000
<b>New Software:</b> This includes the purchase and installation of updated computer software for Code Enforcement and Administration.	150,000

**New Public Works Facility:** This includes the demolition of the existing Public Works compound and removal of underground fuel tanks. Additionally, the expenditure includes the planning, design, architectural work, engineering and construction of a new Public Works facility, security system and cameras.

3,100,000

**New 2018 Sanitation Truck:** This includes the purchase and delivery of a new Leach Sanitation Truck with a Peterbuilt Chassis.

170,000

**Valley View (Vinsmith) Park Improvements:** This includes the remaining amount due on the Township match for the grant from the Commonwealth.

82,000

**Newsome Pond Improvements:** This includes the remaining amount due on the Township match for the grant from the Commonwealth.

60,000

**Concord & Donnelly Road Roundabout:** This includes the Township match on the grant from the Commonwealth for the roundabout at the Community Center.

80,000

**Additional Streetscaping Enhancements on Pennell Road:**

This includes traffic signals, pedestrian lighting from Dutton Mill Road to Springbrooke Boulevard, crosswalks, islands, landscaping and other components on Pennell Road not previously funded by

480,000

**New Sound System for Meeting Room:** This includes replacement of the sound system in the Commissioners Meeting Room to improve and enhance broadcasting of public meetings over the Township TV Channel.

18,000

**Total Proposed Expenditures:**

**\$15,920,000**

The proposed expenditures represent the Township's vision over the next 3 to 5 years. While the amount of the General Obligation Notes, 2018 Series is \$12,000,000, this will fund the next phase of the vision plan. These expenditures will be fund by the proceeds of the General Obligation Notes, 2018 series, available grants from the Commonwealth and current and future tax dollars.