

**MUNICIPALITY OF NORRISTOWN
A HOME RULE MUNICIPALITY
MONTGOMERY COUNTY, PENNSYLVANIA**

RESOLUTION NO. 20-21

A RESOLUTION OF THE MUNICIPAL COUNCIL OF THE MUNICIPALITY OF NORRISTOWN, MONTGOMERY COUNTY, PENNSYLVANIA, EXPRESSING THE MUNICIPALITY'S INTENT TO ISSUE GENERAL OBLIGATION, NONELECTORAL DEBT FOR THE PURPOSE OF FINANCING, INTER ALIA, A CERTAIN CAPITAL PROJECT OF THE MUNICIPALITY; DECLARING THE MUNICIPALITY'S OFFICIAL INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF A TAX-EXEMPT OBLIGATION TO BE ISSUED BY THE MUNICIPALITY FOR CERTAIN EXPENDITURES RELATING TO THE CAPITAL PROJECT; DESCRIBING THE PROJECT AND IDENTIFYING A SOURCE OF THE MUNICIPALITY'S FUNDS TO BE APPLIED TO THE PAYMENT OF EXPENDITURES RELATED TO THE CAPITAL PROJECT FOR WHICH THIS MUNICIPALITY EXPECTS TO BE REIMBURSED; PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION; PROVIDING FOR SEVERABILITY OF THIS RESOLUTION; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the Municipality of Norristown, Montgomery County, Pennsylvania (the "Municipality"), is a municipality existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") and is a home rule municipality governed by its Council (the "Council"); and

WHEREAS, the Municipality has determined that it is necessary and desirable to provide for the funding of a certain project, as such term is defined in the Local Government Unit Debt Act, 53 Pa.C.S.A. § 8001 *et seq.*, as amended and supplemented (the "Debt Act"), including, but not limited to, financing (A) the costs of the planning, designing, acquiring and constructing, as applicable, of certain improvements to buildings and facilities owned by the Municipality (collectively, the "Capital Project"), and (B) the payment of costs of issuing debt in connection with undertaking the Capital Project (together with the Capital Project, the "Project"); and

WHEREAS, the Municipality, in order to initially fund the costs and expenses of the Project, desires to undertake financing in a maximum approximate principal amount of \$13,000,000, to be derived from the proceeds of general obligation, nonelectoral debt to be issued for such purpose, the interest on which such debt is intended to be excluded from gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended and supplemented (the "Code"), which financing herein is referred to as the "Tax-Exempt Financing"; and

WHEREAS, the Municipality, prior to the issuance of the Tax-Exempt Financing, expects to incur costs and to make capital expenditures for the Capital Project with monies from other available sources, which capital expenditures herein are referred to as the "Original Expenditures"; and

WHEREAS, the Municipality desires to reimburse the Original Expenditures with proceeds of the Tax-Exempt Financing; and

WHEREAS, a declaration of intent to so reimburse the Original Expenditures with said proceeds is required by the regulations promulgated under Sections 103 and 141-150 of the Code; and

WHEREAS, the Municipality, in compliance with the Code, desires to so declare its official intention to reimburse Original Expenditures with proceeds of the Tax-Exempt Financing, and further, desires to express its intent to issue nonelectoral debt of the Municipality to be evidenced by the Tax-Exempt Financing.

NOW, THEREFORE, BE IT RESOLVED, by the Municipal Council of the Municipality, as follows:

1. The foregoing recitals to this Resolution, and the defined terms therein, are incorporated herein and made a part hereof. It is the intent of the Municipality to undertake the Project and the financing thereof by the issuance of the Tax-Exempt Financing.

2. The reasonably expected source of funds that will be used to pay the Original Expenditures related to the Capital Project is the Municipality's General Fund, which the Municipality reasonably expects to reimburse from proceeds of the Tax-Exempt Financing. All Original Expenditures to be reimbursed will be permitted expenditures under the Code including, but not limited to, capital expenditures or costs of issuance with respect to the Tax-Exempt Financing. The expenditures made by the Municipality which are to be reimbursed in accordance with the intent of this Resolution relate to the expenditures deemed reasonably necessary for the Capital Project prior to the Tax-Exempt Financing.

3. This Resolution constitutes a declaration of official intent, under the United States Treasury Regulations, 26 C.F.R. §1.150-2, to reimburse the Municipality for expenditures made with respect to eligible costs of the Capital Project. This official intent encompasses payment of original expenditures made not more than sixty (60) days prior to the date of adoption of this Resolution and thereafter, for which the Municipality reasonably expects to reimburse itself from proceeds of the Tax-Exempt Financing.

4. In connection with the Capital Project, to the extent that a specific designation is to be made for each expenditure paid from Municipality funds for which a reimbursement allocation will be made under authority of this Resolution, the appropriate officers of the Municipality shall designate such expenditures and specify the amount of each expenditure.

5. The Municipality shall allocate the proceeds from the Tax-Exempt Financing to reimburse an Original Expenditure related to the Capital Project by making the allocation on its books and records maintained with respect to the Tax-Exempt Financing. Such allocation shall specifically identify the actual Original Expenditures to be reimbursed. Such allocation shall occur not earlier than the date on which the Original Expenditure is paid and not later than eighteen (18) months after the later of: (a) the date on which the Original Expenditure was paid; or (b) the date on which the Capital Project was placed in service, but in no event more than three (3) years after the Original Expenditure was paid.

6. The proceeds from the Tax-Exempt Financing used to reimburse the Original Expenditures related to the Capital Project will not be used for any of the following purposes: (a) within one (1) year of the date of the reimbursement allocation to "refund" another issue of tax-exempt obligation within the meaning of Section 148 of the Code; (b) within one (1) year of the date of the reimbursement allocation to create or increase the balance in a "sinking fund"; (c) within one (1) year of the date of reimbursement allocation to create or increase the balance in a "reserve or replacement fund" within the meaning of the Code with respect to any tax-exempt obligation; and (d) to reimburse any person or entity

of the Municipality for any expenditure or any payment with respect to financing an expenditure that was originally paid with proceeds of any tax-exempt obligation.

7. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Municipality that such remainder shall be and shall remain in force and effect.

8. This Resolution shall become effective immediately, and all resolutions or parts of resolutions inconsistent herewith are expressly repealed.

DULY ADOPTED, by the Municipal Council of the Municipality of Norristown, Montgomery County, Pennsylvania, this 7th day of ~~March~~ April, 2020.

ATTEST:


Secretary

Municipality of Norristown,
Montgomery County, Pennsylvania

By: 
President

(SEAL)