

## East Rockhill Township Board of Supervisors



The regular business meeting of the East Rockhill Township Board of Supervisors was held at 7:00 PM on November 26, 2024, in the meeting room at the East Rockhill Township Municipal Office, 1622 North Ridge Road, Perkasie, PA 18944.

|                        |                      |                                      |
|------------------------|----------------------|--------------------------------------|
| <b><u>Present:</u></b> | Dave Nyman           | Supervisor Chairperson               |
|                        | Gary Volovnik        | Supervisor Vice-Chairperson          |
|                        | Jim Nietupski        | Supervisor Member                    |
|                        | Marianne Hart Morano | Township Manager                     |
|                        | Will Oetinger, Esq.  | Township Solicitor                   |
|                        | Steve Baluh, P.E.    | Township Engineer                    |
|                        | Jeff Scholl          | Public Works Director                |
|                        | Chief Dickinson      | Pennridge Regional Police Department |

The meeting was called to order at 7:00 PM by Mr. Nyman with the Pledge of Allegiance.

Members of the public and press were present.

### **Announcements:**

- Next Board of Supervisors Meeting December 17, 2024 at 7:00pm
- Executive session to take place following the meeting for potential real estate acquisition and potential litigation

### **Presentations:**

**Renew Bible Church secondary access to Schwenkmill Road:** Greg Landis and Scott Mease P.E. were present. Mr. Landis stated to comply with the Board of Supervisors direction to allow for a second emergency exit, Renew Bible Church provided a concept plan to Pennridge School District for a driveway to join school property and Church property. Recognizing the school does not allow private use of their property the Church offered for the school to install the driveway and the Church pay for the improvement. Mr. Landis stated Renew Bible Church is a safe haven or reunification location for Pennridge School District and the Upper Bucks Vocational School located in Bedminster Township and that 500 to 1200 students could be directed to the site if the school locations needed to be vacated. Pennridge School District rejected the joint driveway and therefore a concept plan from the Church property to Schwenkmill Road was being presented for Board of Supervisor direction.

The Board of Supervisors asked for the Planning Commission to review the concept noting they preferred the access from school property to Church property which also benefited the school. They inquired if Bucks County Community College was a consideration for a reunification location and if another exit to Fifth Street was possible.

- George Hawthorne, 690 W. Schwenkmill Road, stated concerns of the impact to allowing access to Schwenkmill Road and the personal impact of Church activities to him.
- Sandra Hawthorne, 690 W. Schwenkmill Road, stated concerns of lighting from the Church onto her property and the personal impact of Church activities to her.

- Adam Meller, Revival and Renew Representative, stated the Bucks County Community College facility was looked at as a reunification location however the college interior layout did not have one large room to accommodate all students which is preferred.
- Scott Mease P.E., stated PennDOT is requiring a 2-lane thru lane onto Fifth Street.

**Public Comment #1:**

There was none.

**Approval of Minutes and Bills Payable:**

**Approval of Minutes.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to approve the meeting minutes from the Board of Supervisors October 22, 2024 Budget Work Session and Regular Meeting as presented. With no additional discussion, all present voted in favor.

**Approval of Bills Payable.**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to approve payment of the Bills List dated November 21, 2024 for a total amount of \$258,618.77 as presented. With no additional discussion, all present voted in favor.

**Board and Commission Reports:**

**Penridge Regional Police Department: Chief Dickinson**

The Chief shared the October 2024 Penridge Regional Police activity report.

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to accept the Penridge Regional Police Department report. With no additional discussion, all present voted in favor.

**Penridge Wastewater Treatment Authority: Dave Nyman**

The September and October minutes and flow reports were provided to the Board. Of note, open house feedback from municipal members was to update the 1975 agreement.

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to accept the Penridge Wastewater Treatment Authority report. With no additional discussion, all present voted in favor.

**Penridge Area Coordinating Committee: Dave Nyman**

The October 24, 2024 meeting notes were provided to the Board.

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to accept the Penridge Area Coordinating Committee report. With no additional discussion, all present voted in favor.

**Township Manager's Report: Marianne Hart Morano**

**2025 Final Budget.** Mrs. Morano presented the 2025 Budget stating the preliminary budget was advertised and made available on the website for public review and comment. Her 2025 budget message providing an overview of the budget was provided to the board and posted on the website. No public comment was received.

**Resolution 2024-10 Street Light Assessment.**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to adopt **Resolution 2024-10**, setting the Street Light Assessment at \$45.00 per designated property for 2025. With no additional discussion, all present voted in favor.

**Resolution 2024-11 Fixing the East Rockhill Township Fee Schedule for 2025.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to adopt **Resolution 2024-11**, setting the fees for 2025 as presented. With no additional discussion, all present voted in favor.

**Resolution 2024-12 adopting a Final 2025 Budget.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to adopt **Resolution 2024-12** adopting the Final 2025 Budget in the amount of \$8,178,812.00 in revenue and \$8,178,812.00 in expenses for all funds. With no additional discussion, all present voted in favor.

**Resolution 2024-13 Fixing the Real Estate Tax Rate for 2025.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to adopt **Resolution 2024-13** fixing the Real Estate Tax Rate for 2025 at 8.725 mills for general purposes; 1.0 mill for Fire Protection; 1.26 mills for Building Debt Service; 1.25 mills for Capital Improvement. With no additional discussion, all present voted in favor.

**Resolution 2024-14 Setting the sewer usage rate for 2025 and 2026.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to adopt **Resolution 2024-14** setting the quarterly residential sewer rate of \$175.00 effective January 1, 2025 and the residential quarterly Sewer rate of \$205.00 effective January 1, 2026 and the quarterly non-residential Sewer rate of \$192.50 effective January 1, 2025 and the non-residential quarterly Sewer rate of \$222.50 effective January 1, 2026. With no additional discussion, all present voted in favor.

**Employee Manual.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to adopt **Resolution 2024-15** Employee Manual dated November 2024 contingent on reinstating the Board of Supervisors authority to be the final decision on page 44. With no additional discussion, all present voted in favor.

**General Obligation Note.**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to accept the Quakertown National Bank proposal for a 5 year fixed rate note with a 20 year term and authorize the Township Solicitor advertise an Ordinance for a General Obligation Note. With no additional discussion, all present voted in favor.

**2025 Meeting Dates.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to authorize advertising the 2025 meeting dates for the Board of Supervisor 7:00 PM regular meetings on the fourth Tuesday of every month except for the month of December when the regular meeting shall be held on the third Tuesday and a 5:00 PM reorganization meeting January 6. The Planning Commission 7:00 PM work sessions will

be the first Thursday of every month and regular meetings the second Thursday of every month. The Park and Recreation 7:00 PM regular meetings will be the second Tuesday of every quarter in February, May and August except for November when the regular meeting shall be held the second Monday. ~~and~~ The Elected Auditors reorganization meeting will be 4:00 PM on January 7. With no additional discussion, all present voted in favor.

**Electric Generation.**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to authorize electric generation agreement with IGS Energy for 24 months at 0.08820 kWh and \$0.09373 with GRT effective January 2025. With no additional discussion, all present voted in favor.

**Willard H. Markey Centennial Park Tree Trimming.** Township is in receipt of a tree topping request from Pennridge Airport as received October 14, 2024 to trim the tree line adjacent to Airport property and three trees to the right of the driveway entrance. Pennridge Airport offered to remove the trees on the property line at their expense.

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to authorize the Township engaging a third party contractor to top the trees adjacent to Airport property and take down the trees to the right of the driveway as identified in the October 14, 2024 report. With no additional discussion, all present voted in favor.

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to accept the Township Manager's report. With no additional discussion, all present voted in favor.

**Public Works Report: Jeff Scholl**

Public Works activities as of November 21, 2024 were provided to the Board. Of note, 75 loads of leaves have been collected to date with the Township looking into another location that will accept leaves due to the current facility is near capacity and the 2005 GMC truck sold on Municibid in the amount of \$12,200.00.

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to approve the Township Public Works report. With no additional discussion, all present voted in favor.

**Township Engineer Report: Steve Baluh, P.E.**

**Park Hill Estates (McClennen) Escrow Vouchers.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to authorize Escrow Release Voucher 3 for Park Hill Estates Subdivision in the amount of \$730,932.51 payable to Select Properties for erosion and sediment control, Old Bethlehem Pike, Hill Road, base paving and miscellaneous and Escrow Release Voucher 4 for Park Hill Estates Subdivision in the amount of \$73,093.25 payable to Select Properties for contingency for completed work as presented. With no additional discussion, all present voted in favor.

- Lou DiTonno, 1 Boulder Drive, asked for the status of the re-design of the Stone Edge Culvert. The Hydraulic study is underway by Traffic, Planning and Design.

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to accept the Township Engineer's report. With no additional discussion, all present voted in favor.

**Township Solicitor Report: Will Oetinger, Esq.**

**PFOA and PFAS.**

Mr. Oetinger stated in 2016 Environmental Protection Agency (EPA) identified PFAS and PFOS contaminant and set an advisory limit of 70 parts per trillion (ppt) which was not legally enforceable. In 2023 Pennsylvania Department of Environmental Protection (DEP) set the first enforceable limit of 14 ppt which came into effective January 1, 2024. In April 2024 EPA mandated public water not exceed a total of 4 ppt for PFAS and 4 ppt for PFOS by 2029 and water providers are to report their monitoring starting in 2027. Perkasie Regional Authority (PRA) already complies with well monitoring quarterly testing and water test samples are taken from the entry point of the system as required by DEP with results going directly from the certified laboratory to DEP. DEP oversees public water systems. PRA results as received up to October 2024 confirm PRA is in compliance with DEP regulations.

PRA is a governmental authority and not under East Rockhill Township purview, however the Township has and will continue to support PRA efforts which they already did by expediting a new filtration system by granting waiver of land development at the Three Mile Run Road location. PRA has submitted a grant to Pennvest for the filtration system to be considered at a January 2025 meeting and public can support their application.

Mr. Oetinger stated DEP is providing bottled water to a property in the HSCA site with well water test results of 4 ppt, however according to DEP, the standards for HSCA sites are under different guidelines than public water systems standards. Well water not related to an HSCA site is the property owners responsibility.

- Mr. Nietupski stated the PRA Board members drink the public system water and they have indicated the treatment facility will be constructed regardless of a grant.
- Mr. Volovnik stated the Township does not have authority over PRA.
- Jennifer Wright, 400 Three Mile Run Road, stated PRA information is false and they are not giving correct numbers.
- Mr. Oetinger stated there is no proof the information is fraudulent. Township does not have authority to supersede DEP state regulations.
- Jackie Martish, 91 Ridge Run Road, stated her husband died from cancer.
- Cathy Costella, 10 Boulder Drive, stated she did not know of an issue with North Penn Water and there is cancer in the development.

**Unilateral Declaration of Restrictions and Covenants 1622 N. Ridge Road.**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to authorize the Chairperson's execution of an Unilateral Declaration of Restrictions and Covenants Agreement for the East Rockhill Maintenance Building NPDES PCSM Plan. With no further discussion, all present voted in favor.

**Intermunicipal Government Agreement.**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to adopt **Resolution 2024-16**, an Intermunicipal Government Agreement for yearly collection of residential and commercial recycling data and recycling grant application as presented. With no further discussion, all present voted in favor.

**Conservation Easement Agreement of Sale 935 Three Mile Run Road.**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to authorize the Chairperson execution of an Agreement of Sale of a Conservation Easement at a property located at 935 Three Mile Run Road owned by Stephen J. Piccari and Susan L. Piccari identified as tax map parcel 12-009-130 for a conservation easement totaling four (4) acres. With no additional discussion, all present voted in favor.

**Board of Supervisors Compensation Ordinance.**

Mr. Oetinger stated state law sets Township Supervisor compensation which becomes effective with a new term of office. East Rockhill can amend the Supervisor annual salary from \$1,890.00 to \$4,190.00.

- Mr. Nyman supported the increase which would be paid to Penridge Community Center with his new term of office.
- Mr. Nietupski did not support the increase which impacted general fund.
- Mr. Volovnik did not support the increase.

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to approve the Township Solicitor's report. With no additional discussion, all present voted in favor.

**Department and Emergency Services Reports:**

**On motion** by Mr. Volovnik, seconded by Mr. Nietupski, to acknowledge receipt of the Department and Emergency Services reports. With no additional discussion, all presented voted in favor.

**New or Other Business Supervisors' Items:**

- Mr. Volovnik requested the status of Three Mile Run Road stormwater grant project. Construction could not take place in 2024 due to a PNDI restriction from May 15 to October 15 but is expected to take place in 2025.

**Public Comment #2:**

- Lou DiTonno, 1 Boulder Drive, asked if drinking water testing requirements are sent directly from a certified lab to DEP and why Jennifer Wright's results were different.
- Jennifer Wright, 400 Three Mile Run Road, stated DEP is not smart enough to figure out the difference and her numbers show accurate information.
- Mr. Oetinger, stated criminal fraud is being discussed and there is no evidence to support that and professionals will not risk jail time to lie.
- Kathy Costello, 10 Boulder Drive, stated a 15mph speed limit sign is needed at the new roundabout.

**Adjournment:**

**On motion** by Mr. Nietupski, seconded by Mr. Volovnik, to adjourn the regular meeting into Executive Session. With no additional discussion, the meeting was adjourned at 9:06 PM.

Respectfully submitted,

Marianne Hart Morano  
Township Manager

East Rockhill Township  
Unpaid Bills List

December 12, 2024

Summary of Fund Expenses

| FUND NAME                              | DESCRIPTION   | TOTAL                |
|--|---|----------------------|
| General                                | <i>General Purposes</i>   | \$ 119,335.26        |
| Fire                                   | <i>Revenue from Real Estate 1.0 mil. Expenses related to Fire Volunteer Services.</i>   | \$ 279.84            |
| Open Space                             | <i>Revenue from Earned Income 0.25. Expenses for preservation and maintenance per HB1523.</i>   | \$ 1,281.14          |
| Sewer                                  | <i>Revenue from sewer rates and connections. Expenses for sewer operations.</i>   | \$ 28,746.91         |
| Park & Recreation / Golf Driving Range | <i>Revenue from token sales, park reservations &amp; contributions. Expenses for driving range and park maintenance.</i>                        | \$ 1,004.29          |
| Street Light                           | <i>Revenue from annual street light assessment for properties in district. Expenses payable to PPL for street light rental and maintenance.</i> | \$ 1,820.68          |
| Building Debt                          | <i>Revenue from Real Estate 1.26 mil. Expenses for Police Headquarter and Municipal Complex building debt.</i>                                  | \$ 5,797.22          |
| Capital Reserve                        | <i>Revenue from grants and contributions. Expenses per allocations as budgeted and approved by Board of Supervisors.</i>                        | \$ 5,469.26          |
| State Aid (Liquid Fuels)               | <i>Revenue from State fuel tax. Expenses according to PennDOT guidelines for road and vehicle maintenance.</i>                                  | \$ 1,336.20          |
| Escrow                                 | <i>Revenue for consultant review time. Expenses for projects under review with escrow requirements.</i>   | \$ 5,075.48          |
| <b>Unpaid Bills Total</b>              |   | <b>\$ 170,146.28</b> |



East Rockhill Township  
Unpaid Bills List

**December 12, 2024**

Detail of Fund Expenses

| <u>Payable To</u>                       | <u>Memo</u>                             | <u>Amount</u> |
|---|---|---------------|
| <b>General Fund - 01</b>                |   |               |
| Amerigas                                | Propane Tank Rent                       | 201.48        |
| Amerigas                                | Substation Propane                      | 972.92        |
| BCS Facilities Group                    | Township Office                         | 500.00        |
| Clemens Uniform                         | Uniforms                                | 47.24 *       |
| Clemens Uniform                         | Uniforms                                | 94.48         |
| Clemons Richter & Reiss                 | Girgenti vs Jones                       | 2,223.00 *    |
| Delaware Valley Health Insurance (DVHT) | Insurance Premium                       | 9,975.43      |
| Faegre Drinker Biddle & Reath           | Township Environmental Solicitor        | 722.50 *      |
| Grim, Biehn & Thatcher                  | Township Solicitor General              | 2,704.00      |
| Grim, Biehn & Thatcher                  | Township Solicitor Twp Maint Complex    | 144.00        |
| Grim, Biehn & Thatcher                  | Township Solicitor Girgenti vs Jones    | 33.00         |
| Grim, Biehn & Thatcher                  | Township Solicitor Code Enforcement     | 32.00         |
| IPFone                                  | Phone Service                           | 330.11        |
| IT Business Solutions                   | Monthly Service                         | 477.00        |
| IT Business Solutions                   | Data Destruction                        | 20.00         |
| Keystone Collections Group              | EIT Commission                          | 2,062.12 *    |
| Keystone Collections Group              | Costs Retained by Tax Officer (Act 192) | 1,720.43 *    |
| Keystone Collections Group              | EIT Taxpayer Refunds                    | 59.71 *       |
| Keystone Collections Group              | LST Commission                          | 89.86 *       |
| Lawson                                  | Supplies                                | 306.55        |
| Marianne Morano                         | Mileage Reimbursement Jul - Dec         | 1,000.00      |
| Pennridge Regional Police               | Police Service                          | 88,868.00     |
| PP&L Electric                           | Substation                              | 166.14        |
| PP&L Electric                           | Parking Lot Lights                      | 358.19        |
| PP&L Electric                           | Municipal Office                        | 241.97        |
| PP&L Electric                           | Garage/Shop                             | 130.23        |
| Petty Cash                              | Reimburse Misc Expenses                 | 43.70         |
| Raifsnider's Exterminating              | Quarterly Pest Control                  | 100.00        |
| Ready Refresh                           | Water Service                           | 10.00 *       |
| Reiss Hauling & Recycling, Inc.         | Trash & Recycling Service               | 2,645.00      |
| Ricoh                                   | Copier Rental                           | 132.23        |
| Riggins                                 | Unleaded Fuel                           | 207.08        |
| Riggins                                 | Diesel Fuel                             | 304.38        |
| Samantha Salemno                        | Mileage Reimbursement Jul - Dec         | 101.17        |
| Verizon                                 | FIOS Service                            | 119.00        |
| Wynn Associates                         | Township Engineer General               | 434.83        |

East Rockhill Township  
Unpaid Bills List

**December 12, 2024**

Detail of Fund Expenses

| <u>Payable To</u>   | <u>Memo</u>                         | <u>Amount</u>               |
|---------------------|-------------------------------------|-----------------------------|
| Wynn Associates     | Township Engineer Twp Maint Complex | 1,652.31                    |
| Wynn Associates     | Township Engineer Hill Road         | 51.20                       |
| Wynn Associates     | Township Engineer MS-4              | 54.00                       |
| <i>General Fund</i> |                                     | <u><u>\$ 119,335.26</u></u> |

**Fire Fund - 03**

|                  |                              |                         |
|------------------|------------------------------|-------------------------|
| Amerigas         | Substation Propane Tank Rent | 279.84                  |
| <i>Fire Fund</i> |                              | <u><u>\$ 279.84</u></u> |

**Open Space Fund - 05**

|                            |                                      |                           |
|----------------------------|--------------------------------------|---------------------------|
| Grim Biehn & Thatcher      | Township Solicitor Land Preservation | 240.00                    |
| Keystone Collections Group | EIT Commission                       | 1,011.28 *                |
| Keystone Collections Group | Taxpayer Refunds                     | 29.86 *                   |
| <i>Open Space Fund</i>     |                                      | <u><u>\$ 1,281.14</u></u> |

**Sewer Fund - 08**

|   |                                  |                            |
|---|----------------------------------|----------------------------|
| Delaware Valley Health Insurance (DVHT) | Insurance Premium                | 3,673.93                   |
| G & G Electrical                        | Treatment Plant                  | 1,188.44 *                 |
| Grim Biehn & Thatcher                   | Township Solicitor Sewer Matters | 189.50                     |
| Kevin Franks                            | Treatment Plant                  | 1,850.00                   |
| Lingo                                   | Pumping Station Alarm Service    | 163.93                     |
| MJ Reider Associates                    | Lab Analysis                     | 279.95                     |
| PA One Call                             | Monthly Activity                 | 14.82                      |
| PP&L Electric                           | Pump Station                     | 583.24                     |
| PP&L Electric                           | Treatment Plant                  | 3,118.70                   |
| PWTA                                    | UV Unit Replacement              | 15,207.00                  |
| Univar                                  | Aluminum Sulfate                 | 1,877.40                   |
| US Postal Service                       | 1/2025 Sewer Billing             | 600.00                     |
| <i>Sewer Fund</i>                       |                                  | <u><u>\$ 28,746.91</u></u> |

East Rockhill Township  
Unpaid Bills List

**December 12, 2024**

Detail of Fund Expenses

| <u>Payable To</u>                                     | <u>Memo</u>                         | <u>Amount</u>             |
|---|-------------------------------------|---------------------------|
| <b>Park &amp; Recreation / Driving Range Fund -09</b> |                                     |                           |
| Factory Motor Parts                                   | Parts                               | 67.26                     |
| George Allen Portable Toilets Inc.                    | Markey Centennial Park              | 160.00                    |
| Littles   | Parts                               | 256.15                    |
| PP&L Electric   | Markey Centennial Park Sign         | 28.91                     |
| PP&L Electric   | Markey Centennial Park Buildings    | 71.85                     |
| Trumbauers  | Mower Parts                         | 351.12                    |
| Verizon   | FIOS Service                        | 69.00                     |
| <i>Park &amp; Rec / Driving Range Fund</i>            |                                     | <b><u>\$ 1,004.29</u></b> |
| <b>Street Light Fund - 13</b>                         |                                     |                           |
| PP&L Electric   | Street Lights                       | 1,820.68                  |
| <i>Street Light Fund</i>                              |                                     | <b><u>\$ 1,820.68</u></b> |
| <b>Building Debt Fund - 22</b>                        |                                     |                           |
| Pennridge Regional Police Department                  | Principle and Interest Debt Payment | 5,797.22                  |
| <i>Building Debt Fund</i>                             |                                     | <b><u>\$ 5,797.22</u></b> |
| <b>Capital Reserve Fund - 30</b>                      |                                     |                           |
| Gordon H Baver Inc                                    | Twp Maint Complex Appl #2           | 4,984.25                  |
| Wynn Associates                                       | Township Engineer Stone Edge Road   | 485.01                    |
| <i>Capital Reserve Fund</i>                           |                                     | <b><u>\$ 5,469.26</u></b> |
| <b>State Aid (Liquid Fuel) Fund - 35</b>              |                                     |                           |
| Foley Inc   | Parts                               | 90.54                     |
| Kenco Hydraulics                                      | Parts                               | 380.00                    |
| Littles   | Parts                               | 336.53                    |
| NAPA  | Parts                               | 163.45                    |
| Nyco  | Supplies                            | 103.34                    |
| PP&L Electric   | Signal 313 & 5th                    | 44.30                     |
| PP&L Electric   | Flasher 5th Street                  | 25.69                     |
| PP&L Electric   | Signal Campus & 5th                 | 40.18                     |
| PP&L Electric   | Signal 313 & 563                    | 42.20                     |
| PP&L Electric   | Flasher Schwenkmill Road            | 25.46                     |

East Rockhill Township  
Unpaid Bills List

**December 12, 2024**

Detail of Fund Expenses

| <u>Payable To</u> | <u>Memo</u>                | <u>Amount</u>             |
|-------------------|----------------------------|---------------------------|
| PP&L Electric     | Signal 313 & Mountain View | 58.87                     |
| PP&L Electric     | Flasher Mountain View      | 25.64                     |
|                   | <i>State Aid Fund</i>      | <b><u>\$ 1,336.20</u></b> |

**Escrow Fund - 90**

|                       |                                      |                           |
|-----------------------|--------------------------------------|---------------------------|
| Grim Biehn & Thatcher | Township Solicitor Park Hill Estates | 494.00                    |
| Grim Biehn & Thatcher | Township Solicitor Green Ridge West  | 96.00                     |
| Grim Biehn & Thatcher | Township Solicitor Benner            | 137.50                    |
| Wynn Associates       | Township Engineer Renew Bible Church | 76.80                     |
| Wynn Associates       | Township Engineer Gren Ridge West    | 345.23                    |
| Wynn Associates       | Township Engineer Penridge SD        | 115.20                    |
| Wynn Associates       | Township Engineer Pennington         | 256.00                    |
| Wynn Associates       | Township Engineer Park Hill Estates  | 728.86                    |
| Wynn Associates       | Township Engineer DR Horton          | 1,599.19                  |
| Wynn Associates       | Township Engineer Mullen             | 622.95                    |
| Wynn Associates       | Township Engineer Brown              | 385.35                    |
| Wynn Associates       | Township Engineer Resutek            | 25.60                     |
| Wynn Associates       | Township Engineer Todd               | 103.20                    |
| Wynn Associates       | Township Engineer Perna              | 38.40                     |
| Wynn Associates       | Township Engineer PRA                | 51.20                     |
|                       | <i>Escrow fund</i>                   | <b><u>\$ 5,075.48</u></b> |

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**Total Unpaid Bills \$ 170,146.28**

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*\*denotes already paid*

TOWNSHIP OF EAST ROCKHILL  
Bucks County, Pennsylvania

ORDINANCE

**DRAFT**

AUTHORIZING THE INCURRENCE BY THE TOWNSHIP OF EAST ROCKHILL, BUCKS COUNTY, PENNSYLVANIA, OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2025 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,750,000.00 FOR THE PURPOSE OF PROVIDING FUNDS, (I) TO PAY THE COSTS OF DESIGN AND CONSTRUCTION OF A NEW PUBLIC WORKS BUILDING AND (II) TO PAY THE COSTS OF ISSUING THE NOTE; AUTHORIZING THE PREPARATION OF A DEBT STATEMENT, BORROWING BASE CERTIFICATE AND OTHER DOCUMENTATION; COVENANTING TO CREATE A SINKING FUND AND TO BUDGET, APPROPRIATE AND PAY ANNUAL DEBT SERVICE ON THE NOTE FOR EACH FISCAL YEAR; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP FOR THE PROMPT AND FULL PAYMENT OF THE NOTE; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE; SETTING FORTH THE STATED PRINCIPAL MATURITY AND INTEREST PAYMENT DATES, PLACE OF PAYMENT, SINKING FUND PROVISIONS AND OTHER DETAILS OF THE NOTE; PROVIDING FOR THE EXECUTION, DELIVERY AND AUTHENTICATION OF THE NOTE AND THE DISPOSITION OF THE PROCEEDS THEREOF; AWARDING SUCH NOTE AT PRIVATE SALE BY NEGOTIATION AND STATING THAT SUCH SALE IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; MAKING CERTAIN COVENANTS AS TO FEDERAL TAX LAW PROVISIONS; DESIGNATING THE NOTE AS A “QUALIFIED TAX-EXEMPT OBLIGATION”; AND AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE.

WHEREAS, pursuant to the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.* (“**Act**”), the Township of East Rockhill, Bucks County, Pennsylvania (“**Township**”) may incur indebtedness for the purpose of designing and constructing a new public works building within the **Township**; and

WHEREAS, the **Township** previously determined to undertake a capital improvement project to design and complete the construction of a new public works building on land owned by the Township, as more fully set forth and shown in the plan set prepared by Philips &

Donovan Architects, LLC dated June 18, 2024, which proposal was previously accepted and approved by the **Township (the “Public Works Building Project”)**; and

WHEREAS, the Public Works Building Project will provide shelter for the Township’s public works vehicles, prolonging their useful lives, and provide a facility for vehicle maintenance; and

WHEREAS, the Board of Supervisors of the **Township** of East Rockhill (“**Board**”) has determined that it is in the best interest of the **Township** to construct a new public works building; and

WHEREAS, the **Township** has obtained estimates from design consultants as well as bid awards indicating that the **Public Works Building Project** will cost Three Million Eight Hundred and Seven Thousand Five Hundred Dollars (\$3,807,500.00) to complete; and

WHEREAS, the Township has budgeted funds from its capital expenditure accounts to pay for the Public Works Building Project; and

WHEREAS, based on the need to complete the **Public Works Building Project** and because the cost to complete the **Public Works Building Project** may be greater than the funds budgeted from the general and capital funds, the **Township** has determined to issue its General Obligation Note, Series of 2025 to QNB Bank (“**QNB**”) in the maximum aggregate principal amount of \$1,750,000.00 (hereinafter the “**2025 Note**”) to finance the **Public Works Project** and associated costs and expenses of issuing the **2025 Note**, said **2025 Note** being substantially in the form set forth in the attached **Exhibit “A”**, under and subject to the **Act**; and

WHEREAS, the Board desires to approve the issuance of the **2025 Note**, the completion of the **Public Works Building Project** and the form of the **2025 Note** for the reasons and subject to the conditions set forth herein; and

WHEREAS, the proposed incurrence of debt by the **Township**, together with its nonelectoral indebtedness and lease rental indebtedness presently outstanding, will not cause the limitations of the **Act** incurring power, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the **Township**, at all times, intends to and shall comply with the requirements of the **Act**.

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of the **Township** of East Rockhill and IT IS HEREBY ORDAINED AND ENACTED as follows:

**1. Authorization of the Public Works Building Project and Incurrence of Indebtedness; Purposes of the Public Works Building Project; Useful Life.** The **Township** hereby approves the **Public Works Building Project** as described in the recitals hereto, and shall incur indebtedness in the form of the **2025 Note** to be issued to **QNB**, pursuant to the **Act** and in the aggregate principal amount not to exceed \$1,750,000.00 for the purpose of providing funds for and toward the costs of the **Public Works Building Project** and the financing of expenses associated therewith.

It is hereby determined that the useful life of the **Public Works Building Project** is in excess of twenty (20) years and the maturity date of the **2025 Note** will therefore not exceed the useful life of the **Public Works Building Project**.

2. **Authorization of Issuance of the 2025 Note.** The **Township** shall issue, pursuant to the **Act** and this Ordinance, its **2025 Note** to **QNB** in an aggregate principal amount not to exceed \$1,750,000.00, in order to provide funds for and toward the costs of the **Public Works Building Project** and paying the costs of issuing the **2025 Note** as authorized and provided in Section 1 hereof. The **2025 Note** shall bear a fixed rate of interest of 4.27% over the initial five (5) years of the twenty (20) year term of the Note, following which the rate of interest shall adjust annually to a fixed, tax exempt rate equal to 70% of the Wall Street Journal Prime Rate, subject to a maximum rate of 6.00%, with a repayment schedule and debt service schedule as set forth in **Exhibit “B”**. The **2025 Note** and Repayment and Debt Service Schedule are attached hereto and marked as **Exhibits “A”** and **“B”** respectively.

The maturity date of the **2025 Note** shall be November 30, 2044. Upon delivery of the **2025 Note**, the balance of the proceeds of said **2025 Note** remaining after payment of the costs of issuance, if any, shall be held by **QNB** and advanced to **Township**, upon request, for application towards the **Public Works Building Project**, provided that all such advances must be drawn no later than October 31, 2025.

3. **Type of Indebtedness.** The indebtedness evidenced by the attached **2025 Note** is nonelectoral debt.

4. **Execution of Debt Statement, 2025 Note and Other Documents.** The Chairman or Vice Chairman of the **Board** and the Secretary or Treasurer of the **Township** and their successors are hereby authorized and directed to file the Debt Statement required by Section 8110 of the **Act**, a Borrowing Base Certificate, to execute and deliver the **2025 Note** in the name and on behalf of the **Township** and to take all other action required by the **Act** or this Ordinance in order to effect the issuance of the **2025 Note**. Said officers or any of them are further authorized to apply to the Department of Community and Economic Development for approval of the debt herein authorized and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, the Debt Statement, a Borrowing Base Certificate signed by the appropriate officials of the **Township** or by the accountants of the **Township** responsible for auditing its financial affairs, and to take any and all such further action and to execute and deliver such other documents as may be necessary or proper to comply with all requirements of the **Act** or to carry out the intent and purpose of this Ordinance.

5. **Type of Note.** The **2025 Note** when issued will be a general obligation note.

6. **Covenant to Pay Debt Service - Pledge of Taxing Power.** The **2025 Note** is hereby declared to be a general obligation of the **Township** and the **Township** hereby covenants with the registered owners of the **2025 Note**: (a) that the **Township** will include in its budget for each fiscal year for the life of the **2025 Note**, the amount of the debt service on the **2025 Note** which will be payable in each such fiscal year so long as the **2025 Note** shall remain outstanding; (b) that the **Township** shall appropriate from its general revenues such amounts to the payment of such debt service; and (c) that the **Township** shall duly and punctually pay or cause to be paid

from the sinking fund hereinafter created the principal of the **2025 Note** and the interest thereon on the dates and at the place and in the manner stated in the **2025 Note** according to the true intent and meaning thereof. For such budgeting, appropriation and payment the Township hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable. The maximum amounts to be budgeted, appropriated and paid pursuant to the foregoing covenants shall not exceed those set forth in the Repayment and Debt Service Schedule attached hereto and marked as **Exhibit “B”** and made a part hereof which is hereby incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant.

**7. Form of Note.** The **2025 Note** shall be substantially in the form set forth in **Exhibit “A”** attached hereto, with appropriate omissions, insertions and variations.

**8. Creation of and Deposits in Sinking Fund.** The **Township** covenants that there shall be and there is hereby established and that it shall hereafter maintain a sinking fund designated “Sinking Fund – General Obligation Note, Series of 2025” to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the **Act**) in the name of the **Township**, but subject to withdrawal only by the Paying Agent.

The **Township** covenants and agrees to deposit in the Sinking Fund no later than each scheduled date for payment of principal and/or interest on the **2025 Note** on such dates, which shall not exceed the maximum amounts set forth in **Exhibit “B”** hereto.

Pending application to the purpose for which the Sinking Fund is established, the Chairman or Vice Chairman of the **Board** or the Treasurer of the **Township** is hereby authorized and directed to cause the monies therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the **Act**. All income received on such deposits or investments of monies in the Sinking Fund during each applicable period shall be added to the Sinking Fund and shall be credited against the deposit next required to be made in the Sinking Fund.

The Paying Agent is hereby authorized and directed, without further action by the **Township**, to pay from the Sinking Fund the principal of and interest on the **2025 Note** as the same become due and payable in accordance with the terms thereof and the **Township** hereby covenants that such monies, to the extent required, will be applied to such purpose.

All monies deposited in the Sinking Fund for the payment of the **2025 Note** which have not been claimed by the registered owners thereof after two years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the **Township**. Nothing contained herein shall relieve the **Township** of its liability to the registered owners of the un-presented **2025 Note**.

**9. No Taxes Assumed.** The **Township** shall not assume the payment of any tax or taxes in consideration of the purchase of the **2025 Note**.

**10. Tax Exemption.** The **Township** covenants for the benefit of the owners of the **2025 Note**: (i) that no use of the proceeds of the **2025 Note** will be made, and no other action



will be taken, which would cause the **2025 Note** to be an “arbitrage bond” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”); (ii) that all action with respect to the **2025 Note** required to be taken to avoid characterization of the **2025 Note** as an “arbitrage bond” under Section 148 of the **Code** shall be taken; (iii) that the **Township** will take all reasonable steps to ensure that interest on the **2025 Note** is not included in gross income of the owner of the **2025 Note** for purposes of federal income taxation; and (iv) that the **Township** will take no action to cause the **2025 Note** to become a “private activity bond” as that term is used in Section 141(a) of the **Code**. The Chairman and Secretary are authorized and directed to take all appropriate action to maintain the exclusion from gross income of interest on the **2025 Note** for federal income tax purposes including the payment of any arbitrage rebate to the United States, if required, and the establishment of special accounts in connection therewith.

**11. Section 265 Designation.** For purposes of Section 265(b)(3) of the **Code**, the **Township** and all entities that issue on behalf of the **Township**, do not unreasonably anticipate issuing more than \$10,000,000.00 of tax-exempt obligations in the calendar year of 2025 (including the **2025 Note**). The **Township** hereby designates the **2025 Note** as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B)-(C) of the **Code**.

**12. Contract with Paying Agent.** The proper officers of the **Township** are authorized to contract with **QNB** in connection with the performance of its duties as the Paying Agent and Sinking Fund Depository on usual and customary terms, including an agreement to observe and comply with the provisions of this Ordinance and of the **Act**.

**13. Private Sale.** In compliance with Section 8161 of the **Act**, the members of the **Board** have determined that a private sale by negotiation rather than public sale is in the best interest of the **Township**. Therefore, the **2025 Note** in the amount of \$1,750,000.00, herein authorized to be issued and sold, is hereby awarded and sold to **QNB** under Option 1 for a twenty year term pursuant to the **QNB** proposal letter dated November 21, 2024 and the amendments thereto, if any, to purchase said **2025 Note** at par value, said proposal being attached hereto and marked as **Exhibit “C”**; provided that said **2025 Note** is dated the date of delivery thereof to **QNB** and is substantially in the form set forth herein and further provided the proceedings and this Ordinance have been approved by the Department of Community and Economic Development.

**14. Execution and Authentication of 2025 Note.** As provided herein, the **2025 Note** shall be executed by the Chairman or the Vice Chairman of the **Board** and the municipal seal thereof attested to by the Secretary or Treasurer of the **Township** and each such execution shall be by manual signature. If any officer whose signature appears on the **2025 Note** shall cease to hold such office before the actual delivery date of the **2025 Note**, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the **2025 Note**.

**15. Officers Authorized to Act.** For the purpose of expediting the closing and the issuance and delivery of the **2025 Note**, or in the event that the Chairman of the **Board** or the Secretary of the **Township** shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or any of them may be

authorized to take pursuant to this Ordinance, the Vice Chairman of the **Board** or the Assistant Secretary or Assistant Treasurer of the **Township**, respectively, are hereby authorized and directed to execute documents, or otherwise to act on behalf of the **Township** in their stead.

**16. Binding Effect of Covenants and Agreements.** All covenants, obligations and agreements of the **Township** set forth in this Ordinance and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the **Township** to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the **Township** and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Ordinance, all rights, powers and privileges conferred and duties and liabilities imposed upon the **Township** or the members thereof by the provisions of this Ordinance or the documents authorized hereby shall be exercised or performed, by such members, officers or other representatives of the **Township** as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any supervisor, officer, agent or employee of the **Township** in his or her individual capacity and neither the Supervisors of the **Township** nor any officer executing the other documents authorized by this Ordinance shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

**17. Note Counsel.** The **Township** hereby appoints Grim, Biehn and Thatcher to act as Note Counsel to the **Township** with respect to the transactions contemplated by this Ordinance.

**18. Further Action.** The proper officers of the **Township** are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the **Act** in the name and on behalf of the **Township**.

**19. Severability.** In case any one or more of the provisions contained in this Ordinance or in any Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said **2025 Note**, and this Ordinance or said **2025 Note** shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

**20. Repealer.** All Ordinances and/or parts of Ordinances heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

**21. Effective Date.** This Ordinance shall take effect on the earliest date permitted by the **Act**.

**TOWNSHIP OF EAST ROCKHILL  
Bucks County, Pennsylvania**

**ORDINANCE NO. \_\_\_\_\_**

**PUBLIC WORKS BUILDING BORROWING ORDINANCE**

**SIGNATURE PAGE**

ENACTED AND ORDAINED this 17<sup>th</sup> day of December, 2024.

EAST ROCKHILL TOWNSHIP  
BOARD OF SUPERVISORS

\_\_\_\_\_  
David R. Nyman, Chairperson

\_\_\_\_\_  
Gary W. Volovnik, Vice-Chairperson

\_\_\_\_\_  
James C. Nietupski, Member

**TOWNSHIP OF EAST ROCKHILL**

**GENERAL OBLIGATION NOTE, SERIES OF 2025**

**\$1,750,000.00**

**January \_\_, 2025**

**KNOW ALL MEN BY THESE PRESENTS**, that the Township of East Rockhill, County of Bucks, Commonwealth of Pennsylvania, a local government unit existing by and under the laws of said Commonwealth (the "Township"), for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay the purchaser, QNB Bank, a Pennsylvania financial institution with mailing address of P.O. Box 9005, Quakertown, PA 18951 (the "Bank"), or its registered successor or assigns, the sum of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00).

Commencing on the date hereof and continuing until December 31, 2030 the outstanding principal balance hereunder shall bear interest at the tax-exempt fixed rate of 4.27%.

Commencing January 1, 2031 and thereafter until the Maturity date (as defined herein), the outstanding principal balance hereunder shall bear interest at a variable rate reset on the first (1<sup>st</sup>) day of each month. The variable rate shall be seventy percent (70%) of the Wall Street Journal Prime rate (as defined herein); provided, however, that said rate shall in no event exceed a maximum of 6.00%.

The Township shall remit interest only payments on May 31, 2025 and on November 30, 2025 based on cumulative interest accrued on the outstanding principal balance through each payment date. Thereafter as long as any portion of the principal balance remains outstanding, the Township shall continue to pay interest based on the principal balance outstanding; said interest payable semi-annually on May 31<sup>st</sup> and November 30<sup>th</sup> of each year and continuing thereafter until the Maturity Date as defined herein. Interest shall be computed on the basis of a month of thirty (30) days and a year of 360 days.

Principal shall be payable in twenty (20) equal successive annual installments of Eighty Seven Thousand Five Hundred Dollars (\$87,500.00) payable in accordance with the repayment schedule attached hereto and incorporated herein as Schedule "A"; with the first payment to occur on November 30, 2025 and to continue annually, payable on the same day of each year thereafter, such that the entire principal sum, if not sooner paid, plus accrued interest, late charges, and other amounts due under this Note shall be paid in full no later than November 30, 2044 (hereinafter the "Maturity Date").

If any payment of principal or interest is not received by Payee by the fifteenth (15<sup>th</sup>) day following the due date, a late charge of five percent (5%) of such overdue amount will, at Bank's option, be payable by the Township.

In the event an amount less than the full principal sum is advanced to the Township, the monthly payments hereunder shall be adjusted accordingly.

The net proceeds of this Note are to be used by the Township to pay the costs of design and construction of a new Public Works Building and the costs of issuing the Note. The net proceeds

**EXHIBIT "A"**

shall be paid by the Bank to the Township upon request of the Township from time to time, but no more than once a month and no later than October 31, 2025 (hereinafter the “draw down period”).

The debt of which this Note is evidence is non-electoral debt pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. § 8001 et seq., as amended (the “Act”). The issuance and sale of this Note to the Bank at private sale by negotiation has been found and determined by the Board of Supervisors of the Township, on the basis of all information available, to be in the best financial interest of the Township.

If, at any time hereafter, either before or after the payment of the entire principal of and interest on this Note, there occurs a Determination of Taxability, as herein defined, then, the per annum rate of interest on this Note shall be modified to the equivalent of the *Wall Street Journal* Prime Rate floating with a ceiling of ten percent (10%) per annum resulting from a Determination of Taxability (the “Taxable Rate”).

The *Wall Street Journal* Prime Rate is the rate per annum determined on the basis of the prime rate as reported in the “Money Rates” section of *The Wall Street Journal* or a substitute source reasonably determined by Bank in the event such source is no longer available.

For purposes hereof, a “Determination of Taxability” shall mean (i) a determination that interest payable on account of this Note is not exempt from both federal and Pennsylvania income taxation, the date of which determination shall be considered as made on the earliest of: (x) the day after expiration of the period for filing a petition in the United States Tax Court or in the Pennsylvania courts in the case of Pennsylvania taxes with respect to any income tax deficiency asserted against the Bank with respect to any such interest; if no such petition is filed; (y) the day on which a decision by the United States Tax Court or a judgment, decree or other order by any court of competent jurisdiction, holding that such interest is taxable, becomes final or the day on which the Bank and the United States Internal Revenue Service or the Pennsylvania Department of Revenue shall reach a settlement resulting in such interest becoming taxable; or (z) the effective date of any legislation, final regulation or ruling making such interest taxable; or (ii) a final determination by a court of competent jurisdiction that this Note is not a “qualified tax-exempt obligation” within the meaning of Code section 265(b)(3)(B).

If a Determination of Taxability does occur, then (i) the unpaid principal balance of the Note shall thereafter bear interest at a rate per annum equal to the Taxable Rate; and (ii) within thirty (30) days after notice of the Determination of Taxability, there shall also be paid as additional interest to the Bank (1) the difference between the total amount of interest on this Note which would have been due by the Township under this Note at the Taxable Rate and the total amount of interest actually paid during all periods prior to the date of the Determination of Taxability for which federal income tax is collectable with respect to interest on this Note; and (2) an amount equal to all interest and penalties due by the Bank under this Note by reason of having excluded any such interest from the Bank’s taxable income.

The principal of and interest on this Note shall be made in any coin or currency of the United States of America which, at the time of payment, shall be legal tender for payment of public and private debts, at the office of the Bank stated above, as paying agent (which term shall include any duly appointed alternate or successor paying agent). If the Bank shall be the registered owner of this Note, payment of any part of the principal of and interest on this Note by or on behalf of the Township shall be valid and effective to satisfy and discharge fully the obligations of the Township or its paying agent with respect to such payments of principal and interest. If the registered owner of this Note shall not be the Bank, payment of any part of the principal of and

interest on this Note shall be made only upon surrender hereof by the registered owner at the principal office of the paying agent (or the designated office of any successor paying agent). Final payment of principal and interest appertaining hereto shall be made only upon complete surrender hereof to the paying agent.

If the date for payment of the principal of, or interest on, this Note is not a business day, then the date of such payment shall be the next succeeding day which is a business day. Payment on such subsequent business day shall have the same force and effect as if made on the nominal date of payment. A business day shall be any day in which the Bank is not authorized by law or under lawful authority to be closed.

The Township shall have the right at its option to prepay this Note, as a whole at any time or in part from time to time, without premium or penalty, provided that any prepayment in part shall be applied against those principal installments as designated by the Township in writing at the time of such prepayment, or if no such designation is made, to principal installments in the inverse order of their maturities. Prepayment of less than the total outstanding principal shall not postpone any regularly scheduled principal payment.

The appropriate officer of the Township shall deposit money sufficient for the payment of the principal of and interest on this Note into a sinking fund before the date of each such payment of principal or interest. Such sinking fund, known as the "Sinking Fund – General Obligation Note, Series of 2025," has been established at the office of the Bank at which this Note is payable.

This Note is issued in accordance with the provisions of the Act and by virtue of an ordinance of the Township duly enacted on December \_\_\_\_, 2024 (the "Ordinance"), and the sworn statement of the duly authorized officers of the Township as appears on record in the office of the Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania. It is hereby certified and recited that all conditions, acts, and things required to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened and that this Note is within every debt and other limitation prescribed by law. It is covenanted with the holder of this Note that the Township shall (i) include the amount of the debt service for each fiscal year in which the sums are payable in its budget for that year until this Note is paid in full, (ii) appropriate those amounts from its taxes and other general revenues for the payment of debt service, and (iii) duly and punctually pay or cause to be paid from its sinking fund or any other of its taxes and other general revenues or funds the principal hereof and the interest on this Note at the dates and places and in the manner stated in this Note, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Township irrevocably pledges its full faith, credit and taxing power. As provided in the Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.

The Township hereby covenants that it will make no use of the proceeds of this Note during the term thereof which would cause such Note to be an "arbitrage bond" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and that it will comply with the requirements of all Code sections necessary to ensure that this Note is as described in Code section 103(a) and not as described in Code section 103(b) throughout the term of this Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Township to issue and deliver this Note



**Schedule "A"**

Repayment Schedule

SAMPLE



## AMORTIZATION SCHEDULE

| Principal   | Loan Date | Maturity          | Loan No | Call / Coll | Account | Officer | Initials |
|---|-----------|-------------------|---------|-------------|---------|---------|----------|
| <b>\$1,750,000.00</b>   |           | <b>11-30-2044</b> |         |             |         |         |          |
| References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.<br>Any item above containing "*****" has been omitted due to text length limitations. |           |                   |         |             |         |         |          |

**Borrower:** Township of East Rockhill  
1622 Ridge Road  
Perkasie, PA 18944

**Lender:** QNB Bank  
320 W. Broad St.  
P. O. Box 9005  
Quakertown, PA 18951-9005

**Disbursement Date:** January 1, 2025  
**Interest Rate:** 4.270

**Repayment Schedule:** Irregular  
**Calculation Method:** 30 /360 U.S. Rule

| Payment Number      | Payment Date | Payment Amount    | Interest Paid    | Principal Paid   | Remaining Balance |
|---------------------|--------------|-------------------|------------------|------------------|-------------------|
| 1                   | 05-31-2025   | 31,135.41         | 31,135.41        | 0.00             | 1,750,000.00      |
| 2                   | 11-30-2025   | 37,362.50         | 37,362.50        | 0.00             | 1,750,000.00      |
| 3                   | 11-30-2025   | 87,500.00         | 0.00             | 87,500.00        | 1,662,500.00      |
| <b>2025 TOTALS:</b> |              | <b>155,997.91</b> | <b>68,497.91</b> | <b>87,500.00</b> |                   |
| 4                   | 05-31-2026   | 35,494.38         | 35,494.38        | 0.00             | 1,662,500.00      |
| 5                   | 11-30-2026   | 35,494.37         | 35,494.37        | 0.00             | 1,662,500.00      |
| 6                   | 11-30-2026   | 87,500.00         | 0.00             | 87,500.00        | 1,575,000.00      |
| <b>2026 TOTALS:</b> |              | <b>158,488.75</b> | <b>70,988.75</b> | <b>87,500.00</b> |                   |
| 7                   | 05-31-2027   | 33,626.25         | 33,626.25        | 0.00             | 1,575,000.00      |
| 8                   | 11-30-2027   | 33,626.25         | 33,626.25        | 0.00             | 1,575,000.00      |
| 9                   | 11-30-2027   | 87,500.00         | 0.00             | 87,500.00        | 1,487,500.00      |
| <b>2027 TOTALS:</b> |              | <b>154,752.50</b> | <b>67,252.50</b> | <b>87,500.00</b> |                   |
| 10                  | 05-31-2028   | 31,758.13         | 31,758.13        | 0.00             | 1,487,500.00      |
| 11                  | 11-30-2028   | 31,758.12         | 31,758.12        | 0.00             | 1,487,500.00      |
| 12                  | 11-30-2028   | 87,500.00         | 0.00             | 87,500.00        | 1,400,000.00      |
| <b>2028 TOTALS:</b> |              | <b>151,016.25</b> | <b>63,516.25</b> | <b>87,500.00</b> |                   |
| 13                  | 05-31-2029   | 29,890.00         | 29,890.00        | 0.00             | 1,400,000.00      |
| 14                  | 11-30-2029   | 29,890.00         | 29,890.00        | 0.00             | 1,400,000.00      |
| 15                  | 11-30-2029   | 87,500.00         | 0.00             | 87,500.00        | 1,312,500.00      |
| <b>2029 TOTALS:</b> |              | <b>147,280.00</b> | <b>59,780.00</b> | <b>87,500.00</b> |                   |
| 16                  | 05-31-2030   | 28,021.88         | 28,021.88        | 0.00             | 1,312,500.00      |
| 17                  | 11-30-2030   | 28,021.87         | 28,021.87        | 0.00             | 1,312,500.00      |
| 18                  | 11-30-2030   | 87,500.00         | 0.00             | 87,500.00        | 1,225,000.00      |
| <b>2030 TOTALS:</b> |              | <b>143,543.75</b> | <b>56,043.75</b> | <b>87,500.00</b> |                   |
| 19                  | 05-31-2031   | 26,153.75         | 26,153.75        | 0.00             | 1,225,000.00      |
| 20                  | 11-30-2031   | 26,153.75         | 26,153.75        | 0.00             | 1,225,000.00      |
| 21                  | 11-30-2031   | 87,500.00         | 0.00             | 87,500.00        | 1,137,500.00      |
| <b>2031 TOTALS:</b> |              | <b>139,807.50</b> | <b>52,307.50</b> | <b>87,500.00</b> |                   |
| 22                  | 05-31-2032   | 24,285.63         | 24,285.63        | 0.00             | 1,137,500.00      |
| 23                  | 11-30-2032   | 24,285.62         | 24,285.62        | 0.00             | 1,137,500.00      |
| 24                  | 11-30-2032   | 87,500.00         | 0.00             | 87,500.00        | 1,050,000.00      |
| <b>2032 TOTALS:</b> |              | <b>136,071.25</b> | <b>48,571.25</b> | <b>87,500.00</b> |                   |
| 25                  | 05-31-2033   | 22,417.50         | 22,417.50        | 0.00             | 1,050,000.00      |
| 26                  | 11-30-2033   | 22,417.50         | 22,417.50        | 0.00             | 1,050,000.00      |
| 27                  | 11-30-2033   | 87,500.00         | 0.00             | 87,500.00        | 962,500.00        |
| <b>2033 TOTALS:</b> |              | <b>132,335.00</b> | <b>44,835.00</b> | <b>87,500.00</b> |                   |
| 28                  | 05-31-2034   | 20,549.38         | 20,549.38        | 0.00             | 962,500.00        |
| 29                  | 11-30-2034   | 20,549.37         | 20,549.37        | 0.00             | 962,500.00        |
| 30                  | 11-30-2034   | 87,500.00         | 0.00             | 87,500.00        | 875,000.00        |
| <b>2034 TOTALS:</b> |              | <b>128,598.75</b> | <b>41,098.75</b> | <b>87,500.00</b> |                   |
| 31                  | 05-31-2035   | 18,681.25         | 18,681.25        | 0.00             | 875,000.00        |
| 32                  | 11-30-2035   | 18,681.25         | 18,681.25        | 0.00             | 875,000.00        |
| 33                  | 11-30-2035   | 87,500.00         | 0.00             | 87,500.00        | 787,500.00        |
| <b>2035 TOTALS:</b> |              | <b>124,862.50</b> | <b>37,362.50</b> | <b>87,500.00</b> |                   |
| 34                  | 05-31-2036   | 16,813.13         | 16,813.13        | 0.00             | 787,500.00        |

**EXHIBIT "B"**

**AMORTIZATION SCHEDULE  
(Continued)**

|                     |            |                     |                   |                     |            |
|---------------------|------------|---------------------|-------------------|---------------------|------------|
| 35                  | 11-30-2036 | 16,813.12           | 16,813.12         | 0.00                | 787,500.00 |
| 36                  | 11-30-2036 | 87,500.00           | 0.00              | 87,500.00           | 700,000.00 |
| <b>2036 TOTALS:</b> |            | <b>121,126.25</b>   | <b>33,626.25</b>  | <b>87,500.00</b>    |            |
| 37                  | 05-31-2037 | 14,945.00           | 14,945.00         | 0.00                | 700,000.00 |
| 38                  | 11-30-2037 | 14,945.00           | 14,945.00         | 0.00                | 700,000.00 |
| 39                  | 11-30-2037 | 87,500.00           | 0.00              | 87,500.00           | 612,500.00 |
| <b>2037 TOTALS:</b> |            | <b>117,390.00</b>   | <b>29,890.00</b>  | <b>87,500.00</b>    |            |
| 40                  | 05-31-2038 | 13,076.88           | 13,076.88         | 0.00                | 612,500.00 |
| 41                  | 11-30-2038 | 13,076.87           | 13,076.87         | 0.00                | 612,500.00 |
| 42                  | 11-30-2038 | 87,500.00           | 0.00              | 87,500.00           | 525,000.00 |
| <b>2038 TOTALS:</b> |            | <b>113,653.75</b>   | <b>26,153.75</b>  | <b>87,500.00</b>    |            |
| 43                  | 05-31-2039 | 11,208.75           | 11,208.75         | 0.00                | 525,000.00 |
| 44                  | 11-30-2039 | 11,208.75           | 11,208.75         | 0.00                | 525,000.00 |
| 45                  | 11-30-2039 | 87,500.00           | 0.00              | 87,500.00           | 437,500.00 |
| <b>2039 TOTALS:</b> |            | <b>109,917.50</b>   | <b>22,417.50</b>  | <b>87,500.00</b>    |            |
| 46                  | 05-31-2040 | 9,340.63            | 9,340.63          | 0.00                | 437,500.00 |
| 47                  | 11-30-2040 | 9,340.62            | 9,340.62          | 0.00                | 437,500.00 |
| 48                  | 11-30-2040 | 87,500.00           | 0.00              | 87,500.00           | 350,000.00 |
| <b>2040 TOTALS:</b> |            | <b>106,181.25</b>   | <b>18,681.25</b>  | <b>87,500.00</b>    |            |
| 49                  | 05-31-2041 | 7,472.50            | 7,472.50          | 0.00                | 350,000.00 |
| 50                  | 11-30-2041 | 7,472.50            | 7,472.50          | 0.00                | 350,000.00 |
| 51                  | 11-30-2041 | 87,500.00           | 0.00              | 87,500.00           | 262,500.00 |
| <b>2041 TOTALS:</b> |            | <b>102,445.00</b>   | <b>14,945.00</b>  | <b>87,500.00</b>    |            |
| 52                  | 05-31-2042 | 5,604.38            | 5,604.38          | 0.00                | 262,500.00 |
| 53                  | 11-30-2042 | 5,604.37            | 5,604.37          | 0.00                | 262,500.00 |
| 54                  | 11-30-2042 | 87,500.00           | 0.00              | 87,500.00           | 175,000.00 |
| <b>2042 TOTALS:</b> |            | <b>98,708.75</b>    | <b>11,208.75</b>  | <b>87,500.00</b>    |            |
| 55                  | 05-31-2043 | 3,736.25            | 3,736.25          | 0.00                | 175,000.00 |
| 56                  | 11-30-2043 | 3,736.25            | 3,736.25          | 0.00                | 175,000.00 |
| 57                  | 11-30-2043 | 87,500.00           | 0.00              | 87,500.00           | 87,500.00  |
| <b>2043 TOTALS:</b> |            | <b>94,972.50</b>    | <b>7,472.50</b>   | <b>87,500.00</b>    |            |
| 58                  | 05-31-2044 | 1,868.13            | 1,868.13          | 0.00                | 87,500.00  |
| 59                  | 11-30-2044 | 89,368.12           | 1,868.12          | 87,500.00           | 0.00       |
| <b>2044 TOTALS:</b> |            | <b>91,236.25</b>    | <b>3,736.25</b>   | <b>87,500.00</b>    |            |
| <b>TOTALS:</b>      |            | <b>2,528,385.41</b> | <b>778,385.41</b> | <b>1,750,000.00</b> |            |

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.



November 21, 2024

Marianne Morano  
Township Manager  
East Rockhill Township  
1622 North Ridge Road  
Perkasie, PA 18944

Dear Ms. Morano:

QNB Bank is pleased to provide East Rockhill Township the following proposal for a General Obligation Note in an amount of \$1,750,000 to provide funding for the construction and oversight of a new Public Works Building at the Municipal Complex.

The proposal, however, is hereby expressly conditioned upon and subject to the following terms, conditions and covenants:

**Borrower:** East Rockhill Township

**Amount:** \$1,750,000 Bank Qualified Non-Revolver Draw Down Line/Term Loan

**Interest Rate:** Option 1: 4.27% (tax-free) per annum fixed for five (5) years.  
Option 2: 4.46% (tax-free) per annum fixed for seven (7) years.  
Option 3: 4.86% (tax-free) per annum fixed for ten (10) years.

For All the Interest Rate Options:

After the initial fixed rate period the rate will adjust to 70% of the Wall Street Journal Prime Rate. At no time will the rate on this loan exceed 6.00% (tax-free).

The interest rate(s) established herein, are predicated on the tax exempt and "bank qualified" status of the Loan. For the purposes of this letter, the term "bank qualified" means that the loan has been designated as and is a qualified tax-exempt obligation as set forth under Section 265 of the Internal Revenue Code of 1986, as amended.

In the event this loan shall be deemed to be a taxable loan or not "bank qualified", in whole or in part, for any reason whatsoever, then in such case, the interest rate(s) established herein shall be modified to the equivalent of the Wall Street Journal Prime Rate, floating with a ceiling of ten percent (10%) per annum. The imposition of this rate shall apply from the date that the loan is deemed to either be not tax exempt or not bank qualified, as will be more fully described in the loan documentation for this transaction.

**Interest Basis:** 30/360

**Term/Amortization:** The loan shall amortize fully over the twenty (20) or twenty-five (25) year amortization chosen by the Borrower, following an interest only draw period through October 31, 2025.

**Repayment:** Equal annual principal payments to start November 2025. Interest will be paid semi-annually in May and November from inception of the loan on the advanced and outstanding principal balance of the loan.

**Prepayment:** This loan may be paid in whole or in part without penalty at any time during the term of the loan. However, prepayments of less than the total outstanding principal shall not postpone any regularly scheduled principal payment.

**Expenses:** Fees and costs associated with this type of financing would be limited to the Bank's legal counsel fee, which would be comprised for actual incurred expenses resulting from review and/or preparing of documentation and representation on behalf of the Bank. There will be no Bank related fees. The Bank's legal counsel fee is estimated at \$2,500 to \$3,500.

**Security:** This loan shall be secured by the full faith, credit, and taxing power of the Township.

#### **Miscellaneous General Terms and Conditions**

1. This loan is a general obligation of East Rockhill Township and shall be conditioned upon all documentation being reviewed and approved by Bank Counsel.
2. East Rockhill Township has properly authorized this transaction and has complied with all aspects of the law, including, but not limited to, the Pennsylvania Local Government Unit Debt Act, as applicable.
3. East Rockhill Township has taken all actions to duly authorize and approve the entering into and completion of the loan herein, and has received all consents, approvals and orders as may be necessary to complete the transaction.
4. East Rockhill Township remains in good standing.
5. The Bank shall receive an opinion from the Township's solicitor acceptable to QNB Bank which shall state, among other things, the Township's ability to enter into a transaction as such, that the interest on said loan is indeed exempt from federal taxation and that it qualifies as a Bank Qualified tax-exempt obligation as set forth under section 265 (b) (3) (B) of the Internal Revenue Code of 1986, as amended and any other certain matters as may be requested by the Bank.
6. The annual receipt of an audited financial statement of East Rockhill Township.



**Termination of Commitment:**

Upon the occurrence of any of the following, the Bank may terminate the commitment contained herein:

- a) Failure of the Borrower to comply with any of the terms or conditions of this commitment.
- b) Any material adverse change in the financial affairs of the Borrower.
- c) Any change in the laws which would prohibit the Bank from making the loan.

This loan is subject to such other terms and conditions as QNB Bank may require as shall be set forth in the loan documentation prepared in connection with this loan.

**Settlement:**

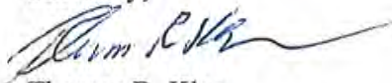
Settlement shall occur at the convenience of the Township but not later than February 18, 2025.

**Proposal Expiration Date:**

The proposal contained herein shall automatically expire on January 8, 2025, unless accepted prior to such date in its entirety, in writing, as evidenced by the Borrower executing the consents set forth below and the Bank receives such consents.

The Bank appreciates the opportunity to make this proposal available to you. If there are any additional questions concerning this proposal, please do not hesitate to call.

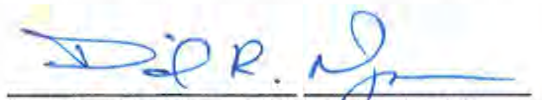
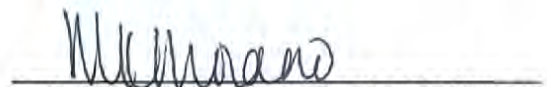
Sincerely,



Thomas R. Klee  
Senior Vice President  
NMLS #1099126

**ACCEPTANCE**

Intending to be legally bound, the undersigned hereby accept the foregoing commitment and agrees to the terms and conditions this 20 day of December, 2024.

  
\_\_\_\_\_  
East Rockhill Township, Authorized Signer  
\_\_\_\_\_  
East Rockhill Township, Authorized Signer

OPTION #1 for 30 YEARS