

BOROUGH OF MILLVILLE
COLUMBIA COUNTY, PENNSYLVANIA

ORDINANCE NO. 95

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE PRINCIPAL AMOUNT OF \$15,000.00 PURSUANT THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, APPROVED JULY 12, 1972, ACT NO. 185, AS AMENDED AND SUPPLEMENTED BY ACT NO. 52 OF 1978 AS AMENDED; DETERMINING THAT SUCH DEBT SHALL BE THE NONELECTORAL DEBT OF THIS BOROUGH; BRIEFLY DESCRIBING THE PROJECT FOR WHAT SAID DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC ESTIMATED USEFUL LIFE OF SAID PROJECT; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SAID NOTE AT PRIVATE SALE AND AWARDING SUCH NOTE AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SUCH NOTE WHEN ISSUED SHALL BE A GENERAL OBLIGATION NOTE OF THIS BOROUGH; FIXING THE SUBSTANTIAL FORM, DATE, MATURITY DATE, INTEREST RATE, INTEREST PAYMENT DATES, REGISTRATION, PREPAYMENT PROVISIONS, PLACE OF PAYMENT OF REGISTRATION, PREPAYMENT PROVISIONS, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST OF SUCH NOTE; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE REVENUES OF THIS BOROUGH IN SUPPORT THEREOF; SETTING FORTH THE DEBT SERVICE AND CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE AS REQUIRED BY SUCH ACT; APPOINTING A SINKING DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SUCH NOTE WHEN DUE; PROVIDING FOR COLLECTION, CUSTODY AND DISBURSEMENT OF REVENUES FOR USE OF THE PROJECT; AUTHORIZING AND DIRECTING APPROPRIATE OFFICIALS TO PREPARE AND FILE NECESSARY DOCUMENTS WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS FOR APPROVAL OF GENERAL OBLIGATION DEBT AND QUALIFICATION OF SUCH DEBT AS SELF-LIQUIDATING; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE BOROUGH TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; CREATING A DEBT SERVICE

RESERVE FUND; DECLARING THAT DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THIS BOROUGH; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OR ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, The Borough of Millville, Columbia County, Pennsylvania (the "Borough") is a municipality existing under laws of the Commonwealth of Pennsylvania and is a local Government Unit, as defined in the local Government Unit Debt Act, Act No. 185 of 1972, approved July 12, 1972, as reenacted, amended and revised by Act No. 52 of 1978, approved April 28, 1978 of the Commonwealth of Pennsylvania (the "Act"); and

WHEREAS, The Borough has determined that it is necessary to make certain repairs and improvements to the existing sewage collection and treatment system by paying for certain obligations and expenses incurred with respect to the repairs and improvements (the "project"); and

WHEREAS, The Borough has obtained realistic cost estimates of the project, and has determined that costs of the project, as such costs are defined in Section 107 of the Act are \$15,000; and

WHEREAS, The Borough has determined that the financing of the Project should be accomplished by the issuance of a general obligation note, to be sold at private sale; and

WHEREAS, Northern Central Bank, (the "purchaser"), Millville, Pennsylvania, has submitted a bid to purchase such general obligation note; and such bid duly has been opened, read and considered as required by the Act; and

WHEREAS, The Borough desires to accept the bid of the purchaser, to award the Note (hereinafter defined) to the Purchaser and to incur nonelectoral debt, in the principal amount of \$15,000, in connection with the project, pursuant to provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Borough Council of this Borough as follows:

SECTION 1. The Borough Council does authorize and direct the issuance of a general obligation note of this Borough, pursuant to this Ordinance, in the principal amount of \$15,000, to be designated generally as a "General Obligation Note" (the "Note"), in accordance with the Act, to provide funds for and toward costs of the Project.

SECTION 2. The Borough Council determines that the debt, of which the Note shall be evidence, to be issued pursuant to this Ordinance, shall be nonelectoral debt of the

Borough.

SECTION 3. A brief description of the Project, for which debt, of which the Note shall be evidence, is to be incurred, is repairs and improvement, to the existing municipal sewage collection and treatment system. A realistic estimated useful life of the Project is specified to be 40 years.

SECTION 4. The Borough Council accepts the bid of the Purchaser to purchase the Note at private sale; and the Note is awarded to the purchaser, in accordance with the terms and conditions of its bid, at a dollar price of \$15,000 (100% of principal amount), the Purchaser having submitted such bid in accordance with provisions of the Act.

SECTION 5. The Note, when issued, will be a general obligation note of the Borough.

SECTION 6. The Note shall be in the denomination of \$15,000, shall bear interest on the unpaid principal balance from the date of issuance at the rate of 70% of the prime rate of the purchaser, as determined from time to time by the purchaser, per annum, with a maximum limit on the interest rate of 14%.

SECTION 7 . Payment of the entire principal on the Note shall be due in ten (10) years from the date of issuance and made in ten equal consecutive year payments of \$1500.

Prepayment of any installment of principal on the Note may be made on any date, at the option of the Borough, in whole, together with accrued interest to the date of prepayment, without any premium or penalty being payable by the Borough on account of any such prepayment.

SECTION 8. The principal of and interest on the Note shall be payable at the principal office of Northern Central Bank, in the Borough of Millville, Columbia County, Pennsylvania, in lawful monies of the United States of America, without deduction of any tax or taxes now or hereafter levied or assessed thereon under any present or future law of the Commonwealth of Pennsylvania, which tax or taxes the Borough assumes and agrees to pay; provided, however, that the foregoing shall not be applicable to gift, estate or inheritance taxes or to other taxes not levied or assessed directly on the Note or the interest paid thereon.

SECTION 9. The form of the Note shall be substantially as follows:

SECTION 10. The Note shall be executed in the name of and in behalf of the Borough by the manual signatures of the President or Vice President of the Borough Council, and the official seal of this Borough shall be affixed thereunto and the manual signature of the Secretary of this Borough shall be affixed thereunto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Note.

SECTION 11. The Borough covenants to and with the owner, from time to time, of the

Note, pursuant to this Ordinance, that the Borough shall include the amount of the debt service, for each fiscal year of the Borough in which such sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of the Note and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Borough shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of the Borough shall be enforceable specifically.

SECTION 12, There is created, pursuant to Section 1001 of the Act, a sinking fund for the Note, to be known as "Sinking Fund General Obligation Note", which sinking fund shall be administered in accordance with applicable provisions of the Act.

SECTION 13, The Borough appoints Northern Central Bank of Millville, having its office in Millville, Columbia County, Pennsylvania, as the sinking fund depository with respect to the sinking fund created pursuant to Section 12.

SECTION 14. The Borough covenants to make payments out of the sinking fund created pursuant to Section 12 or out of any other of its revenues or funds from the fiscal year ending December 31, 1986 and for ten years thereafter in amounts of \$1,500 per year plus yearly amounts sufficient to meet the interest payments, which shall be sufficient for prompt and full payment of all obligations of the Note when due.

SECTION 15. The President or Vice President of the Borough Council and the secretary, respectively, of this Borough, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file with the Pennsylvania Department of Community Affairs (the "Department"), the debt statement required by Section 410 of the Act; (b) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring debt, of which debt the Note, upon issue, will be evidence, as required by Section 411 of the Act; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (d) to take other required, necessary and /or appropriate action.

SECTION 16. The Note has been sold, as set forth in this Ordinance, at private sale, as permitted by the Act.

SECTION 17. The President or Vice President of the Borough Council and the Secretary of the Borough, respectively, of this Borough are authorized and directed to contract with Northern Central Bank of Millville for its services as sinking fund depository in connection with the sinking fund created pursuant to Section 12 and as paying agent in connection with the Note.

SECTION 18. It is declared that the debt to be incurred hereby is within the limitation imposed by the Act upon the incurring of debt by this Borough.

SECTION 19. The Secretary of the Borough is authorized and directed to deliver the Note, upon execution and attestation thereof as provided for herein, to the purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval pursuant to Section 804 of the Act or its approval shall have been deemed to have been given pursuant to Section 806 of the Act.

SECTION 20. The Borough covenants to and with the purchaser of the Note that it will make no use of the proceeds of the Note which, if such use reasonably had been expected on the date of issue of such Note, would have caused the Note to be an arbitrage note; and the Township further covenants to comply with the requirements of Section 103 (c) of the Internal Revenue Code, as amended, the temporary regulations, as modified, or with such regulations as finally adopted, or with other regulations implementing said Section 103 (c), if and to the extent applicable, during the term of the Note.

SECTION 21. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Borough that such remainder shall be and shall remain in full force and effect.

SECTION 22. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 23. This ordinance shall be effective in accordance with Section 103 of the Act.

DULY ENACTED AND ORDAINED, this 5th day of May, 1986, by the Borough Council of the Millville Borough, Columbia County, Pennsylvania, in lawful session duly assembled.

MILLVILLE BOROUGH
COLUMBIA COUNTY, PENNSYLVANIA

M. C. Ludwig
PRESIDENT OF COUNCIL
ATTEST:

MINDA SWARTZ, SECRETARY

19860505.095 *Debt, non-electoral*