

Borough of Frackville

Schuylkill County, Pennsylvania

ORDINANCE NO. 2001-5

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF FRACKVILLE COUNTY OF SCHUYLKILL, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$300,000.00 FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT OF SERVICE OF THE NOTE; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Borough of Frackville, Schuylkill County, Pennsylvania, be increased for the following purpose: Street Paving; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of \$300,000.00 will be needed to complete the project; and

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

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

SECTION 1. That the aggregate principal amount of the note of the Borough of Frackville, County of Schuylkill, Pennsylvania, proposed to be issued is \$300,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. The period of useful life of the equipment for which this obligation is to be issued is estimated to be in excess of five (5) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$300,000.00 dated and bearing interest from the earliest date of possible issue of said note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28<sup>th</sup> day of April, 1978, being Act 52 of 1978 Session, at the rate of interest of 5.00% per annum, payable on the unpaid balance of said Note on August 31, 2002, during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 5.00% per annum (computed on the basis of 360 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of the said Note as follows:

Principal	Interest	Term	Yearly Payment	
\$300,000.00	5.00%	5 yrs.	\$60,000.00	
Fiscal year	Beg. Balance	Principal	Interest	Ending Bal.
2002	\$300,000.00	60,000.00	13,769.88	240,000.00
2003	240,000.00	60,000.00	10,998.60	180,000.00
2004	180,000.00	60,000.00	8,085.56	120,000.00
2005	120,000.00	60,000.00	5,023.47	60,000.00
2006	60,000.00	60,000.00	1,804.72	0.00

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

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

SECTION 4. The said Note is hereby declared to be a general obligation of the Borough of Frackville. The municipality hereby covenants that the municipality shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of

such debt service; and shall duly and punctually pay or caused to be paid the principal of the note and the interest thereon at the dates and places and in the manner stated in the note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and the taxing power of the Borough of Frackville is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 5.00% are as follows:

Principal	Interest	Term	Yearly Payment	
\$300,000.00	5.00%	5 yrs.	\$60,000.00	
Fiscal year	Beg. Balance	Principal	Interest	Ending Bal.
2002	\$300,000.00	60,000.00	13,769.88	240,000.00
2003	240,000.00	60,000.00	10,998.60	180,000.00
2004	180,000.00	60,000.00	8,085.56	120,000.00
2005	120,000.00	60,000.00	5,023.47	60,000.00
2006	60,000.00	60,000.00	1,804.72	0.00

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit "A": Amortization Schedule

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

SECTION 7. M&T Bank is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2001 General Obligation Note", for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later



than the date upon which becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payment shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit withdraw available monies in the Sinking fund and apply said monies to payment of the principal of and interest on the obligation.

SECTION 8. The President of the Borough of Frackville and the Secretary of the Borough of Frackville are hereby authorized to contract with M&T Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best interest of the local government unit. Therefore, the general obligation Note in the amount of \$300,000.00, herein authorized to be issued and sold is hereby awarded and sold to the Borough of Frackville in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the date of delivery thereof to the Borough of Frackville and is in the form set forth in Section 5 of this Ordinance; and further provided that the proceedings have been approved by the Department of Community affairs if such approval is required under the provisions of the Act.

SECTION 10. The action of the proper officials and the advertising of a summary of this Ordinance as required by Law in the Pottsville Republican, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen days following the day of final enactment.

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

ORDAINED AND ENACTED THIS 14<sup>th</sup> day of May, 2001

Borough of Frackville

By

Adele Matern

Adele Matern, President

Grace Heim

Grace Heim, Vice President

ATTEST:

Brenda Deeter

Brenda Deeter, Secretary