

BOROUGH OF ORWIGSBURG
SCHUYLKILL COUNTY, PENNSYLVANIA

ORDINANCE NO. 256

AN ORDINANCE INCREASING THE INDEBTEDNESS OF BOROUGH OF ORWIGSBURG, COUNTY OF SCHUYLKILL, PENNSYLVANIA BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF THREE HUNDRED THOUSAND (\$300,000.00) FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS; 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 Orwigsburg Schuylkill County, Pennsylvania, be increased for the following purpose: Reconstruction and resurfacing of various streets within the Borough of Orwigsburg, including the reconstruction of Margaret Avenue and Independence Street, the resurfacing of Ridge Road from Liberty Street to the Borough line, MacArthur Road from Pershing Drive to Patton Drive, Pershing Drive from Ridge Road to MacArthur, Long Avenue from Market Street to Frisbee Avenue, and the chipping of remaining streets in Cresswell Acres; and

WHEREAS, the Borough of Orwigsburg has received preliminary realistic cost estimates from professional consultants indicating the sum of Three Hundred Thousand Dollars (\$300,000.00) will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its non-electoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the Borough of Orwigsburg debt incurring power, pursuant to constitutional and statutory authority, to be exceeded;

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

SECTION 1. That the aggregate principal amount of the note of the Borough of Orwigsburg, County of Schuylkill, Pennsylvania, proposed to be issued is Three Hundred Thousand Dollars (\$300,000.00), same to be issued for the foregoing purposes and same to be incurred as non-electoral debt.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of 10 years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation note, in fully registered form, in the sum of Three Hundred Thousand Dollars (\$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 28th day of April, 1978, being Act 52 of 1978 Session, at the rate of

interest of 8.78% per annum, payable semi-annually on the unpaid balance of said note, twenty (20) equal consecutive semi-annual installments of principal and interest in the sum of Twenty Two Thousand Eight Hundred Forty Three Dollars and Fifty Four Cents (\$22,843.54), commencing June 15, 1985, and semi-annually thereafter on December 15 and June 15 during the term of said note, and to the extent permitted by law, on overdue interest, at the rate of 8.78% per annum (computed on the basis of 365 days to the year) until paid.

The Borough of Orwigsburg 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 Orwigsburg. 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 cause 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 taxing power of the Borough of Orwigsburg 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 8.78% are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
1985	\$ 9,673.54 \$10,098.21	\$13,170.00 \$12,745.33
1986	\$10,541.52 \$11,004.29	\$12,302.02 \$11,839.25
1987	\$11,487.39 \$11,991.68	\$11,356.16 \$10,851.86
1988	\$12,518.11 \$13,067.66	\$10,325.43 \$ 9,775.88
1989	\$13,641.33 \$14,240.18	\$ 9,202.21 \$ 8,603.36
1990	\$14,865.33 \$15,517.91	\$ 7,978.21 \$ 7,325.63
1991	\$16,199.15 \$16,910.29	\$ 6,644.39 \$ 5,933.25
1992	\$17,652.66 \$18,427.61	\$ 5,190.89 \$ 4,415.93
1993	\$19,236.58 \$20,081.06	\$ 3,606.96 \$ 2,762.48

1994

\$20,962.62	\$ 1,880.92
\$21,882.88	\$ 960.66
<u>\$300,000.00</u>	<u>\$156,870.82</u>

SECTION 5. The form of said note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
County of Schuylkill
Borough of Orwigsburg

GENERAL OBLIGATION NOTE

\$300,000.00

DATED: _____

KNOW ALL MEN BY THESE PRESENTS, that the Borough of Orwigsburg, County of Schuylkill, Commonwealth of Pennsylvania, existing by and under the law of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser, or registered assigns, the sum of Three Hundred Thousand Dollars (\$300,000.00), plus interest on the unpaid principal balance hereof from the date hereof at the rate of 8.78% per annum. Said principal, plus interest at the aforesaid rate, shall be payable in twenty (20) consecutive equal semi-annual installments of principal and interest, each in the amount of \$22,843.54, on the first day of each semi-annual period, commencing June 15, 1985 and semi-annually thereafter on December 15 and June 15 during the term of said note, each of which installment shall be applied first to the payment of accrued and unpaid interest and then to the payment of principal, with the option in the Municipality to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof. Payments received on days other than their due date will be applied as aforesaid on the date received and the final payment will be recalculated and adjusted to reflect the actual interest accrued during the term hereof on the daily balance of principal outstanding.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the office of the Pennsylvania National Bank and Trust Company, Orwigsburg, Pennsylvania.

It is hereby recited that this note is authorized to be issued in accordance with the act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of the 1978 Session.

It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent to and in the issuance of this note or in the creation of the debt of which it is evidence, have been done, happened, and been performed in regular and due form and manner as required by law; and that this note, together with all other indebtedness of the said Borough of Orwigsburg is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this note the entire faith, credit, and taxing power of said Borough of Orwigsburg are hereby irrevocably pledged.

It is hereby further certified that the said Borough of Orwigsburg has effectively covenanted to include the amount of the debt service on this note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

IN WITNESS WHEREOF, the Borough of Orwigsburg has caused this note to be properly executed by the proper officers of the Borough of Orwigsburg and its corporate seal to be hereto affixed, attested to by the Secretary as of the _____ day of _____, 1984.

BOROUGH OF ORWIGSBURG

BY: _____
President

Vice President

ATTEST:

Secretary

(SEAL)

SECTION.6. The said note shall be executed in the name and under the corporate seal of the Borough of Orwigsburg by the President and Vice President and attested to by the Secretary.

The Treasurer is hereby authorized and directed to deliver said note to the purchaser, and receive payment therefor on behalf of the Borough of Orwigsburg. The President of Borough Council and Treasurer of the Borough of Orwigsburg are authorized and directed to prepare, verify and file the debt statement required by section 410 of Act 52 of 1978, 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. The Pennsylvania National Bank and Trust Company 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 1985 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 the same 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 payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the Borough of Orwigsburg 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 Borough Council and Treasurer of the Borough of Orwigsburg are hereby authorized to contract with Pennsylvania National Bank and Trust Company for its services as Sinking Fund Depository for the note and paying agent for the same.

SECTION 9. In compliance with Section 701 of Act 52 of 1978, 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 Borough of Orwigsburg. Therefore, the general obligation note in the amount of Three Hundred Thousand Dollars (\$300,000.00), herein authorized to be issued and sold is hereby awarded and sold to the Pennsylvania National Bank and Trust Company 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 Pennsylvania National Bank and Trust Company 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 is such approval is required under the provision of the Act.

SECTION 10. The action of the proper officers 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 (15) 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 31st day of December, 1984.

Borough of Orwigsburg

BY: *Clair E. Stayer*
President

BY: *Junda I. Knight*
Vice President

ATTEST:

Anna L. Shiplett
Secretary

Approved this 31st day of December, 1984.

Frank B. ...
Mayor of Borough of Orwigsburg