

Ordinance 82-4

\$ 70,000 Sundry Purposes

2/23/1982

ORDINANCE NO. 82-4

AN ORDINANCE INCREASING THE NONELECTORAL INDEBTEDNESS OF THE TOWNSHIP OF HOPEWELL, COUNTY OF BEAVER, PENNSYLVANIA, BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$70,000 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 THE EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Township of Hopewell, Beaver County, Pennsylvania, (the "Municipality") be increased for the following purpose: For the purchase of a new street sweeper for the Township of Hopewell, (the "Project"); and

WHEREAS, the Municipality has received preliminary realistic cost estimates from professional engineers, registered architects or others qualified by experience indicating the sum of \$70,000 will be needed to complete the Project; and

WHEREAS, the proposed increase of indebtedness together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the Municipality's nonelectoral borrowing power pursuant to constitutional and statutory authority to be exceeded:

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Municipality

of Pennsylvania, as amended (the "Act"), by the issuance of \$70,000 aggregate principal amount of the Municipality's General Obligation Note (the "Note") to finance the Project hereby determined to have a realistic useful life in excess of 10 years.

SECTION 2. The indebtedness shall be evidenced by the Note, in registered form, in the aggregate principal amount of \$70,000, dated the date of the execution and delivery thereof and bearing interest from the date of the Note on the unpaid balance of principal, payable monthly on the first day of each month, commencing May 1, 1982, and at maturity or earlier payment at a variable rate per annum equal to 60% times the sum of (i) the Prime Rate, as hereinafter defined, in effect from time to time, and (ii) 60% (the "Tax-Free Rate") such interest rate to change automatically from time to time, effective as of the effective date of each change in the Prime Rate, provided that such interest rate shall not be more than 25% per annum.

The principal of the Note shall be payable in installments on the annual anniversary date of the Note in the amounts set forth below:

<u>Fiscal Year</u>	<u>Principal Amount to be Paid</u>
1983	\$ 14,000
1984	14,000
1985	14,000
1986	14,000
1987	14,000

After maturity, whether by declaration, acceleration or otherwise, the Note shall bear interest until fully paid at a variable rate per annum equal to the Prime Rate in effect from time to time; such interest rate to change automatically from time to time, effective as of the effective date of each change in the Prime Rate, payable on demand, provided that such interest rate shall not be more than 25% per annum.

"Prime Rate" shall mean the prime interest rate per annum announced by Mellon Bank, N.A. (the "Bank") from time to time at its principal office in Pittsburgh, Pennsylvania as its prime rate.

Each interest rate referred to in the Note shall be computed on the basis of a year of 365 or 366 days, as the case may be.

The principal of and interest on the Note shall be payable at the Hopewell Township Office of the Bank, Aliquippa, Pennsylvania in any coin or currency of the United States which, at the respective times of payment, is legal tender for the payment of public and private debts.

If at any time or from time to time after the date of the Note there should be a change in the rate of income tax imposed upon the Bank by Section 11 of the Internal Revenue Code of 1954, as amended (the "Bank Tax Rate"), then the Tax-Free Rate shall be adjusted, effective as of the effective date of the change in the Bank Tax Rate, by multiplying the Tax-Free Rate by a fraction, the denominator of which shall be 100% minus the Bank Tax Rate on the date hereof and the numerator of which shall be 100% minus the Bank Tax Rate after the change.

The Municipality shall have the right at its option to prepay the 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 to principal installments in the inverse order of their maturities.

The Note shall be in substantially the form of Exhibit "A" annexed hereto.

SECTION 3. The Note is hereby declared to be a general obligation of the Municipality. The Municipality hereby covenants that the Municipality shall include the amount of the 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 Municipality is hereby irrevocably pledged.

The amounts which the Municipality hereby covenants to pay in each of the following fiscal years are as follows:

<u>Year</u>	<u>Principal</u>
1983	\$14,000
1984	14,000
1985	14,000
1986	14,000
1987	14,000

In addition to the above payments accrued interest on the outstanding principal shall be paid monthly.

SECTION 4. The Note shall be executed in the name and under the corporate seal of the Municipality by the President and attested to by the Secretary of the Municipality. The Treasurer of the

Municipality is hereby authorized and directed to deliver the Note to the Bank and receive payment therefor on behalf of the Municipality. The President and Secretary of the Municipality are authorized and directed to prepare, verify and file, or cause to be prepared, verified and filed, the Debt Statement required by Section 410 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 5. The Bank is hereby designated as the Sinking Fund Depository for the Note, and there is hereby created and established a Sinking Fund, to be known as "General Obligation Term Loan Note Sinking Fund" for the payment of the principal of and interest on the Note. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until the Note is paid in full, sufficient amounts for payment of principal of and interest on the Note no later than the day prior to 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 Municipality, withdraw available monies in the Sinking Fund and apply said monies to the payment of the principal of and interest on the Note.

SECTION 6. The President and Secretary of the Municipality are hereby authorized to contract with the Bank for its services as Sinking Fund Depository for the Note and as paying agent for the same.

SECTION 7. The Municipality hereby finds that a private sale of the Note by negotiation is in the best financial interest of the Municipality.

The Proposal to Purchase the Note dated February 11, 1982 of the Bank submitted to the Municipality is hereby approved and accepted. The Note is approved and shall be awarded, issued and sold upon a negotiated sale to the Bank at the principal amount thereof in accordance with said Proposal.

SECTION 8. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 23rd day of February, 1982.

TOWNSHIP OF HOPEWELL:

By Ross A. Damaso
Ross Damaso, President

ATTEST:

Evelyn Grande
Secretary