

CITY OF SHARON, PENNSYLVANIA

BILL NO. 00-13

ORDINANCE NO. ⁰²~~00~~-13

Introduced by,

Passed finally,

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SHARON, COUNTY OF MERCER, COMMONWEALTH OF PENNSYLVANIA, AUTHORIZING THE INCURRING OF INDEBTEDNESS BY THE CITY OF SHARON, MERCER COUNTY, PENNSYLVANIA, BY THE ISSUANCE OF A \$165,000.00 GENERAL OBLIGATION NOTE FOR THE PURPOSE OF PROVIDING FUNDS TO PAY FOR ENGINEERING AND ROAD CONSTRUCTION INSPECTION FEES; FIXING THE FORM, DATE, INTEREST AND MATURITY THEREOF; MAKING SALE THEREOF AT PRIVATE SALE; PROVIDING FOR THE PAYMENT OF DEBT SERVICE THEREON; AUTHORIZING THE EXECUTION AND DELIVERY THEREOF; MAKING APPROPRIATIONS; FURTHER AUTHORIZING AND DIRECTING THE PROPER CITY OFFICIALS TO ADVERTISE THE ADOPTION OF THIS ORDINANCE IN THE MANNER PROVIDED BY LAW; AND FURTHER AUTHORIZING AND DIRECTING THE PROPER CITY OFFICIALS TO SUBMIT THE REQUIRED DOCUMENTS TO THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT FOR APPROVAL IN ACCORDANCE WITH THE PROVISIONS OF THE UNIT DEBT ACT.

WHEREAS, the Council of the City of Sharon is authorized to incur indebtedness by the issuance of a General Obligation Note pursuant to the Local Government Unit Debt Act, Act No. 185, approved July 12, 1972, as amended and supplemented, to provide a loan to pay for design fees and inspection fees for the Sharon Townscape Project in the total amount of \$115,000 and \$50,000.00 for design and construction inspection fees for the Highland Road Project each with the minimum useful life being not less than ten (10) years from the date hereof (the "Project"); and

WHEREAS, the General Obligation Note is proposed to be issued by the City, known as the 2013 Note, in the principal amount of \$165,000.00 for which an actual proposal has been received; and

WHEREAS, the bid to the City from Pennsylvania Infrastructure Bank (hereinafter PIB) setting an interest rate of 1.625% as a fixed rate for a ten year loan term was the low proposal and was a proposal which the City considers to be responsible and in response to the request for a proposal; and

WHEREAS, the City proposes to issue a General Obligation Note, known as the 2013 Note, to PIB, who has agreed to purchase the City's Note at private sale on the terms hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Council of the City of Sharon, and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1: The indebtedness of the City of Sharon, Mercer County, Pennsylvania, is hereby increased by the issuance of a \$165,000.00 principal amount General Obligation Note, designated the 2013 Note,

same being issued as non-electoral debt of the City for the purpose of paying for design and inspection services for the Townescape and Highland Road projects, all being part of the Project. Bids were solicited by the City and the low bids/proposals for the projects were as follows:

Townescape Design.....	\$35,000.00
Townescape Inspection.....	\$80,000.00
Highland Rd Inspection.....	<u>\$50,000.00</u>
	\$165,000.00

All of which the City Council declares to be fair and reasonable and each part thereof to have a minimum useful life of not less than ten years..

SECTION 2: Said indebtedness shall be evidenced by one General Obligation Note, the 2013 Note, in registered form, in the aggregate principal amount of \$165,000.00 dated June 1, 2013, and bearing interest from June 1, 2013 at the rate of 1.625% per annum computed on the basis of 365 days to the year, through June 1, 2023, being the rate specified in the accepted proposal and loan agreement with PIB interest and principal payable on an equal monthly basis with interest and principal payable on the 1st day of each month during the term of the said Note beginning July 1, 2013, and maturing on June 1, 2023 with interest and principal then payable in full as per the schedule attached:

see attached Exhibit "A"

The City retains the right to redeem any or all of the principal amount of the 2013 Note prior to the respective payment dates thereof without a prepayment penalty.

Both principal and interest on the 2013 Note are payable at the office of PIB Harrisburg, Pennsylvania, or at such other place as PIB may from time to time designate.

SECTION 3. The 2013 Note is hereby declared to be a general obligation of the City of Sharon. The City hereby covenants that the City will include the amount of debt service on the same for each fiscal year in which sums are payable, in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall fully and punctually pay or cause to be paid from the general revenues of the City, the principal of the Note, and the interest thereon at the dates and places and in such manner stated in the same 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 City of Sharon is hereby irrevocably pledged. The amounts which the City covenants to pay in each of the following fiscal years are as set forth on Exhibit "A" incorporated into Section 2 of this Ordinance.

SECTION 4. The form of the 2013 Note shall be substantially as is set forth on Exhibit "B" which is attached hereto and made a part hereof.

SECTION 5. The 2013 Note shall be executed by the Manager and the President of Council of the City and its common and corporate seal shall be affixed thereto, attested by the City Clerk.. The City Manager shall deliver the said Note to the purchaser on behalf of the City and receive the proceeds thereof. The City Manager of the City shall prepare or cause to have prepared, verify and file the Debt Statement and Borrowing Base Certificate required by the terms of Act 185 of

1972, as amended and supplemented, known as the Local Government Unit Debt Act.

SECTION 6. The City covenants to establish and does hereby establish a sinking fund for the 2013 Note hereby issued, with the First National Bank of Pennsylvania as sinking fund depository. The City Manager shall pay or cause to be paid into a separate debt service account in the sinking fund for said Note the necessary amount to pay the interest and principal on the Note as the same comes due. The proper City officials are authorized to arrange with the said First National Bank of Pennsylvania for its services as sinking fund depository. The sinking fund depository shall, as and when said payments are due, without further action by the City, withdraw available monies in the sinking fund and apply said monies to the principal and interest on the obligation as same comes due.

SECTION 7. The 2013 Note is hereby awarded and sold at negotiated sale at par unto PIB in accordance with the proposal dated December 18, 2012, the same being considered fair and reasonable under present market conditions, and private sale being deemed to be in the best interests of the City. Said proposal is hereby accepted and shall be filed with the minutes of the City Council.

SECTION 8. The advertisement in a newspaper of general circulation in the City of the sale of this Note and the enactment of this Ordinance is hereby directed. The City Clerk is hereby directed to post and keep posted said notice on the bulletin board of the City Building for said advertisement in accordance with the provisions of law. It is further directed that the City Clerk shall make copies of the text of this Ordinance available for public inspection during regular business hours for a period of not less than thirty (30) days following adoption of this Ordinance.

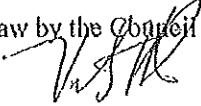
SECTION 9. The City hereby covenants with the holder of the Note that it will make no use of the proceeds of the Note which, if such use had been reasonably expected on the date of such Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, and that it will comply with the requirements of said Section and said regulations throughout the term of the Note.

SECTION 10: SEVERABILITY: The provisions of this Ordinance shall be severable and, if any of the provisions hereof shall be held unconstitutional, void or otherwise unenforceable, such shall not affect the validity of any of the remaining provisions of said Ordinance.

SECTION 11: REPEALER: All ordinances or parts of ordinances conflicting with any of the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

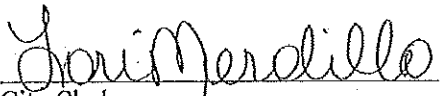
SECTION 12: EFFECTIVE DATE: This Ordinance shall become effective ten (10) days after final passage as required by the City's Charter or five days after the publication of a Notice of Enactment, whichever occurs later.

ORDAINED AND ENACTED finally into law by the Council of the City of Sharon, this day
of February, 2013.



PRESIDENT OF COUNCIL

ATTEST:



City Clerk