

CATAWISSA BOROUGH  
COLUMBIA COUNTY, PENNSYLVANIA

ORDINANCE NO. 05 OF 2017

AN ORDINANCE INCREASING THE INDEBTEDNESS OF CATAWISSA BOROUGH, COLUMBIA COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$700,000.00 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 DOCUMENT; 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 Catawissa, Columbia County, Pennsylvania be increased for the following purposes: Re-finance of Loan FCBT BL #502807038905; and

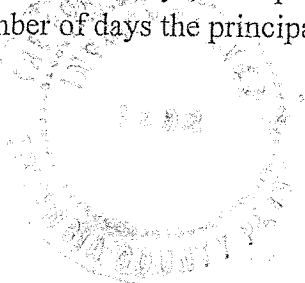
WHEREAS, the local government unit has received preliminary realistic estimate of \$700,000.00; and

WHEREAS, the proposed increase of debt, 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 Council of the Borough of Catawissa, Columbia 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 Catawissa, Columbia County, Pennsylvania, proposed to be issued is \$700,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. Interest on the unpaid principal balance at a Tax Exempt Qualified Rate of (2.38%) for a period of five (5) years, then each and every five (5) year maturity date the rate shall adjust to the then Five Year U.S. Treasury Bill plus a margin of two and a quarter percent (2.25%) converted to a Tax-Exempt Rate calculated 30 days prior to the effective rate change date. A Tax Exempt Qualified floor rate of (2.38%) and a Tax Exempt Qualified ceiling rate of (4.00%) shall apply throughout the entire term of the loan. The annual interest rate for the Loan shall be computed on a 365/360 basis, that is by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Tax equivalent rate is (3.45%).



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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 payments 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 3. The said Note is hereby declared to be a general obligation of the Borough of Catawissa, Columbia County, Pennsylvania. The local government unit hereby covenants that it 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 Catawissa, is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay Principal and Interest Payments quarterly amortized over twenty (20) years.

SECTION 4. The said Note shall be executed in the name and under the corporate seal of the local government unit by the President of the Borough Council and the Mayor 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 5. First Columbia 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 2017 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 local government unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 6. The President and Treasurer of the local government unit are hereby authorized to contract with First Columbia Bank and Trust Company for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 7. 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 financial interest of the local government unit. Therefore, the general obligation Note in the amount \$ 7,000,000.00, herein authorized to be issued and sold is hereby awarded and sold to First Columbia Bank and Trust Company in accordance with its proposal to purchase the said

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Note at par; provided the said Note is dated the delivery thereof to the First Columbia Bank and Trust Company and is in the form set forth in this Ordinance as Exhibit A; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act.

SECTION 8. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Press Enterprise, 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 9. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 29 day of ~~December~~, 2017.  
August

ATTEST:

CATAWISSA BOROUGH

BY *Gay Stinruck*  
PRESIDENT

*Connie Ch. Cole*  
Secretary

BY *Linda F. Kashner*  
FINANCE CHAIR

Approved this 29 day of August, 2017.

Mayor of Catawissa:

BY *[Signature]*