

ORDINANCE

NO. 87

AN ORDINANCE ALLOWING FOR THE REFINANCING OF THE INDEBTEDNESS OF WESTFALL TOWNSHIP, PIKE COUNTY, PENNSYLVANIA BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT \$258,500.00 FOR THE PURPOSE OF REFINANCING OF ITS GENERAL OBLIGATION NOTE DATED OCTOBER 3, 1989 IN THE ORIGINAL PRINCIPAL SUM OF \$320,000.00; 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 THE SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is appropriate that the indebtedness incurred by the Township of Westfall, Pike County, Pennsylvania evidenced by its general obligation Note dated October 3, 1989 in the original principal amount of \$320,000.00 be refinanced so as to allow for a reduction in the interest rate being paid thereon, without any increase in either the indebtedness or the remaining term of the indebtedness; and

WHEREAS, the Westfall Township Board of Supervisors have received proposals from various lending institutions providing for the terms and conditions under which said indebtedness may be refinanced; and

WHEREAS, the refinancing of the proposed indebtedness, together with the Township's non-electoral indebtedness and its lease rental indebtedness presently outstanding will not cause limitations on 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 Township of Westfall, Pike County, Pennsylvania, and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1. The short title of this Ordinance shall be "The 1996 Township Building Debt Refinancing Ordinance."

SECTION 2. The aggregate principal amount of the Note of the Township of Westfall, County of Pike, Pennsylvania, to be refinanced and the amount of the Note to be issued in connection therewith is \$258,500.00, the same to be issued for the foregoing purposes and to be incurred as non-electoral debt.

SECTION 3. The period of useful life of the improvements for which the original indebtedness was incurred was estimated to be in excess of seventy-five (75) years.

SECTION 4. Said refinanced indebtedness shall be evidenced by one General Obligation Note, in fully registered form, in the sum of \$258,500.00, 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 5.375% per annum, payable on the unpaid balance of said Note on a monthly basis 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 5.375% per annum (computed on the basis of 365 days to the year) until paid, which Note shall be payable in 156 equal installments of principal and interest of \$2,306.43 each, commencing thirty (30) days after the execution date of the Note, and payable on the same day of each month thereafter, with the final payment of interest and principal being due within 13 years after the execution date of the Note.

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at anytime 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 5. The said Note is hereby declared to be a general obligation of the Township of Westfall. 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 Township of Westfall 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 5.375% are more fully set forth on a 13 year amortization schedule attached hereto and made part of this ordinance as Exhibit "A".

SECTION 6. The form of the said Note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
County of Pike
Westfall Township

GENERAL OBLIGATION NOTE

\$258,500.00

DATED:

KNOW ALL MEN BY THESE PRESENTS, that the Township of Westfall, County of Pike, Commonwealth of Pennsylvania, a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser, or registered assigns, the sum of \$258,500.00 as follows: Interest at the rate of 5.375% per annum on the unpaid balances of principal until paid, together with interest on overdue principal, at the rate of 5.375% per annum (computed on the basis of 365 days to the year) until paid, principal and interest shall be payable in 156 installments of \$2,306.43 each, commencing thirty days after the execution date of the Note, and payable on the same day of each month thereafter, with the final payment of interest and principal being due and payable 13 years after the execution date of this Note, with the option in the local government unit to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty.

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 Mellon Bank, N.A., 814 Main Street, Stroudsburg, 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 local government unit 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 local government unit are hereby irrevocably pledged.

It is hereby further certified that the said local government unit 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 thereof.

IN WITNESS WHEREOF, the Township of Westfall has caused this Note to be properly executed by the proper officers of the local government unit and its corporate seal to be hereto affixed by the Secretary of the Township of Westfall on the ____ day of _____, 1996.

WESTFALL OF TOWNSHIP

BY _____
Chairman

ATTEST:

Secretary

BY _____
Supervisor

(SEAL)

BY _____
Supervisor

BY _____
Supervisor

BY _____
Supervisor

SECTION 7. The said Note shall be executed in the name and under the corporate seal of the local government unit by any three members of the Board of Supervisors, one of whom shall be either the Chairman or the Vice-Chairman, and attested to by the Township Secretary or Assistant 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 Chairman and Secretary or Assistant Secretary of the local government unit 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 statement required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 8. Mellon Bank, N.A. 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 1996 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 the principal of and interest on the obligation.

SECTION 9. The Secretary or Assistant Secretary and Treasurer are hereby authorized to contract with Mellon Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 10. 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 local government unit. Therefore, the General Obligation Note in the amount of \$258,500.00, herein authorized to be issued and sold is hereby awarded and sold to Mellon Bank, N.A. in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the date of delivery thereof to Mellon Bank, N.A. 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 11. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the News Eagle, 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 12. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 4th day of JUNE, 1996.

WESTFALL TOWNSHIP

BY Harold A. Magg
Chairman

BY Kenneth L. Thiele
Supervisor

BY Merio A. Buda
Supervisor

BY John F. Hess
Supervisor

BY Keith H. Peterson
Supervisor

ATTEST:

Lisa Green
Secretary

Certified to be a true and correct copy of the Ordinance adopted at a duly convened meeting of the Westfall Township Board of Supervisors held on the 29th day of May, 1996.

Lisa Green
Secretary