

BOROUGH OF OAKLAND
SUSQUEHANNA COUNTY, PENNSYLVANIA

ORDINANCE

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF OAKLAND, COUNTY OF SUSQUEHANNA, PENNSYLVANIA BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$80,000.00 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 Oakland, Susquehanna County, Pennsylvania, be increased for the following purposes: Purchase of engineering services incident to renovating the Borough water system; and,

WHEREAS, the Borough of Oakland has received preliminary realistic cost estimates from professional engineers indicating the sum of \$80,000.00 will be needed to complete the next phase of the project; 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 Borough of Oakland debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW THEREFORE, BE IT ORDAINED by the Borough of Oakland, Susquehanna County, Pennsylvania, and it is hereby ORDAINED by the authority of same as follows:

SECTION 1. That the aggregate principal amount of the note of the Borough of Oakland, County of Susquehanna, Pennsylvania, proposed to be issued is \$80,000.00 same to be issued for the following purposes and same to be incurred as a nonelectoral 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 5 years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation note, in registered form, in the principal sum of \$80,000.00 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 9 5/8% per annum, payable semi-annually on the unpaid balance of said note 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 6% per annum (computed on the basis of 365 days to the year) until paid, which note shall mature in one year from the date of issuance as follows:

Fiscal Year 1982 (interest only).....	\$ 3,850.00
Fiscal Year 1982 (interest and principal).....	\$83,850.00

The Borough of Oakland 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 Oakland. 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 Oakland is hereby irrevocably pledged; and the revenues of the Borough of Oakland Water Company are also irrevocably pledged hereby.

The amounts which the municipality hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 9 5/8% are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
1982	\$ 0.00	\$3,850.00
1982	\$80,000.00	\$3,850.00

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

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

County of Susquehanna
Borough of Oakland

GENERAL OBLIGATION NOTE

\$80,000.00

KNOW ALL MEN BY THESE PRESENTS, that the Borough of Oakland, County of Susquehanna and Commonwealth of Pennsylvania, a municipal corporation existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser the sum of Eighty thousand and 00/100 (\$80,000.00) Dollars in installments as follows:

Fiscal year 1982, the sum of \$80,000.00 with interest on the unpaid principal balance at the rate of nine and five-eighths per cent (9 5/8%) per annum; the principal payable in one installment one year from the date of said note and the interest payable 6 months from the date of said note and each and every 6 months thereafter, together with

interest on overdue interest, and to the extent permitted by law, on overdue interest, at the rate of six per cent (6%) per annum (computed on the basis of 365 days of the year), 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, without notice or penalty.

Both principal and interest are payable in 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 County National Bank, Montrose, PA.

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 42 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 Oakland 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 Oakland are hereby irrevocably pledged; and the revenues of the Borough of Oakland Water Company are also irrevocably pledged hereby.

It is hereby further certified that the said Municipality 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 Oakland has caused this note to be properly executed by the proper officers of the Borough of Oakland and its corporate seal to be hereto affixed, attested to by the Secretary of the Borough of Oakland as of the _____ day of _____. 1981.

BOROUGH OF OAKLAND

By: _____
Council President

By: _____
Councilman

ATTEST:

Secretary

SECTION 6. The said note shall be executed in the name and under the corporate seal of the Borough of Oakland by the Council President and one Councilman and attested to by the Secretary of the Borough of Oakland. The Secretary is hereby authorized and directed to deliver said note to the purchaser, and receive payment therefor on behalf of the Borough of Oakland. The Council President, one Councilman and Secretary of the Borough of Oakland are authorized and directed to prepare and certify the debt statement required by Section 409 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. County National Bank 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 1982 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 Oakland, 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 Council President and Borough Secretary of the Borough of Oakland are hereby authorized to contract with County National Bank for its services as Sinking Fund Depository for the note and paying agent for the same.

SECTION 9. The general obligation note in the amount of \$80,000.00 herein authorized to be issued and sold, is hereby awarded and sold to the County National Bank 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 County National Bank 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 10. The action of the proper officers is ratified and confirmed.

SECTION 11. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Susquehanna Transcript, 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.

ORDINANCE ADOPTED this _____ day of _____, 1981.

BOROUGH OF OAKLAND

By: _____
Council President

By: _____
Councilman

ATTEST:

Secretary

APPROVAL OF MAYOR

Approved this _____ day of _____, 1981.

Mayor of Borough of Oakland