

ORDINANCE NO. 290 OF 2005

AN ORDINANCE THE BOROUGH OF NORTH APOLLO, COUNTY OF ARMSTRONG AND COMMONWEALTH OF PENNSYLVANIA, BY A PENNVEST OBLIGATION IN THE FORM A GUARANTEED REVENUE BOND IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,823,329.00 FOR FINANCING OF SANITARY SEWER IMPROVEMENT PROJECT AND A STORM DRAIN IMPROVEMENT PROJECT; FIXING THE FORM, NUMBER, DATE, INTEREST AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE GUARANTEED REVENUE BOND; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Borough of North Apollo, Armstrong County, Pennsylvania be increased for the following purpose:

*Funding for a sanitary sewer improvement project and storm drain improvement project by the Borough of North Apollo for the purpose of separating storm water and thereby creating a sanitary sewage system and a storm water system within the Borough of North Apollo.*

WHEREAS, the local government unit has received preliminary realistic cost estimates from the professional consultants indicating that the sum of \$1,823,329.00 will be needed to pay for the sanitary sewer line and storm drain improvement project; and

WHEREAS, the proposed increase of debt, together with its non-electoral debt indebtedness presenting outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority, to be exceeded pursuant to the exclusion proceedings; and

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Council of the Borough of North Apollo, Armstrong 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 Bond of the Borough of North Apollo, County of Armstrong, Commonwealth of Pennsylvania, is \$1,823,329.00, the same to be issued for the foregoing purposes and same to be incurred as non-electoral 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 forty (40) years.

SECTION 3. The indebtedness shall be evidenced by the Guaranteed Revenue Bond in the sum of \$1,823,329.00 dated and bearing interest from the date of issue to be determined on the date of issuance of the Bond, but not to exceed one (1%) percent per annum, interest only on the unpaid principal balance payable in 11 monthly installments with the first calendar month following the closing. The principal and interest shall be payable on the first day of the 12<sup>th</sup> month following loan closing in the amount of \$1,823,329.00. The term of the loan is 284 months, which is 11 months of interest only payments and 273 months of principal and interest payments.

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 payment date thereof, without notice or penalty.

The principal and interest of said Bond shall be payable at the office of the sinking fund depository selected for the Bond.

SECTION 4. The said Bond is hereby declared to be a general obligation of the Borough of North Apollo as non-electoral debt.

The amount which the local government unit hereby covenants is \$1,823,329.00.

SECTION 5. The Borough hereby covenants that Borough will:

- A. Include amounts payable under the Bond for each fiscal year in which the sums are payable in its budget for such years;
- B. Appropriate such amount from its general revenues for the payment of the amounts payable under the Bond; and
- C. Duly and punctually pay or cause to be paid from such revenues, to the extent of its obligations under the Bond, the amounts payable in respect thereof, at the date and place and in the manners stated therein, according to the true intent and meaning thereof.
- D. Appropriate such amounts from the project revenues for the payment of the amounts payable under the Bond.

For such budgeting, appropriation and payment, the Borough hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

SECTION 6. The said Bond shall be executed in the name and under the corporate seal of the Borough of North Apollo by the President of the Borough Council and Board Members and attested thereto by the Secretary. The Treasurer is hereby



authorized and directed to deliver said Bond to the purchaser. The President of the Borough Council and the Secretary of the Borough of North Apollo are hereby authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Local Government Unit Debt 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 7. The Apollo Trust Company is hereby designated as the Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as the "Sinking Fund 2005 Guaranteed Revenue Bond", 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 payment shall become due. The Sinking Fund Depository shall, as and when said payment are due, without further action by the local government unit, withdraw available monies in the Sinking Fund and apply said monies to the payment of the principal of and interest on said obligation.

SECTION 8. The President of Council and Council Members of the Borough of North Apollo are hereby authorized to contract with Apollo Trust Company for its services as Sinking Fund Depository for the Bond and paying agent for the same.

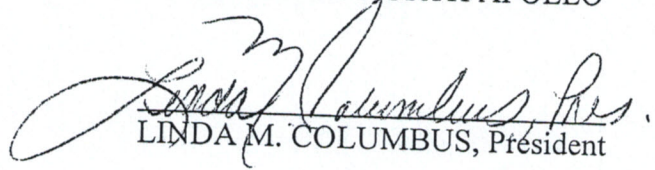
SECTION 9. In compliance with Section 701 of Act 52 of 1978, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best interest of the local government unit. Therefore, the Guaranteed Revenue Bond in the amount of \$1,823,329.00 herein authorized to be issued and sold is hereby awarded and sold the Pennsylvania Infrastructure Investment Authority in accordance with its proposal to purchase the said Bond at par; provided the said Bond is dated, the date of delivery thereof, to the Pennsylvania Infrastructure Investment Authority and is in the form set forth in 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 and the advertising of the summary of this Ordinance as required by law in the *Valley News Dispatch* 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 enactment.


SECTION 11. This Ordinance repeals in whole Ordinance No. 285 of 2003 enacted on March 3, 2003 and Ordinance No. 285(a) of 2004 enacted on January 19, 2004, and any prior Ordinances enacted which in any way conflict with any portion of this Ordinance.

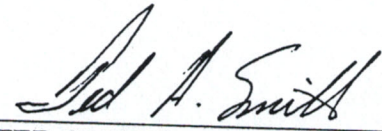
ORDAINED AND ENACTED this 11<sup>th</sup> day of April, 2005.

BOROUGH OF NORTH APOLLO

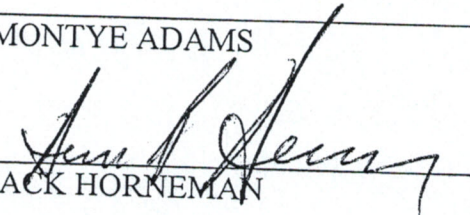
  
LINDA M. COLUMBUS, President

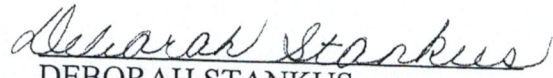
ATTEST:

  
EDWARD L. STITT, JR., Secretary (SEAL)

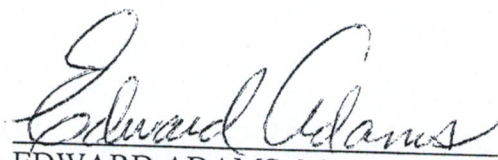
  
TED SMITH, Vice-President

MONTYE ADAMS

  
JACK HORNEMAN

  
DEBORAH STANKUS

APPROVED THIS 11<sup>th</sup> DAY OF APRIL, 2005.

  
EDWARD ADAMS, Mayor