

COUNCIL BILL NO. 1740**INTRODUCED BY: GARY D. GILBERT****ORDINANCE NO. 1649****AN ORDINANCE**

AN ORDINANCE OF THE CITY OF DUBOIS AMENDING ORDINANCE NO. 1647 AUTHORIZING THE INCREASING OF THE NONELECTORAL INDEBTEDNESS OF THE CITY BY THE DELIVERY BY THE CITY OF A GENERAL OBLIGATION NOTE IN A TOTAL AMOUNT OF UP TO \$100,000.00 AT ANY TIME OUTSTANDING FOR THE PURPOSE OF FINANCING THE PURCHASE OF A NEW FIRE TRUCK; APPROVING THE PROPOSAL FROM THE OFFICE OF THE STATE FIRE COMMISSIONER VOLUNTEER LOAN ASSISTANCE PROGRAM FOR THE TERMS AND CONDITIONS OF SAID NOTE; FIXING THE FORM, INTEREST RATE, PAYMENT DATES AND MATURITY DATES FOR SAID NOTE; PLEDGING THE REPAYMENT OF SAID NOTE; AUTHORIZING THE EXECUTION AND DELIVERY THEREOF; APPROVING THE BID PRICE FOR SAID FIRE TRUCK; AUTHORIZING THE FILING FOR APPROVAL OF SAID DEBT WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, AND AUTHORIZING THE PAYMENT OF THE REQUIRED FILING FEE THEREFOR.

WHEREAS, it is necessary that the nonelectoral indebtedness of the City of DuBois, Clearfield County, Pennsylvania, be authorized to be increased in the total amount of up to \$100,000.00, through the issuance of a General Obligation Note of the City of DuBois in the principal amount of up to \$100,000.00 for the purpose of financing the purchase of a pumper fire truck from Smeal Fire Apparatus Company, and the paying of the costs and expenses incurred in preparing and executing the Note which is to be issued to evidence said nonelectoral indebtedness; and

WHEREAS, the City of DuBois had received and accepted a bid to supply a new pumper fire truck to the City of DuBois for the purchase price of \$359,671.00; and

WHEREAS, the City of DuBois has received preliminary realistic cost estimates indicating the sum of \$100,000.00 will need to be borrowed to effect the purchase; 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 City of DuBois debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

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

SECTION 1. The City Council hereby ratifies, reconfirms and accepts the proposal from the Office of the State Fire Commissioner Volunteer Loan Assistance Program (the "Commissioner"), for the loan to the City of up to \$100,000.00 with a tax-free interest rate in the amount of 2.0% for 15 years with monthly payments of principal and interest in the amount of \$643.51 as confirmed in a letter from said Commissioner dated October 26, 2001, previously accepted by the City and incorporated herein by reference.

The City Council has previously considered and determined that under the present market conditions it is in the best financial interests of the City to borrow the money from said Commissioner on the terms set forth in said letter.

In accordance with the aforesaid bid and subject to the approval of the authorizing proceedings by the Pennsylvania Department of Community and Economic

Development, the Mayor and President of City Council or the City Manager is hereby directed to deliver said Note when fully executed to said Commissioner.

SECTION 2. The nonelectoral indebtedness of the City of DuBois be, and the same hereby is, initially authorized to be increased from time to time by an amount not to exceed at any time outstanding the sum of up to \$100,000.00.

SECTION 3. The total debt of up to One Hundred Thousand Dollars (\$100,000.00), of nonelectoral debt of the City of DuBois shall be evidenced by a Note in the total principal amount of up to, but not exceeding, \$100,000.00, in favor of the Office of the State Fire Commissioner Volunteer Loan Assistance Program as set forth in the aforementioned Proposal Letter.

SECTION 4. All of said Note, or any portion of the principal amount thereof, may be prepaid at the time. Any such prepayments may be made by the City without premium or penalty.

SECTION 5. The form of said Note to be issued from time to time hereunder shall be substantially as follows:

* * * * *

CITY OF DUBOIS

CLEARFIELD COUNTY, PENNSYLVANIA

Promissory Note

\$100,000

DuBois, Pennsylvania

FOR VALUE RECEIVED, the CITY OF DUBOIS, a local government unit and body corporate and politic of the Commonwealth of Pennsylvania, hereby promises to pay to the Office of the State Fire Commissioner Volunteer Loan Assistance Program, in lawful money of the United States of America, the principal sum of One Hundred Thousand Dollars \$100,000 on August 1, 2002, together with interest to be paid monthly from the date hereof on the unpaid balance of said principal sum at the rate of interest per annum (computed on the basis of a year of 365 days) equal to a fixed rate of 2.0%.

It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent or 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 City is not in excess of any conditional or statutory limitation.

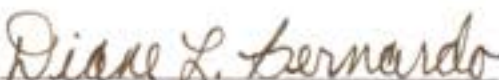
No recourse shall be had for the payment of principal or interest on this Note against any council member, officer, agent, attorney or employee, past, present or future of the City, or of any successory, as such, either directly or indirectly or through the City, it being understood and agreed that this Note is solely a corporate obligation of the City.

This Note evidencing a borrowing authorized by an Ordinance or Resolution of the City Council of the City of DuBois duly and properly adopted on ~~May~~ March 13th, 2002.

IN WITNESS WHEREOF, the CITY OF DUBOIS has caused this Note to be properly executed by the Mayor and President of City Council and the City Controller of the City and its corporate seal to be hereto affixed and attested to by the City Manager as of the 13th day of ~~May~~ March, 2002.

CITY OF DUBOIS

By 
 Mayor and President of Council

By 
 City Controller

ATTEST:


 City Manager

SECTION 6. It is hereby authorized and directed that said Note shall be executed on behalf of the City by the Mayor and President of City Council and by the City Controller, and there shall be affixed thereto the City seal which shall be attested by the City Manager, and said Note shall thereafter be valid and obligatory for all purposes, and shall be entitled to all benefits conferred thereon under the provisions of this Note Ordinance. The Mayor and President of City Council or the City Manager is hereby authorized and directed to deliver said Note to the Office of the State Fire Commissioner Volunteer Loan Assistance Program.

SECTION 7. S&T 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 known as "Sinking Fund 2002 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 payment 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.

The City Manager and City Treasurer of the City of DuBois are hereby authorized to contract with S&T Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 8. The City covenants that it will continue diligently to completion with the purchase of such pumper fire truck from Smeal Fire Apparatus Company as promptly as practicable, all in accordance with the bid specifications accepted by the City of DuBois with said debt being secured as provided hereunder and with said project to have an estimated useful life in excess of twenty (20) years.

The City further covenants to levy and assess upon all persons and property subject to taxation for City purposes an annual tax in each of the fiscal years that said Note shall remain outstanding of so many mills as will yield amounts which, together with all other available general revenues of the City, said Note as the same shall from time to time become due and payable. The collection of said tax, if any is necessary, shall commence with the fiscal year of 2003.

In addition to the aforementioned, the principal of and interest on said Note to be issued pursuant to the aforementioned covenant shall first be payable out of the receipts and revenues of the City derived from the taxes and general revenues, including paving assessments, levied and collected by the City and such net receipts and revenues shall be pledged to such payments, and said Note shall constitute a first lien against such net receipts and revenues so pledged. The payment of the principal and interest on said Note will be guaranteed by the City in the event and to the extent of any deficiency at any time in said pledged net receipts and revenues, and accordingly, the City will declare that said Note shall be a general obligation of the City, for the prompt and full payment of all or any part of which, the full faith, credit and taxing power and resources of the City will be irrevocably pledged. This covenant shall be specifically enforceable and the City understands and intends that its pledge as above stated of its full taxing power will be unlimited as to rate or amount.

SECTION 9. The required net moneys realized from taxes imposed hereunder (if any) and all other general revenue moneys of the City otherwise usable and required, and any required capitalized interest moneys from the Fire Truck Account, shall be payable to the Office of the Fire Commissioner Volunteer Loan Assistance Program at the times due in accordance with the attached schedule.

SECTION 10. The City Council herewith directs that the necessary documentation be filed with the Pennsylvania Department of Community and Economic Development so that the debt incurred hereunder may be approved as nonelectoral debt of the City. On this basis, it is hereby declared that the net nonelectoral debt (not excluded) of the City to be incurred hereunder, as represented by the Notes and subsequently the Note shall be \$100,000.00 and the self-liquidating nonelectoral debt (excluded) of the City to be incurred hereunder shall initially be up to \$0.00, which together with all presently existing net debt of the City will not be in excess of the constitutional limitations as set forth in the Local Government Unit Debt Act. The Mayor and President of City Council, the City Controller and the City Manager are hereby further directed to prepare, execute and verify under oath a "Debt Statement" of the City in order to obtain approval for the Note, and to submit the same, together with an executed "Application for Approval" and executed "Debt Statement" and executed "Borrowing Base Certificate" for the Note and the necessary filing fee to the Pennsylvania Department of Community and Economic Development pursuant to the Local Government Unit Debt Act as promptly as practicable. Upon approval by the Pennsylvania Department of Community and Economic Development, the "Certificate of Approval" shall be promptly filed with the Records of the City in accordance with the Local Government Unit Debt Act. Said officers are also hereby further authorized and directed to perform all other acts and do all other things necessary to obtain said approvals.

SECTION 11. All moneys derived from the proceeds of the loan and evidenced by the Note shall be deposited in the appropriate Fire Truck Account of the City previously established for the purchase of said pumper fire truck, including the payment of interest on the Note and repayment of principal as provided herein.

SECTION 12. The City Council hereby further authorizes and directs that the City shall continue and complete its purchase of the pumper fire truck from Smeal Fire Apparatus Company, with said debt being secured as provided hereunder.

SECTION 13. The proper and appropriate officers of the City are also hereby authorized and directed to perform any and all other acts necessary and proper to be done as required by the Local Government Unit Debt Act, in connection herewith.

SECTION 14. All other ordinances or resolutions or parts of ordinances or resolutions not in accordance with this Note Ordinance are hereby repealed insofar as they affect this Note Ordinance.

SECTION 15. This Note Ordinance shall take effect five (5) days after the second and final advertisement of its adoption.

ORDAINED AND ENACTED into law by the City Council of the City of DuBois in lawful session assembled this 13th day of May, 2002.

INTRODUCED BY WILLIAM R. BOYLE

CITY OF DUBOIS

BY ORIGINATOR

By John Sullivan
Mayor and President of Council

ATTEST:

Bill Johnson
City Manager

Paul H. Cherry
City Solicitor

John Sullivan
Mayor and President of Council

PASSED BY COUNCIL

MAY 13 2002