

**COUNCIL BILL NO. 1929**

**INTRODUCED BY: Edward Walsh**

**ORDINANCE NO. 1829**

**AN ORDINANCE**

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN ONE HUNDRED EIGHTY-ONE THOUSAND SEVENTY-EIGHT DOLLARS (\$181,078.00); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF, THE NOTE; ESTABLISHING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY; FIXING THE FORM, INTEREST RATES, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE NOTE; AUTHORIZING A FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE NOTE.

WHEREAS, the Members of Council (the "Governing Body") of the City of DuBois (the "Local Government Unit") deem it advisable to incur nonelectoral indebtedness, pursuant to the Local Government Unit Debt Act (the "Act"), for the acquisition of a 2018 Freightliner SD Cab and Chassis and a Dump Box Plow and Spreader; and

WHEREAS, the United States Department of Agriculture, Rural Development (the "Purchaser") has presented a written proposal (the "Purchase Contract"), attached hereto as Exhibit "A", to purchase the Note (defined hereinafter) to be issued by the Local Government Unit in order to achieve the financing of the purchase of the vehicle and equipment (the "Project").

NOW, THEREFORE, it is hereby enacted that:

**Section 1 – Authorization.**

1.01. The Local Government Unit Hereby authorizes the incurrence, and the increase of, nonelectoral indebtedness in the principal amount of up to \$181,078.00, to be evidenced by a general obligation note (the "Note"), in substantially the form attached hereto as Exhibit "B", in order to pay the costs of the Project. The Note will be dated the date of delivery and will bear interest at the rates described in the Purchase Contract and the Loan Agreement (hereinafter defined), and will be payable (at maturity or upon earlier redemption) on the date and/or at the times, shown within the Purchase Contract. Furthermore, the Note will be issued subject to, and its terms and conditions of payment and security further delineated by and under a loan agreement (the "Loan Agreement") substantially incorporating the terms and conditions of the Purchase Contract. The Loan Agreement, substantially in such form as the Designated Officers and the Local Government Unit's Solicitor shall approve.

1.02. Reasonable estimates of the costs of the Project, which are not less than the principal amount of the indebtedness authorized hereby, together with the useful life of the capital assets financed and refinanced, have been obtained with the assistance of engineers, architects, financial advisors and other persons qualified by experience. Nothing contained herein shall prohibit the Governing Body, under proper enactment of an ordinance and compliance with all provisions of law, from amending, adding to, subtracting from, substituting for or otherwise altering the Projects undertaken hereby.

1.03. The Mayor, Manager, Controller and Secretary or their duly elected and acting successors (the "Designated Officers") are hereby authorized and directed to execute and deliver such documents and to do and perform all acts necessary and proper for the issuance and further security of the Note, including its execution and sealing and delivery to the Purchaser. The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all the ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required to effectuate the Projects.

1.04. The Designated Officers are hereby further authorized and directed to provide to the Purchaser a copy of the audited financial statements of the Local Government Unit while the Note is outstanding.

1.05. The Local Government Unit hereby covenants and agrees to comply with the conditions and/or requirements of the Purchaser set forth in the Purchase Contract within Exhibit "A" attached hereto.

### **Section 2 – Preparation of Debt Statement**

2.01. As required by §8110 of the Act, the Designated Officers of the Local Government Unit shall prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate and shall file such documents, along with a certified copy of this Ordinance and proofs of publication of required notices, with the Pennsylvania Department of Community and Economic Development (the "Department") to enable the Department to certify its approval to issue, sell and deliver the Note.

### **Section 3 – Security and Payment of the Note.**

3.01. The Note shall be a general, full faith and credit obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Purchaser and with subsequent holders, from time to time, of the Note that it will (a) include the amount of debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service and (c) duly and punctually pay or cause to be paid the principal of an interest on the Note on the dates, at the place, and in the manner stated therein according to the true intent and meaning thereof. For such budgeting, appropriation and payment of the Note, the Local Government Unit hereby irrevocably pledges its full faith, credit and taxing power. The exact amounts of debt service payable in respect of the Note are set forth in Exhibit "B".

3.02. The Local Government Unit does hereby create, and orders to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with the Purchaser and does further covenant to maintain such Sinking Fund in accordance with the Act, until the Note is paid in full. A Designated Officer is hereby authorized and directed to contract with the Bank for its services in such capacity.

### **Section 4 – Tax Covenants.**

4.01. The Local Government Unit hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of the issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder applicable to the Note and that it will comply with the requirements of that Section and the Regulations throughout the term of the Note.

4.02. If: (a) the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by or on behalf of the Local Government Unit during the current calendar year exceeds \$5,000,000.00; and if (b) the gross proceeds of the Note are invested at a yield greater than the yield on the Note; and if (c) the gross proceeds of the Note are not expended or deemed to have been expended either within six months from the date of issuance, or, if the Projects are construction projects, within two years from the date of issuance (and according to certain periodic expenditure thresholds), all pursuant to §1.148.7 of the Regulations, the Local Government Unit covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, the difference (if a positive number) between the investment income received on the Note proceeds and the investment income that would have been earned had the Note proceeds been invested at the yield of the Note.

4.03. The Local Government Unit hereby designates the Note as a Qualified, Tax-Exempt Obligation pursuant to Section 265(b)(3) of the Code and represents that the total amount of obligations designated and to be designated by or on behalf of the Local Government Unit during the current calendar year does not and is not expected to exceed \$10,000,000.00.

4.04. The Local Government Unit will file IRS Form 8038-G and any other forms or information required by the Code or the Regulations to be filed with the Internal Revenue Service in order to

further ensure the exclusion of the interest on the Note from gross income tax for federal income tax purposes.

**Section 5 – Award.**

After due consideration of sundry factors, including professional assistance and current market conditions, the Local Government Unit hereby: (1) determines that a sale by negotiation of the Note with the United States Department of Agriculture, Rural Development Division, is in the best financial interest of the Local Government Unit; and (2) authorizes the Designated Officers (or their appropriate successors acting by reason of absence or other incapacity), in their sole discretion, to award the sale of the Note (or a portion thereof) to the Purchaser, by means of the execution of and delivery to the Purchaser of, the Purchase Contract. The execution and delivery of the Purchase Contract is hereby ratified and confirmed.

**Section 6 – Appointments of Professionals.**

The Local Government Unit does hereby appoint Gleason, Cherry and Cherry, L.L.P. as Note Counsel in connection with the issuance of the Note and the financing of the Projects.

**Section 7 – Ordinance a Contract.**

Upon the Local Government Unit's execution of the Purchase Contract, this Ordinance, together with the Loan Agreement relating thereto, if and when executed and delivered, shall be deemed to be a contract with the holders, from time to time, of the Note.

Duly enacted by the Governing Body of the Local Government Unit, in lawful session assembled, on the 8<sup>th</sup> day of January, 2018.

ATTEST:

  
 John "Herm" Suplizio  
 City Manager

CITY OF DUBOIS

By   
 Gary D. Gilbert  
 Mayor and President of Council

PASSED BY COUNCIL:

01/08/18

APPROVED: 

EXHIBIT "A"

FORM OF NOTE



United States Department of Agriculture

Rural Development 7/12/17

Rural Area Office

825 Evans City Road  
Suite 101  
Dubois, PA  
15801-8704Voice 724 482 4800  
Fax 800 750 7062TTY/TDD & Voice T11  
700 only  
800 654 5984  
www.rd.usda.govCity of Dubois  
ATTN: John Suplicio, City Manager  
16 W. Scribner Ave  
Dubois, PA 15801

Dear Mr. Suplicio:

This letter with Attachments and enclosures establishes conditions which you must understand and agree to before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Housing Service (RHS) by the State and Area staff of USDA, Rural Development (RD), both of which are referred to throughout this letter as the Agency. You must report any changes in project cost, source of funds, scope of services, or any other significant changes in the project to the RD Area Office for review and approval. A written amendment to this letter will be prepared for any changes approved. Any changes not approved by RD shall be cause for discontinuing processing of the application.

Your documents concerning the creation and legal existence of the municipality are currently administratively acceptable. Any changes required by Office of General Counsel (OGC) will be included in the closing instructions.

Extra copies of this letter are being provided for use by your attorney and accountant. You may access our website located at [www.rd.usda.gov/rda](http://www.rd.usda.gov/rda) for RD Instructions 1942-B and 3570-B.

The conditions referred to above are as follows:

### Section I: Project Detail

1. **Project Description:** Project funds will be used to purchase a 2018 Freightliner 108 SD Cab and Chassis plus the purchase and installation of a dump box, plow, and spreader. The truck will be housed at the City's public works parking area located at 10 Parkway Drive, Dubois, PA.

The Community Facilities Grant Program's procurement method is referenced back to RD Instruction 1942 18(x), the purchase of vehicles, equipment, furnishings and other similar types will meet the Agency's procurement method.

2. **Project Budget:** Funding has been budgeted for the estimated expenditures:

Item:	Cost:
2018 Freightliner SD Cab and Chassis	\$109,007
Dump box, plow, spreader	\$ 26,300
Legal fees	\$ 7,500
<b>Total Project Cost:</b>	<b>\$142,807</b>

USDA is an equal opportunity provider, employer, and lender.



The funding is offered based on the amounts stated above. Prior to loan closing, any increase in non-Agency funding (i.e. applicant contributions, additional funds received), will be applied first as a reduction to Agency grants funds, up to the total amount of the grant, and then as a reduction to Agency loan funds.

3. **Project Funds:** The project funding will be from the following sources:

Source:	Amount:
RD Grant	\$ 26,300
RD Direct Loan	\$109,700
Applicant Contribution	\$ 25,078
<b>Total Project Funding:</b>	<b>\$161,078</b>

You must provide evidence of applicant contributions and approval of other funding sources. Evidence should include availability of applicant contributions (bank statement or similar) and commitment letters from other sources.

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. If actual project costs exceed the project cost estimates above, an additional contribution by the Owner may be necessary.

You must assure that all project funds are expended only for the eligible items included in the project budget of this Letter of Conditions or as amended by RD in writing at a later date. Loan and/or Grant funds not expended for eligible project purposes will be de-obligated.

### Section II: Loan and Grant Terms

4. **Loan Repayment:** The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less, unless you choose otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount. The payment due date will be established as the day that the loan closes.

The loan is scheduled for repayment over a period of 10 years on the due date established at loan closing. For planning purposes use a 3.375% interest rate and an amortization factor of 9.84 which provides for a monthly payment of \$1277.00.

5. **Electronic Payments:** Payments will be made on the day your payment is due through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, "Authorization Agreement for Preauthorized Payments" for all new indebtedness to the Agency prior to loan closing. It allows for the payment to be electronically debited from your account on the day your payment is due.

6. **Security:** The loan must be secured by a General Obligation Bond, a pledge of the entity's revenues, the full credit of the entity, including its taxing authority, and other agreements between you and RD as set forth in the bond ordinance. OGC may require additional security requirements and will examine the above ordinance for any additional legal requirements for loan closing.

Any equipment to be purchased with RD funds must include a description including the year, make, model and serial number.

7. **Project Completion Timetable:** All projects must be completed and all funds disbursed within five years of the obligation date. If funds are not disbursed within five years of obligation, you must submit to the Agency a written request for extension of time with adequate justification of circumstances. Requests for extensions will be reviewed by the Agency for concurrence decision. The Agency reserves the right to discontinue the project and fully de-obligate the funds if no progress has been made on the project.

8. **Disbursement of Agency Funds:** Agency grant funds cannot be disbursed prior to Agency loan funds. Agency grant funds are the last funds to be used towards a project.

The RD funds will be paid on a reimbursement basis to cover the RD proportionate share of any disbursements required over thirty (30) day periods. Funds will be disbursed by electronic transfer of funds. The borrower shall complete Standard Form 3661, "ACH Vendor/Miscellaneous Payment Enrollment Form", with account information where funds will be electronically received. The completed form must be received by RD at least thirty (30) days prior to the first advance of funds. Copies of all bills, invoices or statements and a written pay request must be submitted for approval by RD prior to payment.

You must establish a separate fund, to be known and hereafter referred to as the Equipment Account, with a lending institution insured by the Federal Deposit Insurance Corporation. All project funds will be deposited into this account. The account shall be used solely for the purpose of paying authorized costs of the project as outlined in the project budget. Once the funds are deposited into the Equipment account, they become your responsibility. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Equipment Account at any one time.

Any RD funds not disbursed immediately upon receipt must be deposited in an interest bearing account, except as follows:

- Federal grant awards (includes all federal funding sources) are less than \$120,000 per year;
- The best available interest bearing account would not be expected to earn in excess of \$100 per year. Excess amounts will be submitted to the RD annually as required in 7 CFR 3016;
- The depository would require a minimum balance so high that it would not be feasible.

9. **Community Facilities Grant Agreement:** Attached is a copy of Form RD 3670-3 Community Facilities Grant Agreement. You will be required to execute this agreement before grant funds are advanced.

- Agency grant funds will be disbursed after all other funding sources have been exhausted, including but not limited to applicant contributions and Agency loan funds.
- The grantee understands that any property acquired or improved, in whole or in part, with Federal grant funds may have use and disposition conditions which apply to the

property as provided by 7 CFR parts 3015, 3016 or 3019 in effect at this time and as may be subsequently modified.

- The sale or transfer of property is subject to the interest of the United States Government in the mark value of the property attributable to the Federal participation in this project as provided by 7 CFR parts 3015, 3016 or 3019 in effect at this time and as may be subsequently modified;
  - CF Grant assistance is subject to the provisions of Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 and the regulations issued thereto. This covenant is in effect for as long as the property continues to be used for the same or similar purpose for which the financial assistance was extended or for as long as the grantee owns it, whichever is longer.
10. **Other Requirements:** All requirements contained in the Agency's loan closing instructions as well as any requirements of your bond counsel and/or attorney (if agreed to by the Agency) must be met prior to loan closing, including:

- System for Award Management:** You are required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done online at: <http://sam.gov>. This registration must be renewed and validated every twelve (12) months for as long as there are Agency funds to be expended. The Agency cannot disburse any funds if your registration has lapsed.

To ensure the information is current, accurate and complete and to prevent the SAM account expiration, the review and updates must be performed within 30 days of the activation or renewal date. The registration process may take up to 10 business days. (See 2 CFR part 25 and the "Help" section at <http://sam.gov>).

- Litigation:** You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation. Additional documentation regarding the situation and litigation may be requested by the Agency.

### Section III: Requirements Prior to Procurement

11. **Environmental Requirements:** The project as proposed has been evaluated to be consistent with all applicable environmental requirements.

**Project Modifications:** If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

12. **Legal Services:** You must obtain the services of a recognized bond counsel or local attorney. For your convenience, RD Guide 14 "Legal Services Agreement" is enclosed for your use. A completed form AD-1048 "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" must also be submitted with each Legal Services Agreement.
13. **Property Rights:** You must provide a deed or other Agency approved verification of rights of ownership and control of the location in which the vehicle, equipment, furnishings, or other property will be housed.

#### Section IV: Requirements Prior to Loan and Grant Closing

14. **Insurance and Bonding Requirements:** Prior to loan closing you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your attorney and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of USDA, Rural Development to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.
- General Liability Insurance** – Include vehicular coverage.
  - Workers Compensation** – In accordance with appropriate State laws.
  - Position Fidelity Bonds:** – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. You should have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The amount of coverage should be discussed and approved by USDA Rural Development.
  - National Flood Insurance** – In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
    - If flood insurance is available, you must purchase a flood insurance policy by the time of grant closing.
    - Applicant whose buildings, machinery, or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.
  - Real Property Insurance** – Fire and extended coverage will normally be maintained on all above ground structures, including applicant owned equipment, machinery, and furnishing housed therein. You must obtain real property insurance on all facilities identified above and USDA must be included as lienholder and loss payee on the policy.
15. **Initial Compliance Review:** The Agency will conduct an initial compliance review prior to loan closing or start of construction in accordance with 7 CFR 1901 subpart E.
16. **Requests for Closing Instructions:** Must occur approximately ninety (90) days prior to actual closing. All insurance, construction, security, title, deed, and other requirements set forth by the Agency or as described in the sections above must or will be satisfied before Agency loan closing occurs, otherwise closing instructions cannot be issued by the Agency. Closing can also be postponed due to exception listed in the title work or for previously approved closing documents not being used at closing. The Agency can provide guidance on what items are typically needed.
- Your bond counsel or attorney will prepare the draft loan closing package and submit it to the Agency for review approximately 90 days in advance of loan closing for concurrence through our OGC. The Agency will provide information regarding additional or missing documents which will be required by OGC.

17. **Use of Remaining Funds:** Applicant contributions will be the first funds to be expended in the project. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:
- Remaining funds may be used for eligible loan or grant purposes provided the use will not result in major changes to the original scope of work and the purpose of the grant remains the same.
  - On projects that involve and agency grant, all remaining funds will be considered to be grant funds up to the full amount of the grant. Grant funds not expended for eligible project purposes will be de-obligated.
  - Agency grant and/or loan funds that are not needed to cover the final project costs will be de-obligated prior to closing. Grant funds will be de-obligated first, up to the full amount of the grant.
18. **Financial Reporting Requirements:** Grantees must furnish RD with annual financial statements, consisting of a balance sheet and statement of income and expenses report, with sixty (60) days following the end of the fiscal year in which any grant funds were expended.

#### Section V: Servicing Requirements During the Term of the Loan and Grant

19. **Community Facilities Grant Agreement:** You are required to follow the disposition instructions described in the Form 3570-3 Community Facilities Grant Agreement with any property purchased in whole or in part with Agency grant funds. Prior to disposition, you must contact the Agency. The Agency will notify you of the proper disposition method and if the Agency is entitled to recouping any portion of the grant funds expended towards the project on a proportionate basis.
20. **Prepayment and Extra Payments:** Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the borrower, with no penalty. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt shall, after payment of interest, be applied to principal.
21. **Refinancing:** By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance upon request of the Government. If at any time the Agency determines you are able to obtain a loan for such purposes from private sources at reasonable rates and terms, you may be requested to refinance. Your ability to refinance will be assessed every other year for those loans five years old or older.
22. **Security/Operational Inspections:** The Agency will perform Security Inspections of the facility, your operations and records management system and any conflict of interest policy every three years for the life of the loan. You agree to participate in these inspections and provide the required information needed for the Agency to perform these inspections.
23. **Compliance Reviews and Data Collection:** The Agency will conduct regular Compliance Reviews of the borrower and its operation in accordance with 7 CFR 1901 subpart E. Compliance Reviews will typically be conducted in conjunction with Security Inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service which you provide, you must request and

collect data by race (American Indian or Alaska Native, Asian, Black or African American, White), ethnicity (Hispanic or Latino, Not Hispanic or Latino), and by sex. The Agency will utilize the data as part of the required compliance review.

24. **Insurances:** You are required to maintain insurances on the facility and employees, volunteers, officers, and others as previously described in this letter for the life of the loan.
25. **Accounting and Reporting:** You may be required to obtain the services of an independent licensed Certified Public Accountant (CPA). When permitted by state statutes or with the approval of RfHS, a state or Federal auditor may perform the audit in lieu of a CPA. A CPA will be considered independent if the CPA:

- Meets the standards for independence contained in the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct in effect at the time the CPA's independence is under review;
- Does not have any direct financial interest or any material indirect financial interest in the borrower during the period covered by the audit, and
- Is not, during the period of the audit, connected with the borrower as a promoter, underwriter, trustee, director, officer or employee.

Prior to loan closing, your accountant must certify to you and RD that the accounts and records as required by your bond ordinance have been established and are operational.

**Quality Review Requirement:** As required by GAGAS, the auditor must belong to and participate in an external quality review program and provide you with a copy of the most recent quality review report. These reviews are performed every 3 years by an independent organization to determine if the auditor is following established audit procedures and applicable auditing standards.

**Audit Requirements:** The following management data will be required from you on an annual basis and be submitted to RD as specified below:

- An annual audit under the Single Audit Act is required if you expend \$750,000 or more from all sources of Federal financial assistance per fiscal year. All audits are to be performed in accordance with 2 CFR Part 200 as adopted by the USDA through 2 CFR Part 400. For Community Facility Projects, in years after the program funds are expended and construction is completed, and the only ongoing financial activity of the program is the payment of principal and interest on outstanding balances, the prior loan balances are not considered to have continuing compliance requirements.
- Other borrower/recipients must submit management report information per RD Instruction 1942-A, 1942.17 (a) (5) within 60 days from the end of the borrower's fiscal year.

Compensation for preparation of any audit(s) is not included in project funds and should be paid from the operational revenues generated from your system operation.

**Annual Budget and Projected Cash Flow:** If you expend less than \$750,000 in Federal financial assistance from all sources per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. This financial data is to be submitted thirty days prior to the

beginning of your fiscal year. You may use Form RD 442-2 "Statement of Budget, Income and Equity" and Form RD 442-3 "Balance Sheet" or similar format to provide the financial information. For Form RD 442-2, the only data required at this time on Page 1 Schedule 1 is Columns 2 and 3, and on Page 2 the remainder of Schedule 1 and all of Schedule 2 is required. With the submission of the annual budget, you will be required to provide a current listing of the Board or Counsel Members and terms.

**Quarterly Reports** - Borrowers receiving any new loan assistance from RD will be required to submit two copies of Form RD 442-2, Schedule 1, page 1, columns 2-6, as appropriate, and page 2. This information should be received in the servicing office thirty days after the end of each of the first three quarters of the fiscal year.

26. **Statutory and National Policy Requirements:** You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

**Section 504 of the Rehabilitation Act of 1973** - Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RfHS financial assistance.

**Civil Rights Act of 1964** - All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

**The Americans with Disabilities Act (ADA) of 1990** - This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities, which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities, which accommodate the public.

**Age Discrimination Act of 1975** - This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

**Limited English Proficiency (LEP) Under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled "Improving Access to Services by Persons with Limited English Proficiency" and



further affirmed in the USDA Departmental Regulation 4330-005 "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA"

RHS financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display any Agency-provided posters informing users of these requirements. The Agency will monitor your compliance with these requirements during regular compliance reviews.

#### Section VI: Obligation Processing and Letter Closing

27. **Processing Forms:** At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided.

Form RD 1940-1 "Request for Obligation of Funds"  
 Form RD 1942-4B "Letter of Intent to Meet Conditions"  
 Form RD 3570-3 "Community Facilities Grant Agreement"  
 Form RD 1942-47 "Loan Resolution"  
 Standard Form 3881 "ACH Vendor/Miscellaneous Payment Enrollment Form"

The listed forms must be completed and returned to the processing office within thirty (30) days from the date of this letter.

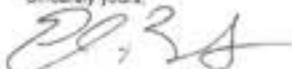
Final loan and grant approval is dependent on the availability of funds and the receipt of all necessary documents. A fully executed copy of Form RD 1940-1 "Request for Obligation of Funds" will be mailed to you to notify you of the final approval.

If the conditions set forth in this letter are not met within twelve (12) months from the date of this letter, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within twelve (12) months and it is determined the applicant still wishes to proceed, it may be necessary to review the conditions outlined in this letter. If during that review, it is determined the conditions outlined are no longer adequate, RD reserves the right to require that the Letter of Conditions be revised or replaced.

We believe the information in this letter clearly explains the conditions which must be complied with, however, this letter does not relieve you from meeting the requirements set forth in RD Instruction 1942-C and 3570-B.

If you have any questions, please do not hesitate to contact me at 724-482-4800, extension 109 or e-mail me at: [Elj.Bratich@usda.gov](mailto:Elj.Bratich@usda.gov)

Sincerely yours,



ELI BRATICH  
 Area Specialist  
 USDA, Rural Development

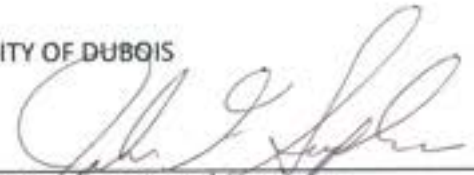
## CERTIFICATE

I, the undersigned, a Designated Officer of the named Local Government Unit, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly adopted by the affirmative vote of a majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof; that due notice of such meeting was given and the meeting was at all times open to the public; that such Ordinance was duly recorded; that this Ordinance is still in full force and effect as of the date hereof; that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body; and that the members of the Governing Body voted in the manner following:

	Yes	No	Abstain	Absent
Gary Gilbert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Randy E. Schmidt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Aughenbaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Diane L. Bernardo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Edward Walsh	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

WITNESS my hand and seal of the Local Government Unit this 8<sup>th</sup> day of January, 2018.

CITY OF DUBOIS

  
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 John F. Suplizio, City Manager

(SEAL)