

BOROUGH OF SOUTHMONT, CAMBRIA COUNTY, PENNSYLVANIA

ORDINANCE NO. 292

AN ORDINANCE INCREASING THE NONELECTORAL INDEBTEDNESS OF SOUTHMONT BOROUGH, COUNTY OF CAMBRIA, PENNSYLVANIA, BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$129,000 FOR CAPITAL IMPROVEMENT 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 DOCUMENTS; 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 Southmont, Cambria County, Pennsylvania, be increased for the following purpose: For the payment of the cost of certain capital improvements, including street grading, draining, paving and storm sewer work, the "Project" and

WHEREAS, the Borough of Southmont has received preliminary realistic cost estimates from professional engineers, registered architects or other qualified by experience indicating the sum of \$129,000 will be needed to complete the project; and

WHEREAS, the proposed increase of indebtedness together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the Borough of Southmont nonelectoral borrowing power, pursuant to constitutional and statutory authority to be exceeded:

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Borough of Southmont, Cambria County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION ONE. The Borough of Southmont hereby determines to incur nonelectoral debt, in accordance with the provisions of the Local Government Unit Debt Act, Act No. 52 of the 1978 General Assembly (the "Act"), of the Commonwealth of Pennsylvania, as amended, by the issuance of \$129,000 aggregate principal amount of a General Obligation Note to finance the Project hereby determined to have a realistic useful life in excess of 5 years.

SECTION TWO. The indebtedness shall be evidenced by the Note, in registered form in the aggregate principal sum of \$129,000, dated and bearing interest from the earliest date of possible issue under the statutory time requirements as set forth in the Act at the rate of interest of 5.50% per annum, payable annually on the unpaid balance of the Note on the anniversary date of the Note during the term of the 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 or 366 days to the year) until paid, which shall mature in installments due on the Note as follows:

Fiscal Year 1979	\$90,300
Fiscal Year 1980	\$ 6,000
Fiscal Year 1981	\$17,000
Fiscal Year 1982	\$15,700

The Borough of Southmont 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 the Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION THREE. The Note is hereby declared to be a general obligation of the Borough of Southmont. The Local Government Unit (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 Borough of Southmont is hereby irrevocably pledged.

The amounts which the Municipality hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 5.50% is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
1979	\$90,300.00	\$3,547.50
1980	\$ 6,000.00	\$1,064.28
1981	\$17,000.00	\$1,798.50
1982	\$15,700.00	\$ 863.50

SECTION FOUR. The form of Note shall be substantially as appears in Exhibit A attached hereto.

SECTION FIVE. The Note shall be executed in the name and under the corporate seal of the Borough of Southmont by the President and Treasurer and attested to by the Secretary of the Borough of Southmont. The Treasurer is hereby authorized and directed to deliver the Note to the purchaser, and receive payment therefor on behalf of the Borough of Southmont. The President, Treasurer and Secretary of the Borough of Southmont 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 statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION SIX. The Moxham National Bank is hereby designated as the Sinking Fund Depository for the Note herein authorized, and there is hereby created and established a Sinking Fund, to be known as "General Obligation Term Loan Note Sinking Fund" for the payment of the principal of and interest on the Note. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until the Note is paid in full, sufficient amounts for payment of principal of and interest on the Note no later than the day prior to 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 Borough of Southmont withdraw available monies in the Sinking Fund and apply said monies to payment of the principal and interest on the Note.

SECTION SEVEN. The President and Treasurer of the Borough of Southmont are hereby authorized to contract with The Moxham National Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION EIGHT. The Note in the amount of \$129,000, herein authorized to be issued and sold, is hereby awarded and sold to the Moxham National Bank in accordance with its Proposal to Purchase the Note at par; provided the Note is dated the date of delivery thereof to Moxham National Bank and is in the form set forth in Section Four of this Ordinance; and further provided that the proceedings have been approved by the Department of Community Affairs.

SECTION NINE. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the "Johnstown Tribune Democrat", a newspaper of general circulation, is ratified and confirmed. The advertisement in said newspaper of the enactment of the Ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION TEN. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED this 21st day of June, 1979.

ATTEST:

BOROUGH OF SOUTHMONT

BY Richard Smith  
President of Council

Lee A. Smith  
Secretary

Thomas J. Daily  
Treasurer

Approved this 21st day of June, 1979.

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Mayor of Borough of Southmont