

TOWNSHIP OF RUSH  
SCHUYLKILL COUNTY, PENNSYLVANIA

ORDINANCE NO. 88

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE TOWNSHIP OF RUSH, COUNTY OF SCHUYLKILL, PENNSYLVANIA. BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$100,350.00 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 Township of Rush, Schuylkill County, Pennsylvania, be increased for the purpose of designing a sewage system for the Lake Hauto section of the Township.

WHEREAS, the local government unit has received a commitment letter from the Pennsylvania Infrastructure Investment Authority (hereinafter "PennVest") to finance this 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 local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded:

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Township of Rush, Schuylkill 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 Note of the Township of Rush, County of Schuylkill, Pennsylvania,

proposed to be issued is \$100,350.00, same to be issued for the foregoing purposes and same to be incurred as 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 twenty (20) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$100,350.00 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 as follows:

(a) The Loan shall provide for interest on the unpaid principal balance outstanding from time to time at an annual rate equal to One Percent (1%) for the 5-year term.

(b) The annual interest rate shall be calculated on the basis of a 360-day year by multiplying the interest rate in effect pursuant to subparagraph (a) hereof by a fraction, the numerator of which is the actual number of days the Loan is outstanding and the denominator of which is 360.

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 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 Township of Rush. 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 such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Township of Rush is hereby irrevocably pledged.

The payment terms which the local government unit hereby covenants to pay is interest only on the unpaid principal balance which is payable in monthly installments on the first day of each calendar month commencing with the first calendar month following a Loan advance by the Authority to or for the benefit of the Borrower and ending with the first calendar month following 390 days from the date of the Loan Closing whereupon the unpaid principal balance then outstanding and all accrued and unpaid interest shall become due and payable as follows:

(a) Principal and interest shall be payable in equal consecutive monthly installments of \$2,178.08 each on the first day of each calendar month beginning with the first month 390 days from the date of Loan Closing and continuing the first day of each calendar month thereafter to and including the remainder of the 5-year term. On the first day

of the last calendar month of the 5-year term, all the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable.

SECTION 5. The form of said Note shall be substantially as follows: See attached Exhibit "A"

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the Chairman of the Board of Supervisors and attested to by the Secretary. The Secretary is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefor on behalf of the local government unit. The Chairman, and Secretary of the local government unit 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 7. The PennVest Authority 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 1990 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 Secretary 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 local government unit withdraw available monies in the Sinking Fund and apply said monies to payment of the principal of interest on the obligation.

SECTION 8. The Chairman and Secretary of the local government unit are hereby authorized to contract with PennVest Authority for its services as Sinking Fund Depository for the Note 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 general obligation Note in the amount of \$100,350.00, - herein authorized to be issued and sold is hereby awarded and sold to the PennVest Authority 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 PennVest Authority 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 and the advertising of a summary of this Ordinance as required by law in the Times News, 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 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 9th day of October, 1990.

TOWNSHIP OF RUSH

By: George A. Pinkey  
Chairman

ATTEST:

Carol Ann Oest  
Secretary