

**BOROUGH OF NORTHUMBERLAND**  
**Northumberland County, Pennsylvania**

**ORDINANCE NO. 2002-**

AN ORDINANCE INCREASING THE INDEBTNESS OF NORTHUMBERLAND BOROUGH, NORTHUMBERLAND COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$1,113,715.000 FOR THE REPAIR AND IMPROVEMENT OF THE BOROUGH'S STORM WATER DRAINAGE AND DIVERSION SYSTEM ; 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*WHEREAS*, the system for the drainage and disposal of storm waters within the Borough of Northumberland is obsolete and not functioning well; and

*WHEREAS*, the storm water drainage problems threaten the physical safety and property value of the residents of the Borough; and

*WHEREAS*, it is necessary that the indebtedness of the Borough of Northumberland, Northumberland County, Pennsylvania be increased to provide for the remedy of the storm water problem; and

*WHEREAS*, the Pennsylvania Infrastructure Investment Authority (PENNVEST) has issued a Commitment dated November 30, 2001, authorizing a loan to the Borough in the amount of \$1,113,715.00 to fund the repair and improvement of the Borough's storm water drainage system; 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 Council of the Borough of Northumberland, Northumberland 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 Borough of Northumberland, Northumberland County, Pennsylvania, proposed to be issued is **One Million One Hundred Thirteen Thousand and Seven Hundred Fifteen (\$1,113,715.00) Dollars**, 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 ten (10) years.

**SECTION 3.** Said indebtedness shall be evidenced by one general obligation Note, in the amount of **One Million One Hundred Thirteen Thousand and Seven Hundred Fifteen (\$1,113,715.00) Dollars** 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 28<sup>th</sup> day of April, 1978, being Act of 1978 session and known as the Local Government Unit Debt Act, at the rate of interest of 1.387% per annum for the first seventy-one (71) months and at 2.774% per annum for the remaining one hundred eighty (180) months together with interest on overdue principal, which Note shall mature in installments on the annual anniversary date of said Note as follows: payable in full after 240 monthly installments (20 years).

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 dates thereof, without notice or penalty so long as written notice is given to PENNVEST at least 15 days prior to the first prepaid month.

**SECTION 4.** The said Note is hereby declared to be the general obligation of the Borough of Northumberland, Northumberland County, Pennsylvania. The local government unit hereby promises that it shall include the amount of debt service on the Note for each fiscal year in which sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly or 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 and credit and taxing power of the Borough of Northumberland is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the fiscal years are as follows:

- ▶ During construction, interest only shall be payable in 11 monthly installments;

- ▶ \$5,316.50 for first 60 months following construction; and
- ▶ \$5,869.97 for following 180 months.

**SECTION 5.** The form of said Note shall be in the form required by PENNVEST.

**SECTION 6.** The said Note shall be executed in the name and under the corporate seal of the local government unit by its President of Council and Mayor and attested to by the secretary. The Treasurer is hereby authorized to deliver said Note to the Purchaser and receive payment thereon for the Borough. The President and Secretary of the Borough are authorized and directed to prepare, verify and file the debt statements required by Section 8110 of the Act and to take other action necessary, including, any statements required to qualify any portion of the debt as self-liquidating or subsidized.

**SECTION 7.** This Note shall be payable at such places as designated by PENNVEST.

**SECTION 8.** The Borough Council agrees to and is bound by all terms and conditions of the Commitment dated November 30, 2001 and attached "General Conditions", a copy of which is attached as Exhibit "A" hereto, and Council agrees to execute such documents, ordinances or resolutions required to fully comply with the same.

**SECTION 9.** The action of the proper officers and advertising of a summary of this Ordinance as required by law in the Daily Item, 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 final enactment.

**SECTION 10 .** All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ENACTED AND ORDAINED as an Ordinance of the Borough of Northumberland, Northumberland County, PA this \_\_\_\_\_ day of \_\_\_\_\_, 2002

**BOROUGH OF NORTHUMBERLAND**

\_\_\_\_\_  
*Secretary*

\_\_\_\_\_  
*President*

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2002

---

*MAYOR*

*(OFFICIAL SEAL)*