

BOROUGH OF MILLVILLE
COLUMBIA COUNTY, PENNSYLVANIA

ORDINANCE NO. 19950418.131

AN ORDINANCE INCURRING INDEBTEDNESS ON BEHALF OF THE BOROUGH OF MILLVILLE, COUNTY OF COLUMBIA, PENNSYLVANIA, BY THE ISSUE OF TWO GENERAL OBLIGATION NOTES IN THE AMOUNT OF \$12,500.00 EACH FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTES; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR EACH NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary for the Borough of Millville, Columbia County, Pennsylvania, to incur indebtedness for the following purpose: To renovate and refurbish the exterior of the Borough Hall; and

WHEREAS, The proposed debt to be incurred, together with any and all existing indebtedness, if any, of the Borough will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority, to be exceeded;

NOW, THEREFORE, it is hereby ENACTED and ORDAINED by the Council of the Borough of Millville, Columbia County, Pennsylvania, as follows:

SECTION 1. That the aggregate principal amount of both of the Notes of the Borough of Millville, County of Columbia, Pennsylvania, proposed to be issued is \$25,000.00, same to be issued for the foregoing purpose and same to be incurred as nonelectoral debt.

SECTION 2. The remaining period of useful life of the property for which this obligation is to be issued is estimated to be in excess of 20 years.

SECTION 3. Said indebtedness shall be evidenced by two General Obligation Notes, in fully registered form, in the sum of \$12,500.00 each 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 the 1978 Session, as follows:

A. The Note to be issued to the Department of Community Affairs in the principal sum of \$12,500.00 shall bear interest at a fixed rate of 2.00 percent per annum, payable in quarterly installments of principal and interest in the amount of \$345.58 for a term of ten years. Based on the interest rate of 2.00 percent per annum as aforesaid, the amortization of said indebtedness shall be as follows:

Year	Principal	Interest	Total
1995	567.58	123.58	691.16
1996	1,152.28	230.04	1,382.32
1997	1,175.50	206.82	1,382.32
1998	1,199.18	183.14	1,382.32
1999	1,223.35	158.97	1,382.32
2000	1,248.00	134.32	1,382.32
2001	1,273.15	109.17	1,382.32
2002	1,298.81	83.51	1,382.32
2003	1,324.98	57.34	1,382.32
2004	1,351.67	30.65	1,382.32
2005	685.50	5.15	690.65

B. The Note to be issued to Columbia County Farmers National Bank in the principal sum of \$12,500.00 shall bear interest at a fixed rate of 8.25 percent per annum, payable in monthly installments of principal and interest in the amount of \$153.32 for the first five years of its ten year term. During the second five years of its ten year term, the said Note shall bear interest at a variable rate equal to .75 less than the Bank's Prime Rate fluctuating and changing as such Prime Rate does change, with a maximum qualified tax-free interest rate of 15.25 percent per annum, payable in monthly installments of principal and interest in amounts as determined from time to time by the Bank. Based on the interest rate of 8.25 percent per annum for the first five years and the maximum qualified tax-free interest rate of 15.25 percent per annum for the second five years as aforesaid, the amortization of said indebtedness shall be as follows:

Year	Principal	Interest	Total
1995	481.51	591.73	1,073.24
1996	881.16	958.68	1,839.84
1997	956.64	883.20	1,839.84
1998	1,038.62	801.22	1,839.84
1999	1,127.62	712.22	1,839.84
2000	1,110.89	914.38	2,025.27
2001	1,185.54	972.18	2,157.72
2002	1,379.51	778.21	2,157.72
2003	1,605.22	552.50	2,157.72
2004	1,867.88	289.84	2,157.72
2005	865.41	33.64	899.05

C. With respect to both Notes, the Borough 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 each Note shall be payable at the office of the Sinking Fund Depository selected for said Note as hereinafter provided.

SECTION 4. The said Notes are hereby declared to be general obligations of the Borough. The Borough of Millville hereby covenants that it shall include the amount of

debt service on each Note for each fiscal year in which such sums are payable in its budget for the 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 each Note and the interest thereon at the dates and places and in the said manner stated in each 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 Millville is hereby irrevocable pledged.

The maximum amounts which the Borough hereby covenants to pay in each of the following fiscal years on the basis of the terms of the respective Notes is as follows:

A. Fixed Rate Note issued to Department of Community Affairs

Year	Principal	Interest	Total
1995	567.58	123.58	691.16
1996	1,152.28	230.04	1,382.32
1997	1,175.50	206.82	1,382.32
1998	1,199.18	183.14	1,382.32
1999	1,223.35	158.97	1,382.32
2000	1,248.00	134.32	1,382.32
2001	1,273.15	109.17	1,382.32
2002	1,298.81	83.51	1,382.32
2003	1,324.98	57.34	1,382.32
2004	1,351.67	30.65	1,382.32
2005	685.50	5.15	690.65

B. Variable Rate Note issued to Columbia County Farmers National Bank

Year	Principal	Interest	Total
1995	481.51	591.73	1,073.24
1996	881.16	958.68	1,839.84
1997	956.64	883.20	1,839.84
1998	1,038.62	801.22	1,839.84
1999	1,127.62	712.22	1,839.84
2000	1,110.89	914.38	2,025.27
2001	1,185.54	972.18	2,157.72
2002	1,379.51	778.21	2,157.72
2003	1,605.22	552.50	2,157.72
2004	1,867.88	289.84	2,157.72
2005	865.41	33.64	899.05

SECTION 5. The forms of the Notes to be issued to the Department of Community Affairs and Columbia County Farmers National Bank, respectively, shall be substantially as set forth in "Exhibits A and B" which are attached to this Ordinance and incorporated herein.

SECTION 6. The said Notes shall be executed in the name and under the corporate seal of the Borough of Millville and attested to by the Secretary of the Borough. The

Treasurer is hereby authorized and directed to deliver each Note to the respective purchaser thereof, and receive payment therefor on behalf of the Borough. The President of Council and Secretary of the Borough 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 Department of Community Affairs and Columbia County Farmers National Bank, respectively, are hereby designated as the Sinking Fund Depositories for the respective obligations herein authorized, and there are hereby created and established two Sinking Funds, to be known as "The General Obligation Note 1995 Sinking Fund-DCA" and "The General Obligation Note 1995 Sinking Fund-CCFNB" for the payment of the principal and interest on the respective obligations the funds for which shall be deposited into the respective Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the respective Sinking Funds, which shall be maintained until the respective obligation is paid in full, sufficient amounts for payment of principal and interest on the respective obligation no later than the date upon which such payment shall become due. The respective Sinking Fund Depositories shall, as and when said payments are due, without further action by the Borough, withdraw available monies in their respective Sinking Funds and apply said monies to payment of the principal of and interest on the respective obligations.

SECTION 8. The President of Council is authorized to contract with the Department of Community Affairs and Columbia County Farmers National Bank for their services as Sinking Fund Depositories for the respective Notes and paying agents for the same.

SECTION 9. In compliance with Section 701 of Act 52 of 1978, the Borough Council has determined that a private sale by negotiation rather than public sale is in the best interest of the Borough. Therefore, the General Obligation Notes in the amount of \$12,500.00 each, herein authorized to be issued and sold are hereby awarded and sold to the Department of Community Affairs and Columbia County Farmers National Bank, respectively, in accordance with their proposals to purchase the respective Notes at par; provided the respective Notes are dated the date of delivery thereof to the respective purchasers and are in the forms set forth in Section 5 of this Ordinance.

SECTION 10. The General Obligation Notes authorized herein are intended to be, and are hereby designated, as "qualified tax-exempt obligations" within the meaning of Section 265, paragraph (b)(3)(B) of the Internal Revenue Code of 1986, as amended, and the Borough shall take such actions as may be necessary to cause the Notes to continue to be obligations as so-described and shall refrain from taking any such actions as may cause the Notes to cease being obligations as so-described during the periods for which they remain outstanding.

SECTION 11. The entire proceeds from the General Obligation Notes authorized herein are necessary and will be utilized by the Borough during the fiscal year of issuance for renovations to the Borough Hall and the Borough will make no investment or other use of the proceeds of the Notes which will cause the Notes to be "arbitrage bonds" within the meaning of Section 103, paragraph (b)(2) and Section 148 of the

Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

ENACTED AND ORDAINED THIS day of , 1995.

ATTEST BORO OF MILLVILLE

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Murray Holdren, Sec. Millard C. Ludwig,
 President of Council

Jerre Wright, Mayor

