

TOWNSHIP OF MONAGHAN
York County, Pennsylvania
\$2,000,000 General Obligation Note, Series of 2020

ORDINANCE NO. 2020 - 98

AN ORDINANCE OF THE TOWNSHIP OF MONAGHAN AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2020, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 FOR THE PURPOSE OF (1) PAYING THE COSTS OF A CAPITAL PROJECT; AND (2) PAYING ALL COSTS AND EXPENSES OF ISSUANCE OF THE NOTE; FIXING THE FORM, NUMBER, DATE, PRINCIPAL AMOUNT AND MATURITIES THEREOF; PROVIDING FOR THE SALE THEREOF AT A PRIVATE SALE BY INVITATION; PROVIDING FOR THE PAYMENT OF DEBT SERVICE THEREON; MAKING DETERMINATION OF THE USEFUL LIFE OF THE CAPITAL PROJECT; DESIGNATING A PAYING AGENT FOR THE NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AGREEMENTS; DESIGNATING NOTE COUNSEL AND FINANCIAL ADVISOR; AND AUTHORIZING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTE.

WHEREAS, the Township of Monaghan, York County, Pennsylvania (the "Local Government Unit") is a township of the second class of the Commonwealth of Pennsylvania (the "Commonwealth"), governed by its Board of Supervisors (the "Governing Body") and is granted the power by the Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the "Act") to incur indebtedness by the issuance of general obligation bonds and notes; and

WHEREAS, the Local Government Unit has determined to undertake, as a project the planning, design and construction of additions, improvements, renovations, and extraordinary repairs

to, the acquisition of real estate rights and interest for, and the acquisition and installation of related equipment, machinery and furnishings for various buildings and facilities of the Township, including its municipal complex, together with related architects', engineers', attorneys' and consultants' fees (the "Project"); and

WHEREAS, the Governing Body of this Local Government Unit does authorize and direct the issuance of a general obligation note of this Local Government Unit, pursuant to this Ordinance in the maximum principal amount of Two Million Dollars (\$2,000,000), in accordance with the Act, to provide funds for and towards the Project; and

WHEREAS, this Local Government Unit has received a proposal for the purchase of the \$2,000,000 General Obligation Note, Series of 2020 (the "Note") from _____ (the "Bank") and desires to authorize the issuance of the Note and to accept the proposal for the purchase of the Note; and

WHEREAS, notice of the following Ordinance has been duly advertised in accordance with Section 8003 of the Act;

NOW, THEREFORE, BE AND IT HEREBY IS, Resolved that:

1. The Governing Body of this Local Government Unit does authorize and shall incur indebtedness pursuant to the Act, in the principal amount of \$2,000,000 by the issuance of its General Obligation Note, Series of 2020 for the purposes above recited, which recital of purposes is fully incorporated herein. The indebtedness authorized by this Ordinance is nonelectoral debt and the Note when issued will be a general obligation note of this Local Government Unit.

2. The Governing Body of this Local Government Unit expresses its finding that it is in the best financial interests of this Local Government Unit to sell the Note at private sale by invitation and determines that the debt, of which the Note shall be evidenced, to be incurred pursuant to this Ordinance and the Note shall be non-electoral debt of this Local Government Unit.

3. The Local Government Unit and the Secretary, respectively, of this Local Government Unit, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file with the Department of Community and Economic Development (the "Department") of the Commonwealth the Debt Statement required by the Act; (b) to prepare and to file the application with the Department together with an accurate transcript of the proceedings relating to the incurring of debt of which debt the Note, upon issue, will be evidence, as required by the Act; (c) to prepare and to file, if applicable, any statements required by the Act that are necessary to qualify all or any portion of non-electoral and/or lease rental debt of this Local Government Unit that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required necessary and/or appropriate action.

Said Officers of this Local Government Unit are authorized and directed to prepare an appropriate Borrowing Base Certificate to be appended to the Debt Statement authorized herein.

4. This Local Government Unit hereby covenants with the holder from time to time of the Note outstanding pursuant to this Ordinance that this Local Government Unit (i) shall

include the amount of the debt service for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund the principal of and interest on the Note at the dates and places and in the manner stated in the Note, and for such budgeting, appropriation and payment in respect of the Note, the Local Government Unit hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

5. This Local Government Unit accepts the proposal for the purchase of the Note from the Bank at par with a maximum purchase price of \$2,000,000 for the Note, in accordance with the purchase commitment of the Bank, for the purchase of the Note, as presented at this meeting and attached hereto as Exhibit "A", together with such written amendments or modifications thereof which are made from time to time (together such instruments are herein referred to as the "Commitment") at invited sale, at a dollar price of \$2,000,000 (100% of principal amount) the Bank having submitted such bid or proposal in accordance with the provisions of the Act.

6. The Note, when issued, will be a general obligation note of the Local Government Unit.

7. The Note shall be in fully registered form without coupons, shall be numbered 1 and be in the maximum principal amount stated in Section 1 above, shall be dated as of the date of issuance, and shall bear interest from that date, which interest is payable at the rate, provided herein, until maturity or redemption, all as set forth in the Commitment.

The Note shall bear interest at the fixed rate of _____% per annum for the term of the Note. Interest on the Note shall be payable semi-annually during the term of the Note. The Note shall mature in _____ (____) years, as set forth in the Commitment. The Note Amortization Schedule is attached hereto as Exhibit "B".

The Note shall be subject to redemption in the manner and upon the terms and conditions set forth therein. The form of the Note shall be substantially as set forth in the Note attached hereto as Exhibit "C" and made a part hereof.

The stated principal maturity of the Note has been fixed in compliance with Section 8142(c) of the Act.

8. The Project has a useful life of at least thirty (30) years, with the aggregate principal amount of the Note being stated to mature prior to the end of such useful life. The first maturity of principal of the Note has not been deferred beyond two years from date of issue of the Note.

The realistic cost estimate of the Project has been derived by a professional estimate and has been provided to the Governing Body of this Local Government Unit as part of the authorization provided hereunder.

9. The principal of and interest on the Note shall be payable at the principal office or at any branch office of the Bank, as paying agent, in lawful money of the United States of America.

10. This Local Government Unit hereby covenants to establish a Sinking Fund for the payment of the Note hereby authorized, in accordance with the Act. The Sinking Fund shall be

known as the "Sinking Fund, the Township of Monaghan, General Obligation Note, Series of 2020."

11. _____, Pennsylvania, is hereby designated as the paying agent, Register and sinking fund depository (the "Paying Agent") for the Note and the proper officers of this Local Government Unit are hereby authorized and directed to contract with said bank for such services.

12. The Note has been sold, as set forth in this Ordinance, at invited sale, as permitted by the Act.

13. This Local Government Unit covenants to make payments out of the Sinking Fund created pursuant to paragraph 10 or out of any other of its revenues or funds, at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of the Note when due.

14. The Note shall be executed by signature of the Chairman of the Board of Supervisors of the Local Government Unit and the corporate seal of this Local Government Unit shall be imprinted thereon, attested by the signature of the Secretary of the Local Government Unit. The Note shall be authenticated by the Paying Agent. The Chairman, Vice-Chairman or Secretary of the Local Government Unit is hereby authorized and directed to deliver said Note to the Purchaser and to receive payment therefor on behalf of this Local Government Unit after sale of said Note in the manner required by law and this Ordinance and to take all further necessary or desirable action to effect the sale and delivery of the Note.

15. The Local Government Unit hereby covenants with the Holder from time to time of the Note that it will make no use of the proceeds of the Note which, if such use had been

reasonably expected on the date of such Note, would have caused such Note to be a “arbitrage bond” within the meaning of Sections 103 and 148 of the Code and the regulations thereunder. It will also comply with the requirements of said Sections and said regulations throughout the term of the Note, including, but not limited to, the prohibition against intentionally using any portion of the proceeds in a manner which would cause such Note to be an “arbitrage bond.”

16. The Local Government Unit designates the Note as a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The Local Government Unit reasonably anticipates that it and all of its subordinate entities will not issue in excess of \$10,000,000 of tax-exempt obligations as calculated by and within the meaning of Section 265(b)(3) of the Code during the calendar year 2020.

17. The Secretary of this Local Government Unit is authorized and directed to deliver the Note, after execution and attestation thereof as provided for herein, to the Bank, at the times described and as provided in the Commitment, but only upon receipt of proper payment of the balance due therefor, if any, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

18. Stock and Leader, LLP, York, Pennsylvania, is hereby appointed Note Counsel with respect to the Note.

19. Concord Public Financial Advisors, Inc., Lancaster, Pennsylvania, is hereby appointed Financial Advisor to the Local Government Unit with respect to the Note.

20. The proper officers of this Local Government Unit are hereby authorized and directed to take all other action and enter into any additional agreements required by the Act or

this Ordinance in connection with the issuance of the Note and to pay, on behalf of this Local Government Unit, the costs of issuance of the Note.

21. The original Commitment and the terms and provisions thereof, together with all written amendments and modifications thereof, executed and delivered by the Local Government Unit and the Bank, from time to time, shall constitute contractual terms and provisions of and governing the Note during the term thereof and shall survive execution and delivery of the Note.

22. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect.

23. All ordinances or parts of ordinances insofar as they conflict with this Ordinance are hereby repealed.

[INTENTIONALLY LEFT BLANK]

ADOPTED this 9 day of December 2019

Attest:

TOWNSHIP OF MONAGHAN

BY *Jindo Altland*
Secretary

BY *Jim Whitton*
Chairman

(SEAL)