

SCHUYLKILL TOWNSHIP  
SCHUYLKILL COUNTY, PENNSYLVANIA

ORDINANCE NO. 95-1

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE TOWNSHIP OF SCHUYLKILL, COUNTY OF SCHUYLKILL, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$35,000.00 FOR 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 Schuylkill, Schuylkill County, Pennsylvania, be increased for the following purpose: to fund a portion of the funded actuarial liability of the Schuylkill Township police pension plan; and

WHEREAS, the Township of Schuylkill has been informed by the Pennsylvania Municipal Retirement System as a member municipality of the Pennsylvania Municipal Retirement System that its unfunded actuarial liability as of October 31, 1995 totalled \$35,228.00; and

WHEREAS, the Township of Schuylkill has received from the Union Bank and Trust Company a commitment to lend Schuylkill Township the sum of \$35,000.00 for a term of 3 years at an interest rate of 5.5% per annum; 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 Schuylkill, Schuylkill County, Pennsylvania, and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1. That the aggregate principal amount of the Note of the Township of Schuylkill, County of Schuylkill, Pennsylvania, proposed to be issued is \$35,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$35,000.00 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 of 5.5% per annum, payable monthly on the unpaid balance of said Note on the fifteenth (15th) day of each month, beginning July 15, 1995, until prepaid in full or until final maturity of the Note on June 15, 1998, (computed on the basis of 365 days to the year), until paid, which Note shall mature in installments on the fifteenth (15th) day of each month as set forth in Exhibit "A" attached hereto. The Note shall mature finally on June 15, 1998.

The local government unit reserves the right to prepay 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 principal office of the registered owner of the Note.

SECTION 3. The said Note is hereby declared to be a general obligation of the Township of Schuylkill. 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 place 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 Township of Schuylkill is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 5.5% are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
1995	\$ 5,440.61	\$ 900.46
1996	\$11,339.45	\$1,342.78
1997	\$11,979.08	\$ 703.12

1998

\$ 6,240.86

\$ 100.50

SECTION 4. The form of said Note shall be substantially as follows:

**UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF SCHUYLKILL  
SCHUYLKILL TOWNSHIP**

**GENERAL OBLIGATION NOTE**

\$35,000.00

Dated: June 15, 1995

KNOW ALL MEN BY THESE PRESENTS, that the Township of Schuylkill, County of Schuylkill, Commonwealth of Pennsylvania (the "Township"), a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the Union Bank and Trust Company, or registered assigns, the sum of Thirty-five Thousand (\$35,000.00) Dollars in installments in accordance with Exhibit "A" attached hereto, with interest on the unpaid principal balance at the rate of Five and Five Tenths (5.5%) Percent per annum, payable monthly on the unpaid balance on the fifteenth (15th) day of each month, beginning July 15, 1995, until prepaid in full or until final maturity of the Note on June 15, 1998 (computed on the basis of 365 days to the year), until paid which Note shall mature in installments on the fifteenth (15th) day of each month as set forth in Exhibit "A" attached hereto. The Note shall mature finally on June 15, 1998. The Township shall have the option to prepay any installment of principal or any payment of interest at any time prior to the

respective payment dates thereof, without notice or penalty.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the principal office of the Union Bank and Trust Company, the registered owner of this Note.

It is hereby recited that this Note is authorized to be issued in accordance with 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.

It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent to and in the issuance of this Note or in the creation of the debt of which it is evidence, have been done, happened, and been performed in regular and due form and manner as required by law; and that this Note, together with all other indebtedness of the Township is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note the entire faith, credit, and taxing power of the Township are hereby irrevocably pledged.

It is hereby further certified that the Township has effectively covenanted to include the amount of the debt service on this Note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to

be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

The Township has designated under and for purposes of the Internal Revenue Code of 1986, as amended, this Note as a "qualified tax-exempt obligation", as such phrase is defined in Section 265 (b) (3) (B) of such Code.

IN WITNESS WHEREOF, the Township of Schuylkill has caused this Note to be properly executed by the proper officers of the local government unit and its corporate seal to be hereto affixed, attested to by the Secretary as of the 15th day of June, 1995.

SCHUYLKILL TOWNSHIP

By: \_\_\_\_\_  
Joseph Boran, Chairman

By: \_\_\_\_\_  
Ronald L. Novack, Sr., Vice-Chairman

ATTEST:

\_\_\_\_\_  
Rhona O. Nowacki, Secretary

(SEAL)

SECTION 5. The said Note shall be executed in the name and under the corporate seal of the local government unit by the Chairman and Vice-Chairman and attested to by the Secretary. The Treasurer 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 6. Union Bank and Trust Company 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 1995 General Obligation Note" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the dates upon which the same becomes due and payable. The Treasurer 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 dates 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 and interest on the obligation.

SECTION 7. The Chairman and Secretary-Treasurer of the local government unit are hereby authorized to contract with Union Bank and Trust Company for its services as Sinking Fund

Depository for the Note and paying agent for the same.

SECTION 8. 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 \$35,000.00, herein authorized to be issued and sold is hereby awarded and sold to the Union Bank and Trust Company 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 Union Bank and Trust Company and is in the form set forth in Section 4 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 9. 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 10. This Township covenants that it will not invest or reinvest any proceeds derived from the Note, the effect of which investment would cause the Note to become an obligation, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions contained herein,



this Township shall expend proceeds derived from the sale of the Note in the manner and at the times required under Section 103 and Sections 141 to 150, inclusive, of the Internal Revenue Code of 1986, as amended, which failure to so expend would cause the Note to be an "arbitrage bond", within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to become an obligation, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

This Township shall timely execute and file whatever reports and documents and make such rebates as may be necessary to assure that the Note is not an "arbitrage bond" and that the interest on the Note will remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

Reference to the Internal Revenue Code of 1986, as amended, herein shall mean and include the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township shall follow the advice of counsel with respect to any such investments, expenditures and the filing of reports and related actions in order to assure compliance with the provisions of this Section 10.

SECTION 11. This Township will not use any portion of the proceeds of the Note in a manner that would cause the Note to be a private activity bond within the meaning of Section 141 of

the Internal Revenue Code of 1986, as amended.

SECTION 12. This Township hereby determines for purposes of the Internal Revenue Code of 1986, as amended, that the Note shall be and hereby is designated as a "qualified tax exempt obligation" to the extent the Note is acquired by any "financial institution", as defined in Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township hereby reasonably anticipates that the total amount of qualified tax exempt obligations (other than private activity bonds) which will be issued by it and all subordinate entities during the calendar year 1995 will not exceed Ten Thousand (\$10,000.00) Dollars, within the meaning of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township hereby represents that it is a qualified small issuer within the meaning of Section 265 (b) (3) (c) of the Code.

SECTION 13. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 3rd day of May, 1995.

SCHUYLKILL TOWNSHIP

By: Joseph Boran  
Joseph Boran, Chairman

By: Mary Jane Bassler  
Mary Jane Bassler, Vice-Chairman

ATTEST:

Rhona O. Nowacki  
Rhona O. Nowacki, Secretary

Amortization Schedule

Date printed.

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Principal amount	35,000.00	Payor : Schuylkill Township
Payment amount	1,056.85	Payee : Union Bank & Trust Co
No. payments / year	12	Comments...
Interest rate, pct / annum	5.50	
Date of Note	06-15-95	
Date of first payment	07-15-95	

Pmt. No.	Date Due	Date Paid	Interest Payment	Principal Payment	Balance Remaining	Cumulative Interest
1	7-15-95		160.42	896.43	34,103.57	160.4
2	8-15-95		156.31	900.54	33,203.02	316.7
3	9-15-95		152.18	904.67	32,298.36	468.9
4	10-15-95		148.03	908.82	31,389.54	616.9
5	11-15-95		143.87	912.98	30,476.56	760.8
6	12-15-95		139.68	917.17	29,559.39	900.4
7	1-15-96		135.48	921.37	28,638.02	1,035.9
8	2-15-96		131.26	925.59	27,712.43	1,167.2
9	3-15-96		127.02	929.83	26,782.60	1,294.2
10	4-15-96		122.75	934.10	25,848.50	1,417.0
11	5-15-96		118.47	938.38	24,910.12	1,535.4
12	6-15-96		114.17	942.68	23,967.44	1,649.6
13	7-15-96		109.85	947.00	23,020.44	1,759.4
14	8-15-96		105.51	951.34	22,069.10	1,865.0
15	9-15-96		101.15	955.70	21,113.40	1,966.1
16	10-15-96		96.77	960.08	20,153.32	2,062.9
17	11-15-96		92.37	964.48	19,188.84	2,155.2
18	12-15-96		87.95	968.90	18,219.94	2,243.2
19	1-15-97		83.51	973.34	17,246.60	2,326.7
20	2-15-97		79.05	977.80	16,268.80	2,405.8
21	3-15-97		74.57	982.28	15,286.51	2,480.3
22	4-15-97		70.06	986.79	14,299.73	2,550.4
23	5-15-97		65.54	991.31	13,308.42	2,615.9
24	6-15-97		61.00	995.85	12,312.56	2,676.9
25	7-15-97		56.43	1,000.42	11,312.15	2,733.4
26	8-15-97		51.85	1,005.00	10,307.14	2,785.2
27	9-15-97		47.24	1,009.61	9,297.53	2,832.4
28	10-15-97		42.61	1,014.24	8,283.30	2,875.1
29	11-15-97		37.97	1,018.88	7,264.41	2,913.0
30	12-15-97		33.30	1,023.55	6,240.86	2,946.3
31	1-15-98		28.60	1,028.25	5,212.61	2,974.9
32	2-15-98		23.89	1,032.96	4,179.65	2,998.8
33	3-15-98		19.16	1,037.69	3,141.96	3,018.0
34	4-15-98		14.40	1,042.45	2,099.51	3,032.4
35	5-15-98		9.62	1,047.23	1,052.28	3,042.0
36	6-15-98		4.82	1,052.03	0.26	3,046.8