

**BOROUGH OF PROSPECT PARK
DELAWARE COUNTY, PENNSYLVANIA**

ORDINANCE NO. 1349

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF PROSPECT PARK, DELAWARE COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION BOND IN THE AMOUNT OF \$909,592.00 FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE BOND; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE BOND; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Borough of Prospect Park, Delaware County, Pennsylvania be increased for the following purpose: stormwater sewer and infrastructure projects; and,

WHEREAS, the Borough of Prospect Park has received preliminary realistic cost estimates from professional consultants indicating the sum of \$909,592.00 will be needed to complete the projects; 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 Borough Council of the Borough of Prospect Park, Delaware 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 Bond of the Borough of Prospect Park, Delaware County, Pennsylvania, proposed to be issued is \$909,592.00, to be issued for the foregoing purposes and 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 Bond, in

fully registered form, in a sum not to exceed \$909,592.00 (the "PENNVEST General Obligation Bond") bearing interest at a rate of 1.00% during the interest only period and the first five years of principal amortization and 1.00% for the remainder of the 265 month term. The form of the PENNVEST General Obligation Bond is set forth in **EXHIBIT A**.

SECTION 4. The PENNVEST General Obligation Bond is being issued as provided 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 and known as the Local Government Unit Debt Act (the "Act"). The Authority shall begin principal amortization of the PENNVEST Bond on the earlier of: (i) three (3) months after the estimated date of completion of the Project, (ii) the first day of the calendar month following actual completion of the Project, or (iii) three (3) years from the date of settlement. Notwithstanding the foregoing, principal amortization on the PENNVEST Bond shall not be deferred beyond the later of two (2) years from the date of settlement or one (1) year after completion of the Project in accordance with Section 8142(c) of the Act. As of the date of this Ordinance, the projected estimated date of completion of the Project is _____.

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 payments dates thereof, without notice or penalty.

The principal and interest of the PENNVEST General Obligation Bond shall be payable at the office of the sinking fund depository selected for the Bond as hereinafter provided.

SECTION 5. The said Bond is hereby declared to be a general obligation of the Borough of Prospect Park, Delaware County, Pennsylvania. The local government unit hereby covenants that it shall include the amount of debt service on the PENNVEST General Obligation Bond 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 PENNVEST General Obligation Bond and the interest thereon at the dates and places and in the manner stated in the PENNVEST General Obligation Bond 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 Prospect Park, Delaware County, Pennsylvania is hereby irrevocably pledged. Further, the Local Government Unit hereby covenants to pay in each of the following fiscal years in respect to the PENNVEST

General Obligation Bond, including the principal maturity and interest are set forth in **EXHIBIT C** attached hereto and incorporated herein by reference thereto.

SECTION 6. The PENNVEST General Obligation Bond shall be executed in the name and under the corporate seal of the local government unit by the President of the Prospect Park Borough Council and attested to by the Secretary. Each of the President of Prospect Park Borough Council and the Treasurer are hereby authorized and directed to deliver the PENNVEST General Obligation Bond to PENNVEST and receive payment therefor on behalf of the local government unit. The President of the Prospect Park Borough Council and Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act 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. _____ (Bank or 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 2019 General Obligation Bond" 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 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 date upon which such payments shall become due. The PENNVEST 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 principal and interest on the obligation.

SECTION 8. The President of Prospect Park Borough Council and Treasurer of the local government unit are hereby authorized to contract with (Bank or Bank and Trust Company) for its services as Sinking Fund Depository for the Bond and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the PENNVEST General Obligation Bond in the amount of \$909,592.00 herein authorized to be issued and sold is hereby awarded

and sold to PENNVEST in accordance with its proposal to purchase the said Bond at par; provided the said Bond is dated the delivery thereof to PENNVEST and is in the form set forth in this Ordinance as **EXHIBIT A** ; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act, and subject to such further terms and conditions set forth in the PENNVEST Funding Offer attached hereto as **EXHIBIT D** and made a part hereof by reference.

SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the *Delaware County Daily Times*, 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 11th day of June, 2019.

BOROUGH OF PROSPECT PARK:

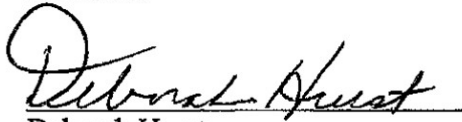


Patrick O'Connell
Borough Council President



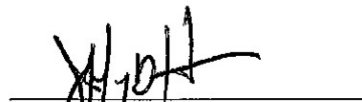
SEAL

ATTEST:



Deborah Hurst
Borough Secretary

APPROVED:



Jeffrey Harris
Mayor

Insert FORM OF BOND
EXHIBIT A

Insert AMORTIZATION SCHEDULE

EXHIBIT B

Insert ANNUAL DEBT SERVICE PAYMENT

EXHIBIT C

Insert FUNDING OFFER

EXHIBIT D