

**LOWER SAUCON TOWNSHIP
NORTHAMPTON COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2010-04

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE TOWNSHIP OF LOWER SAUCON, NORTHAMPTON COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$87,748.00 FOR THE PURPOSE OF MODIFYING THE TOWNSHIP BUILDINGS TO BE ENERGY EFFICIENT; 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 Lower Saucon Township Council has determined that it is necessary that the indebtedness of the Township of Lower Saucon, Northampton County, Pennsylvania be increased for the purpose of modifying Township buildings to be more energy efficient; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants and the preliminary loan application/grant as submitted for \$87,748.00 for a 50% match to the expenses needed to complete the above mentioned modifications; and

WHEREAS, this loan was approved by Pennsylvania Commonwealth Financing Authority as a 10 year loan at a fixed interest rate of 1%;

WHEREAS, the proposed increase in 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 Lower Saucon, Northampton County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. The “Whereas” clauses above mentioned are incorporated herein by reference as if fully set out.

SECTION 2. That the aggregate principal amount of the note of the Township of Lower Saucon, Northampton County, Pennsylvania proposed to be issued is \$87,748.00 the same to be issued for the foregoing purposes and the same to be incurred as nonelectoral debt.

SECTION 3. The period of useful life of the purchase for which this obligation is to be issued is estimated to be in excess of ten years.

SECTION 4. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$87,748.00 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 and known as the Local Government Unit Debt Act, bearing a fixed rate of interest of 1% for ten (10) years, payable in the unpaid balance of said Note on a date to be determined by the Commonwealth Financing Authority, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the variable rate (computer on the basis of 365 days to the year) until paid, which Note shall mature on installments on the annual anniversary date of said Note as follows:

See attached Exhibit "A" (repayment schedule)

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 payment dates thereof, without notice or penalty.

The principal amount and interest of said Note shall be payable at the office of the sinking fund depository as herein provided.

SECTION 5. The said Note is hereby declared to be a general obligation of the Township of Lower Saucon, Northampton County, Pennsylvania. The local government unit hereby covenants that it 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 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, in good faith, credit and taxing power of the Township of Lower Saucon is hereby irrevocably pledged.

The amounts, which Lower Saucon Township hereby covenants to pay in each of the following fiscal years on the basis of the fixed interest rate of 1%, are as follows:

See Attached Exhibit "A" (repayment schedule)

SECTION 6. The form of said Note shall be substantially as set forth in the attached Exhibit "B".

SECTION 7. The said Note shall be executed in the name and under the corporate seal of Lower Saucon Township President of Council and attested to by the Township Manager. The Treasurer is hereby authorized and directed to deliver said Note to the Commonwealth Financing Authority, and receive payment therefore on behalf of Lower Saucon Township. The President of Council and Township Manager of Lower Saucon Township 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 8. Lafayette Ambassador Bank is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund 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 payment of principal and interest on the obligation no later than the date 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 principal and interest on the obligation.

SECTION 9. The President of the Township Council and Township Manager of the local government unit are hereby authorized to contract with the Lafayette Ambassador for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 10. 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 general obligation Note in the amount of \$87,748.00 herein authorized to be issued to the Commonwealth Financing Authority in accordance with the contract agreement provided to the Township by the Authority; provided said Note is dated the delivery thereof to the Commonwealth Financing Authority and is in the form set forth in this Ordinance as Exhibit "B"; 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.

SECTION 11. The action of the proper officials and the advertising of a summary of this Ordinance as required by law in the Morning Call, 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 12. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 17th day of November, 2010.

ATTEST

LOWER SAUCON TOWNSHIP

Jack Cahalan
Township Manager

Glenn C. Kern
Council President