

Borough of Lilly

ORDINANCE

LILLY, PENNSYLVANIA

Ordinance No.: June 2017-2

An Ordinance of the Lilly Borough Council Amending Ordinance No. 2017-1 Decreasing the Amount of the Borough's Guarantee to \$633,586.21 and Indicating that a Private Sale by Negotiation Rather than Public Sale is in the Best Financial Interests of the Borough and that the Proposal has been Accepted by the Officers of the Borough

WHEREAS, on March 1, 2010, the Borough received a Certificate of Approval from the Pennsylvania Department of Community and Economic Development ("PA DCED") for an \$895,000.00 Pennsylvania Infrastructure Investment Authority ("PennVest") loan (the "PennVest Loan"); and

WHEREAS, on August 19, 2010, the Lilly Borough Water Authority ("LBWA") was incorporated; and

WHEREAS, the LBWA intends to assume the said PennVest Loan; and

WHEREAS, PennVest is requiring that the Borough guarantee the PennVest Loan that the LBWA is assuming; and

WHEREAS, on February 1, 2017, the Borough enacted Ordinance No. 2017-1, which authorized the guarantee of the LBWA's assumption of the PennVest Loan; and

WHEREAS, the Borough has previously filed debt proceedings with the PA DCED to qualify the indebtedness hereafter authorized as self liquidating debt; and

WHEREAS, upon review of the debt proceedings previously filed, the PA DCED has required certain amendments to Ordinance No. 2017-1; and

WHEREAS, provided the debt qualifies as self liquidating as aforesaid, the proposed increase of debt together with the Borough's nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the Borough's debt incurring power, pursuant to constitutional and statutory authority to be exceeded.

NOW THEREFORE, **BE IT ORDAINED AND ENACTED** by the Lilly Borough Council as follows:

SECTION 1. SECTION 3 of Ordinance 2017-1 shall be amended to read as follows:

Said indebtedness shall be incurred as nonelectoral debt and shall be evidenced by one guaranteed revenue note, in fully registered form, in a sum not to exceed \$633,586.21 (the "PennVest Guaranteed Revenue Note") bearing interest at 1.00% for a period not to exceed twenty years. The form of the Pennvest Guaranteed Revenue Note is set forth in Exhibit "A".

SECTION 2. The following SECTION 12 shall be added to Ordinance No. 2017-1:

In compliance with Section 8161 of the Local Government Unit Debt Act, the members of the Borough Council have determined that a private sale by negotiation rather than public sale is in the best financial interest of the Borough. Therefore, the PennVest Guaranteed Revenue Note in the amount not to exceed \$633,586.21 herein authorized to be issued and sold is hereby awarded and sold to PennVest (Lender) in accordance with its proposal to purchase the PennVest Guaranteed Revenue Note at par; provided it is dated the delivery thereof to the Lender and is in the form set forth in Exhibit "A"; and further provided that the proceedings have been approved by the PA DCED.

- SECTION 3.** The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Johnstown Tribune-Democrat, a newspaper of general circulation is ratified and confirmed. The advertisement in said paper of the enactment of this Ordinance is hereby directed within fifteen days following the day of final enactment.
- SECTION 4.** In all other respects, Ordinance 2017-1 shall remain in full force and effect.
- SECTION 5.** All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED, this fifteenth day of June, 2017

BOROUGH OF LILLY

By: Richard R. Sweeney
Richard R. Sweeney - President

Attest: Claudine M. Falger (Seal)
Claudine M. Falger - Secretary

APPROVED, this _____ day of June, 2017

Michael R. Eckenrode
Michael R. Eckenrode - Mayor