

**BOROUGH OF CLARKS SUMMIT**  
**LACKAWANNA COUNTY, PENNSYLVANIA**

**ORDINANCE NO. 07-2015**

**AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF CLARKS SUMMIT, LACKAWANNA COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$162,572.52 FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST AD 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**, it is necessary that the indebtedness of the Borough of Clarks Summit, Lackawanna County, Pennsylvania (“the Borough”), be increased for the purpose of purchasing a 2016 dump truck (“the Truck”); and

**WHEREAS**, the Borough has received preliminary realistic cost estimates from professional consultants indicating the sum of One Hundred Sixty-Two Thousand Five Hundred Seventy-Two Dollars Fifty-Two Cents (\$162,572.52) will be needed to purchase the Truck; and

**WHEREAS**, the proposed increase of debt, together with its non-electoral indebtedness and its lease-rental indebtedness currently outstanding, will not cause the limitations of the Borough debt-incurring power, pursuant to constitutional and statutory authority, to be exceeded;

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED** by the Borough, and it is hereby ordained and enacted by the authority of same as follows:

**SECTION 1.** The aggregate principal amount of the Note of the Borough proposed to be issued is One Hundred Sixty-Two Thousand Five Hundred Seventy-Two Dollars Fifty-Two Cents (\$162,572.52), same to be issued for the foregoing purposes and same to be incurred as non-electoral 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 ten (10) years.

**SECTION 3.** Said indebtedness shall be evidenced by one general obligation Note (“the Note”), in fully registered form, in the sum of One Hundred Sixty-Two Thousand Five Hundred Seventy-Two Dollars Fifty-Two Cents (\$162,572.52), 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, at the rate of interest of 1.54% per annum, payable on the unpaid balance of the Note during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 1.54% per annum, (computed on the basis of 360 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows:

<b>YEAR</b>	<b>PRINCIPAL ANNUAL PAYMENT</b>
2015	\$ 13,547.71
2016	\$ 32,514.50
2017	\$ 32,514.50
2018	\$ 32,514.50
2019	\$ 32,514.50
2020	\$ 18,966.79

The Borough 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 Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

**SECTION 4.** The Note is hereby declared to be a general obligation of the Borough. The Borough 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; that it shall

appropriate such amounts to the payment of such debt service; and that it 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, the full faith, credit and taxing power of the Borough is hereby irrevocably pledged.

The amounts which the Borough hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 1.54%, fixed, are as follows:

<b>YEAR</b>	<b>PRINCIPAL ANNUAL PAYMENT</b>
2015	\$ 13,547.71
2016	\$ 32,514.50
2017	\$ 32,514.50
2018	\$ 32,514.50
2019	\$ 32,514.50
2020	\$ 18,966.79

**SECTION 5.** The form of the Note shall be substantially as set forth in the exhibit attached hereto and marked as Exhibit A.

**SECTION 6.** The Note shall be executed in the name and under the corporate seal of the Borough by the Borough Council president and the mayor of the Borough and attested to by the secretary of the Borough. The treasurer of the Borough is hereby authorized and directed to deliver said Note to the purchaser, and to receive payment therefor on behalf of the Borough. The president of Borough Council, the solicitor and/or the secretary of the Borough are hereby 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.** Landmark Community Bank, 2 South Main Street, Pittston, Pennsylvania,

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 2015 General Obligation Note" 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 Sinking Fund Depository shall, as and when said payments are due, without further action by the Borough, 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 the Borough Council, the treasurer and the secretary of the Borough are hereby authorized to contract with Landmark Community Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

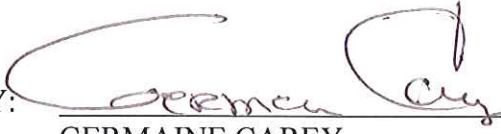
**SECTION 9.** In compliance with Section 8161 of the Act, the members of the Borough Council of the Borough have determined that a private sale by negotiation rather than public sale is in the best financial interest of the Borough. Therefore, the general obligation Note in the amount of One Hundred Sixty-Two Thousand Five Hundred Seventy-Two Dollars Fifty-Two Cents (\$162,572.52), herein authorized to be issued and sold is hereby awarded and sold to Landmark Community Bank, 2 South Main Street, Pittston, Pennsylvania, in accordance with its proposal to purchase the Note at par; provided the Note is dated the delivery thereof to Landmark Community Bank 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.

**SECTION 10.** The action of the proper officers and the advertising of a summary of this ordinance as required by law in The Scranton Times-Tribune, a newspaper of general circulation, is ratified and confirmed. The advertisement in said newspaper, or in other newspaper of general circulation, of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

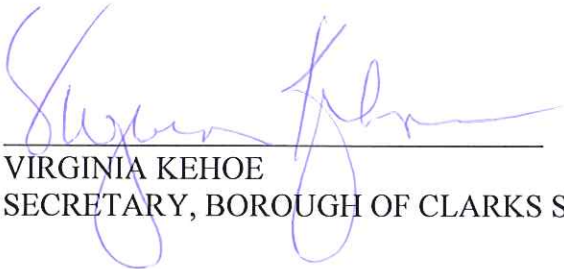
**SECTION 11.** All ordinances or parts of ordinances not in accord with this ordinance are hereby repealed insofar as they conflict herewith.

**ORDAINED AND ENACTED** this day of July 1, 2015.

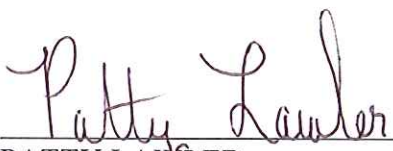
**BOROUGH OF CLARKS SUMMIT**

BY:   
GERMAINE CAREY  
PRESIDENT, BOROUGH COUNCIL

ATTEST:

  
VIRGINIA KEHOE  
SECRETARY, BOROUGH OF CLARKS SUMMIT

**APPROVED** this 1st day of July, 2015.

BY:   
PATTY LAWLER  
MAYOR, BOROUGH OF CLARKS SUMMIT

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