

BOROUGH OF PLYMOUTH  
Luzerne, County, Pennsylvania

ORDINANCE NO. 2 of 2014

AN ORDINANCE REFUNDING THE INDEBTEDNESS OF PLYMOUTH BOROUGH, LUZERNE COUNTY, PENNSYLVANIA, BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, FEDERALLY TAXABLE, IN THE AMOUNT OF \$180,000.00 TO PAYOFF AN EXISTING FEDERALLY TAXABLE GENERAL OBLIGATION NOTE; 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 Borough of Plymouth Luzerne County desires to refund/payoff a General Federally Taxable General Obligation Note with a current annual interest rate of 5.69%, with a principal balance of \$180,000.00 and a due date of April 15, 2017, with a Federally Taxable General Obligation Note in the amount of \$180,000.00 with an interest rate of 2.57% for thirty-six months to reduce debt service in accordance with Subchapter C-Refunding Debt § 8241 et sec. of the Local Government Unit Debt Act;

WHEREAS, the proposed refunding of debt, together with its non-electoral 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 of Plymouth Luzerne 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 Refunding Federally Taxable Note of the Borough of Plymouth Luzerne County, Pennsylvania, proposed to be issued is for \$180,000.00, same to be issued for the foregoing purposes and same to be incurred as non-electoral debt.

SECTION 2. The period of the refunding for which this obligation is to be issued is to be thirty-six (36) months, to refund/payoff an existing General Obligation Federally Taxable Note to PNC Bank, National Association, Scranton, Pennsylvania, in the amount of \$600,000.00 at in interest rate of 5.69%, for 13 years, with a remaining principal balance of \$180,000.00 and with final payment due on or before April 15, 2017.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$180,000.00 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 28<sup>th</sup> 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 2.57% per annum, payable on the unpaid balance of said Note annually during the thirty-six month term of said note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 2.57% per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows:

\$60,000.00 per year due on or before April 30<sup>th</sup> of each year commencing in 2017.

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

SECTION 4. The said Note is hereby declared to be a federally taxable general obligation of the Plymouth Borough, Luzerne 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, the full faith, credit and taxing power of the Borough of Plymouth, Luzerne County 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 2.57% are as follows:

\$60,000.00 per year due on or before April 30<sup>th</sup> of each year commencing in 2015.

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit N.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the President of Council and one member of Council and attested to by the Secretary. The Secretary is hereby authorized and directed to deliver said Note to the

purchaser, and receive payment therefore on behalf of the local government unit. The President of Council, and one member of 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. First Keystone Community Bank 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 2014 Federally Taxable 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 Borough Secretary 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 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 Council or Vice-President of Council of the local government unit are hereby authorized to contract with First Keystone 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 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 federally taxable general

obligation Note in the amount of \$180,000.00 herein authorized to be issued and sold is hereby awarded and sold to First Keystone Community Bank (Lender) in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to the First Keystone Community Bank and is in the form set forth in this Ordinance as Exhibit N; 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.

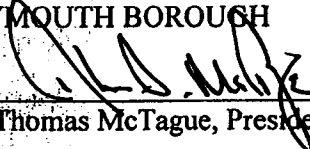
SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Times Leader, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) 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 10<sup>th</sup> day of June, 2014.

PLYMOUTH BOROUGH

BY

  
Thomas McTague, President of Council

ATTEST:

BY

  
Holly Spece, Secretary

Approved by the Mayor:  
Approved this 10<sup>th</sup> day of June, 2014.

  
Dorothy E. Petrosky, Mayor