

CITY OF CORRY

ERIE COUNTY, PENNSYLVANIA

ORDINANCE NO. 1637

COUNCIL BILL 23-06

AN ORDINANCE OF THE CITY OF CORRY, ERIE COUNTY, PENNSYLVANIA ("CITY") AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT BY THE CITY THROUGH THE ISSUANCE AND SALE OF THE CITY'S GENERAL OBLIGATION NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$500,000.00 (THE "NOTE") AT A PRIVATE SALE TO THE REDEVELOPMENT AUTHORITY OF THE COUNTY OF ERIE (THE "AUTHORITY"), FOR THE PURPOSE OF FINANCING ALL OR PART OF A STREET IMPROVEMENT PROJECT AND THE COSTS INCURRED IN CONNECTION WITH THE ISSUANCE AND SALE OF THE NOTE; APPROVING THE ISSUANCE OF THE NOTE TO THE AUTHORITY AS THE PURCHASER OF THE NOTE; APPROVING THE FORM OF THE NOTE; PROVIDING THE ANNUAL RATE OF INTEREST AND THE MAXIMUM PRINCIPAL AMOUNTS TO BE PAID UNDER THE NOTE; MAKING COVENANTS FOR THE PAYMENT OF THE NOTE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY FOR THE PAYMENT THEREOF; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY; AUTHORIZING THE APPROPRIATE OFFICERS OF THE CITY TO TAKE CERTAIN ACTIONS AND TO ISSUE, EXECUTE AND DELIVER CERTAIN DOCUMENTS, INCLUDING BUT NOT LIMITED TO THE NOTE, A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND TO MAKE SUCH FILINGS AS ARE NECESSARY TO OBTAIN THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; TO CONSUMMATE THE TRANSACTION WITH THE AUTHORITY; AND TO TAKE SUCH FURTHER ACTION AS NECESSARY TO EFFECT THE FOREGOING PURPOSES; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, the City of Corry (the "City") is a local government unit under the provisions of the Pennsylvania Local Government Unit Debt Act (the "Act"); and

WHEREAS, the City Council of the City has determined it is in the City's best interest to incur non-electoral debt by issuing its general obligation note in an amount not to exceed \$500,000.00 (the "Note") to finance all or part of a street improvement project and the costs and expenses incurred in connection with the issuance and sale of the Note (the "Project"); and

WHEREAS, the City has determined it is in its best interest to sell the Note by private sale to the Redevelopment Authority of the County of Erie (the "Authority"), the terms of which sale are described below and subject to the approval of general obligation debt proceedings under the Act, pursuant to Section 8161(a) of the Act; and

WHEREAS, in order to secure the payment of all amounts due under the Note to the Authority, the City desires to pledge the City's full faith, credit and taxing power to discharge all of its obligations under the Note; and

WHEREAS, the above-referenced Note by the City constitutes the incurrence of non-electoral debt under the Act; and

WHEREAS, it is necessary that the indebtedness of the City be increased by the incurrence of such nonelectoral debt for the purpose of the Project; and

WHEREAS, the proposed increase of such nonelectoral debt, together with nonelectoral indebtedness and lease rental indebtedness presently outstanding, will not cause limitations of the City's nonelectoral debt incurring power, pursuant to constitutional and statutory authority including but not limited to the Act, to be exceeded.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City of Corry, Erie County, Pennsylvania, and it is hereby ordained and enacted by the authority of the City of Corry as follows:

SECTION 1. The City hereby approves the Project.

SECTION 2. For the purpose of providing funds for and toward the Project, the City hereby intends and determines to incur debt as such term is defined in the Act, which shall be nonelectoral debt of the City pursuant to the Act, as set forth in this Ordinance.

SECTION 3. The realistic estimated useful life of the Project determined at the time of issuance of the Note is in excess of 10 years, which exceeds the proposed maturity of the Note.

SECTION 4. The City hereby authorizes, directs and approves the incurring of nonelectoral debt of the City pursuant to the Act, in the maximum principal amount not to exceed \$500,000, to be evidenced by its general obligation note in an amount not to exceed \$500,000, 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, to be issued by the City in favor of the Authority. The form of the Note is hereby approved and shall be filed with this Ordinance as Exhibit A hereto in the official records of the City, and shall be available for inspection at reasonable times by any interested persons. The Mayor of the City and the City Clerk (the "Proper Officers") are hereby authorized to execute and deliver the Note substantially in the form attached as Exhibit A hereto, subject only to such amendment as may be agreed upon by Authority and approved by the City's Solicitor and the Mayor.

SECTION 5. The maximum principal amount of the Note to be issued by the City is not to exceed \$500,000. The term of the Note shall be one hundred twenty (120) months. The interest rate on the Note shall be a fixed rate of 1.0% per annum. Principal and interest shall be due and payable on a monthly basis in equal installments of approximately \$4,380.21. The Note shall be secured by, among other things, the full faith and credit of the City. The maximum annual debt service on the Note is \$52,562.52. The City reserves the right to prepay

any or all installments of principal or interest at any time prior to the respective payment dates thereof, without notice or penalty.

SECTION 6. In accordance with Section 8161 of the Act, the City has determined that a private sale of the Note by negotiation rather than public sale is in the best financial interest of the City. Therefore, the City hereby approves and authorizes the issuance of the Note to the Authority as the purchaser of the Note in accordance with its proposal dated April 25 2023, which has been accepted by the City.

SECTION 7. The Note is hereby declared to be a general obligation of the City. The City does hereby covenant with the Authority as follows: (i) to include the amounts payable under the Note for each of its fiscal years in which such sums shall be payable, in its budget for that fiscal year; (ii) to appropriate such amounts from its general revenues for payment of its obligations under the Note; (iii) to duly and punctually pay or cause to be paid from its sinking fund (as hereinafter set forth), or any other of its revenues or funds, the amount payable in respect of the Note, at the dates and places and in the manner stated in the Note; and (iv) for such budgeting, appropriation, and payment in respect to the Note, the City shall, and hereby does pledge irrevocably, its full faith, credit, and taxing power. This covenant shall be specifically enforceable.

SECTION 8. The maximum annual amounts of principal and interest covenanted to be paid by the City with respect to the Note are set forth in the Debt Service Schedule attached hereto as Schedule I. The City hereby finds and determines that the Note is to be issued with a final stated maturity date which does not exceed the reasonably expected useful life of the Project.

SECTION 9. The City hereby creates and establishes a sinking fund, as defined by the Act with respect to its obligations under the Note, and Authority is hereby designated as the sinking fund depository and paying agent, as defined by the Act, with respect to the obligations of this City under the Note. The City 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 Note no later than the date upon which such payments shall be due. The sinking fund depository shall, as and when said payments are due, without further action by the City, withdraw available monies in the sinking fund and apply said monies to payment of principle and interest on the Note. The Proper Officers of the City are authorized to contract with the sinking fund depository for its services.

SECTION 10. The Proper Officers of the City are authorized and directed to (i) make application to the Pennsylvania Department of Community and Economic Development ("DCED") for approval of the Note as required by Section 8111 of the Act; (ii) to prepare, certify, and file with DCED on behalf of the City the debt statement, as defined in Section 8110 of the Act, and the borrowing base certificate appended to such debt statement, and (iii) in connection with such application to pay or cause to be paid the applicable fee.

SECTION 11. After obtaining the Department's approval under the Act as referenced above, the Proper Officers of the City are authorized and directed to execute and deliver the

Note to the Authority, and to execute and deliver all other required loan documents and take all other necessary actions to consummate the transaction with the Authority.

SECTION 12. The Proper Officers of the City are authorized and directed to execute and deliver all other documents and to take all other action as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of the City under the Note.

SECTION 13. The action of the Proper Officers and the advertising of a summary of this Ordinance as required by law in the Erie Times News, a newspaper of general circulation, is ratified and confirmed. The advertisement in the Erie Times News, a newspaper of general circulation, is hereby directed within fifteen (15) days following the day of final enactment.


SECTION 14. In the event any provision, section, sentence, or clause, or part of this Ordinance shall be held invalid, such invalidity shall not impair or affect any remaining provision, section, sentence, clause, or part of the Ordinance from remaining in full force and effect. This Ordinance shall become effective in accordance with the provisions of the Act.

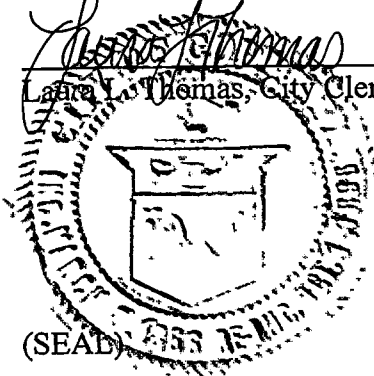
SECTION 15. All ordinances or parts of ordinances that are inconsistent herewith are repealed.


ORDAINED AND ENACTED this 15th day of May, 2023.


ATTEST:

City of Corry



Laura L. Thomas, City Clerk

(SEAL)

By: 

Michael E. Baker, Mayor


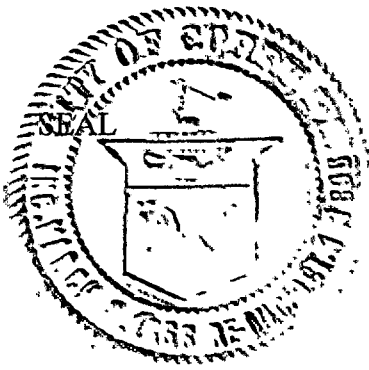
CERTIFICATE

I, the undersigned Clerk of the City of Corry, Erie County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said local government unit, which was duly enacted by the affirmative vote of the members of the governing body at a meeting thereof duly called and held on the 15th day of May, 2023, after due notice to the members and to the public and which was at all times open to the public, that the same was examined and approved by the members of the governing body and was duly recorded in the Ordinance Book of said local government unit and was published as required by law in the Erie Times-News, a newspaper of general circulation, in said local government unit.

I further certify that the total number of members of the governing body of the local government unit is five (5); that the vote upon said Ordinance was called and duly recorded on the minutes of said meeting and that the members voted in the manner following:

<u>Member</u>	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Michael E. Baker	✓	_____	_____	_____
William J. Roche	✓	_____	_____	_____
Andrew H. Sproveri	✓	_____	_____	_____
Jeffrey T. Fike	✓	_____	_____	_____
Kristen D. Lindstrom	✓	_____	_____	_____

WITNESS my hand and the seal of the City of Corry, Erie County, Pennsylvania, this 15 day of May, 2023.



City of Corry

By: *Laura L. Thomas*
Laura L. Thomas, City Clerk