

COUNCIL OF THE BOROUGH OF YOE

INTRODUCED BY:

SESSION 1987

ORDINANCE NO.: 87-006

DATED: December 8, 1987

Ronald C. Crull

ORDINANCE

AN ORDINANCE INCREASING THE INDEBTEDNESS OF YOE BOROUGH, COUNTY OF YORK, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$25,000 FOR CONSTRUCTION OF A MUNICIPAL GARAGE, 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 DOCUMENT: PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of \$25,000 will be needed to complete the project; and

WHEREAS, the proposed increase of 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 Council for the Borough of Yoe, York 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 Note of the Borough of Yoe, York County, Pennsylvania, proposed to be issued is \$25,000, same to be issued for the foregoing purposes and shall be incurred as nonelectoral 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 twenty (20) years.

SECTION 3.

Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$25,000 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 of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session, at Commonwealth National Bank's prime rate of interest per annum, payable on the unpaid balance of the said Note during the term of said Note, together with interest on overdue principal, and to the extent permitted by law on overdue interest until paid, which Note shall be paid in monthly installments with the first installment due thirty (30) days after the date of the Note and monthly thereafter. Interest rates and payment amounts shall fluctuate with change in prime rate, but shall continually reflect the ten (10) year total amortization and maturity.

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 date 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 general obligation of the Borough of Yoe. The municipality hereby covenants that the municipality 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 Yoe is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years plus interest at Commonwealth National Bank's prime rate of interest:

<u>Year</u>	<u>Principal</u>
1988	\$ <u>1499.87</u>
1989	\$ <u>1778.95</u>
1990	\$ <u>1940.54</u>
1991	\$ <u>2117.79</u>
1992	\$ <u>2310.72</u>
1993	\$ <u>2521.20</u>
1994	\$ <u>2750.87</u>
1995	\$ <u>3001.46</u>
1996	\$ <u>3274.88</u>
1997	\$ <u>3572.43</u>
1998	\$ <u>231.19</u>

SECTION 5.

The form of said Note shall be substantially as follows: