

**CITY OF JEANNETTE
WESTMORELAND COUNTY, PENNSYLVANIA**

Bill No. 92-5

First Reading Approved: June 17, 1992

Adopted Finally: June 24, 1992

ORDINANCE NO. 92-5

AN ORDINANCE OF THE CITY OF JEANNETTE AUTHORIZING THE EXECUTION AND DELIVERY OF A 1992 GUARANTY AGREEMENT BETWEEN THE CITY OF JEANNETTE AND THE CITY OF JEANNETTE MUNICIPAL AUTHORITY, AUTHORIZING THE ASSIGNMENT THEREOF, APPROVING THE CONSULTING ENGINEERS' COST ESTIMATE AND REPORT, AND AUTHORIZING THE EXECUTION AND FILING OF A DEBT STATEMENT AND APPROVAL REQUEST FOR SAID 1992 GUARANTY AGREEMENT WITH THE DEPARTMENT OF COMMUNITY AFFAIRS.

WHEREAS, the City of Jeannette Municipal Authority (the "Authority") has determined to provide for certain capital improvements to its Sewer System, and the Authority has heretofore undertaken the planning for construction of said capital improvements to its Sewer System (hereinafter called the "1992 Capital Improvements Project"); and

WHEREAS, in order to accomplish the above-stated purposes, the Authority has determined to issue an additional series of bonds under its 1988 Trust Indenture, dated November 15, 1988, as supplemented by the First Supplemental Trust Indenture, dated July 1, 1992 (collectively the "Indenture"), to be designated as "City of Jeannette Municipal Authority, Guaranteed Sewer Revenue Bonds, Series of 1992" (the "1992 Bonds"), in the aggregate principal amount of \$2,730,000; and

WHEREAS, in order to provide a guaranty security instrument for said aforementioned 1992 Bonds, it is necessary for the City to enter into a 1992 Guaranty Agreement, to be dated as of July 1, 1992 (the "1992 Guaranty Agreement"), with the City of Jeannette Municipal Authority (the "Authority"); and

WHEREAS, in order to render said 1992 Guaranty Agreement effective as to the City of Jeannette Municipal Authority as "excluded self-liquidating lease rental debt", it will be necessary, pursuant to Section 106 of the Local Government Unit Debt Act, for the City and the Authority to approve and adopt the Consulting Engineers' Cost Estimate as set forth in "Exhibit A" attached hereto and the Consulting Engineers' Report submitted herewith.

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

SECTION 1. The City of Jeannette shall enter into a guaranty agreement with the City of Jeannette Municipal Authority substantially in the form of the 1992 Guaranty Agreement, to be dated as of July 1, 1992, presented to this meeting, which is hereby approved and made a part hereof by reference only and is on file with the City Clerk.

SECTION 2. The Mayor and President of City Council is hereby directed to execute, on behalf of the City, the guaranty agreement substantially in the form of the said 1992 Guaranty Agreement, which 1992 Guaranty Agreement when consummated shall be sealed and attested to by the City Clerk, and shall, after proper filings and approvals, be "excluded self-liquidating lease rental debt" of the City of Jeannette to the extent initially of \$2,730,000 (the initial aggregate principal amount of the proposed Guaranteed Sewer Revenue Bonds, Series of 1992, as guaranteed by said 1992 Guaranty Agreement.

SECTION 3. The Mayor and President of City Council and the City Clerk are hereby further directed to prepare, execute and verify under oath a "Debt Statement" of the City of Jeannette in order to make effective the aforementioned 1992 Guaranty Agreement, and to submit the same, together with an executed "Application for Approval" and executed "Debt Statement", and executed "Borrowing Base Certificate" and executed "Self-Liquidating Debt Exclusion Certificate" for said 1992 Guaranty Agreement and the necessary filing fee to the Pennsylvania Department of Community Affairs pursuant to the Local Government Unit Debt Act as promptly as practicable. Upon approval by the Pennsylvania Department of Community Affairs, the approved "Self-Liquidating Debt Exclusion Certificate" shall be promptly filed with the Records of the City in accordance with the Local Government Unit Debt Act. The City Council also hereby approves and adopts the Consulting Engineers' Cost Estimate as set forth in "Exhibit A" attached hereto and the Consulting Engineers' Report submitted herewith. Said officers are also hereby further authorized and directed to perform all other acts and do all other things necessary to obtain said approvals and perfect such exclusion.

SECTION 4. The City Council of the City of Jeannette hereby further authorizes and directs that the Authority shall continue and complete the construction of certain capital improvements pursuant to and in compliance with the Plans and Specifications and Reports previously provided by Gannett Fleming Environmental

Engineers, Inc. of Pittsburgh, Pennsylvania, the Consulting Engineers for the Authority, and the City Council further authorizes and directs that the Authority complete its 1992 Capital Improvements Project, through the issuance of said aforementioned 1992 Bonds, with said debt being secured by said 1992 Guaranty Agreement approved hereunder.

SECTION 5. The City Council hereby authorizes and directs the assignment by the Authority of its rights under said 1992 Guaranty Agreement to such assignee as shall be required in conjunction with the issuance of the aforementioned 1992 Bonds.

SECTION 6. The City Council of the City of Jeannette has considered and determined that under the present market conditions it is in the best financial interests of the City and the Authority that said aforementioned 1992 Bonds of the Authority be sold by the Authority to Scheetz, Smith & Co., Incorporated, at a private sale by negotiation.

SECTION 7. The proper and appropriate officers of the City are also hereby authorized and directed to perform any and all other acts necessary and proper to be done as required by the Local Government Unit Debt Act, as reenacted, amended and revised, in connection with the financing of the 1992 Capital Improvements Project of the Authority.

SECTION 8. All ordinances or resolutions or parts of ordinances or resolutions not in accordance with this Ordinance are hereby repealed insofar as they affect this Ordinance.

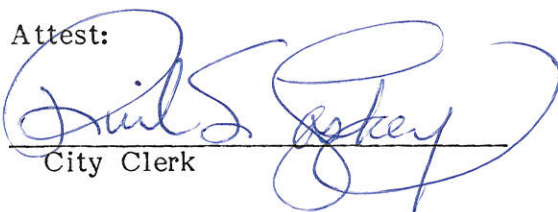
SECTION 9. This Ordinance shall take effect five (5) days after the second and final advertisement of its adoption.

ORDAINED AND ENACTED into law by the City Council of the City of Jeannette in lawful session assembled this June 24, 1992.

CITY OF JEANNETTE

(CITY SEAL)

Attest:



City Clerk

By Glen H. Dabak
Mayor and President of City Council

"EXHIBIT A"

CONSULTING ENGINEER'S COST ESTIMATE
FOR
1992 CAPITAL IMPROVEMENTS PROJECT

Construction	1,916,800
Engineering	80,000
General Inspection	32,600
Resident Inspection	157,000
Legal	34,000
Deposit to Debt Service Reserve Fund	234,548
Rights of Ways	20,000
Construction Contingencies	254,600
Trustee Fees	1,710
CUSIP, Advertising, Misc.	2,500
Bond Discount	47,173
Printing	10,000
Standard & Poor's Rating Fee	4,200
Original Issue Discount	<u>34,372</u>
TOTAL	\$2,829,503
LESS INTEREST EARNINGS	- <u>99,503</u>
TOTAL BOND ISSUE REQUIRED	\$2,730,000

GANNETT FLEMING ENVIRONMENTAL
ENGINEERS, INC.

C E R T I F I C A T E

I, the undersigned, City Clerk of the City of Jeannette, Westmoreland County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said City which was duly and finally enacted by the affirmative vote of a majority of the members of the Governing Body of said City at a meeting thereof duly called and held on June 24, 1992, with said members voting in the following manner:

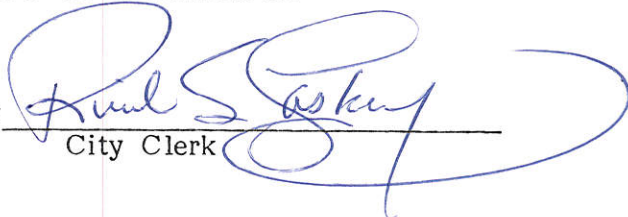
<u>Members of City Council</u>	<u>Vote</u>
Glenn D. Hoak, Mayor and President of City Council	<u>Y</u>
Jeffery A. Zollinger	<u>Y</u>
James F. Solomon	<u>Y</u>
John J. Orange, Sr.	<u>Y</u>
Edward F. Singer, Jr.	<u>Y</u>

I hereby further certify that proper notices before and after its adoption were duly published, as required by law, in a newspaper of general circulation, published or circulating in the City, and that the same was duly recorded in the Ordinance Book of said City, and that said Ordinance has not been amended, modified or rescinded and is still in full force and effect.

WITNESS my hand and the seal of the City of Jeannette this June 24, 1992.

(CITY SEAL)

CITY OF JEANNETTE

By 
City Clerk