

**CITY OF JEANNETTE  
WESTMORELAND COUNTY, PENNSYLVANIA**

Bill No. 98-4

Ordinance No. 98-4

1st Reading - June 10, 1998  
2nd Reading - June 15, 1998

AN ORDINANCE OF THE CITY OF JEANNETTE APPROVING THE CONSULTING ENGINEER'S REPORT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A 1998 GUARANTY AGREEMENT BETWEEN CITY OF JEANNETTE AND THE CITY OF JEANNETTE MUNICIPAL AUTHORITY IN SUPPORT AND GUARANTEE OF THE 1998 CAPITAL IMPROVEMENTS PROJECT WHICH INCLUDES AS A PART THEREOF THE REFUNDING PROGRAM OF THE AUTHORITY, AND AUTHORIZING THE EXECUTION AND FILING OF AN APPROVAL REQUEST, DEBT STATEMENT AND SELF-LIQUIDATING DEBT EXCLUSION CERTIFICATE FOR SAID 1998 GUARANTY AGREEMENT WITH THE PENNSYLVANIA COMMUNITY AND ECONOMIC DEVELOPMENT.

**WHEREAS**, City of Jeannette Municipal Authority (the "Authority") acquired and constructed certain capital additions to the Authority's existing Sewer System, a portion of which was funded by Guaranteed Sewer Revenue Bonds, Series of 1992 Bonds (the, "1992 Bonds") and accordingly, has determined to (i) provide for certain funding capital projects and (ii) provide for the advance refunding of the 1992 Bonds, (collectively, the 1998 "Capital Improvements Project", which includes as part thereof the Refunding Program) furthermore, in order to provide for the same, has sold and will issue \$5,500,000, total principal amount, of its Guaranteed Sewer Revenue Bonds, Series of 1998 (the "Series of 1998 Bonds"), under and pursuant to its 1988 Trust Indenture, dated as of November 15, 1988, as supplemented by the Second Supplemental Trust Indenture, dated as of June 15, 1998, with PNC Bank, National Association, as Trustee; and

**WHEREAS**, in order to issue said aforementioned Series of 1998 Bonds, and as a guaranty security instrument for said debt, it is necessary for the City of Jeannette Municipal Authority to enter into a 1998 Guaranty Agreement, dated as of June 15, 1998 (the "1998 Guaranty Agreement"), with the City of Jeannette, Westmoreland County, Pennsylvania (the "City" and "City of Jeannette:"); and

**WHEREAS**, in order to render said 1998 Guaranty Agreement effective as to the City of Jeannette and yet have the lease rental debt represented by said Guaranteed Sewer Revenue Bonds, Series of 1998, be excluded as self-liquidating lease rental debt from the nonelectoral and lease rental debt limitations of the City, it is necessary that the Consulting Engineer's Report containing the information required by the pertinent sections of the Local Government Unit Debt Act be filed with and approved by the City, and it is further necessary to provide for the adoption, execution and filing of an "Application for Approval", a "Debt Statement", a "Borrowing Base Certificate", and a "Self-Liquidating Debt Exclusion Certificate", with the Pennsylvania Department of Community and Economic Development (formerly, Department of Community Affairs), and obtain the approvals thereof.

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED** by 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 an agreement with the City of Jeannette Municipal Authority substantially in the form of the 1998 Guaranty Agreement, dated as of June 15, 1998 (including, Exhibit A attached thereto, containing the Debt Service Schedule for said Series of 1998 Bonds), presented to this meeting, which is hereby made a part hereof by reference only and is on file with the City Clerk.

**SECTION 2.** The President City Council is hereby directed to execute, on behalf of the City, an agreement substantially in the form of said 1998 Guaranty Agreement, which 1998 Guaranty Agreement when consummated shall be attested to by the City Clerk, and which is hereby declared to be and shall, after proper filings and approvals, be "excluded self-liquidating lease rental debt" of the City of Jeannette to the extent initially of \$5,500,000 (the initial total issuance amount of the proposed Series of 1998 Bonds), as guaranteed by said 1998 Guaranty Agreement.

**SECTION 3.** The Consulting Engineer's Report, including the cost estimate for the 1998 Capital Improvements Project of the City of Jeannette Municipal Authority, as prepared and presented by Gannett Fleming, Inc., of Pittsburgh, Pennsylvania, the Consulting Engineers for said Authority, in compliance with the Local Government Unit Debt Act, and the same Report containing the estimate of revenues and certifying that the net revenues of

said Authority's Sewer System during the life of the Series of 1998 Bonds of said Authority, to be issued in the total principal amount of \$5,500,000, shall be sufficient to pay the debt service charges on said Series of 1998 Bonds in each of the years during the lives thereof, all in compliance with the pertinent sections of the Local Government Unit Debt Act, is hereby approved for purposes of complying with the Local Government Unit Debt Act. The period for completing the 1998 Refunding Program is estimated to be one and one half (1½) months and the estimated completion period for the Capital Improvements Project is estimated to be twenty-four (24) months, and the useful life of said Authority's Sewer System, shall continue to be in excess of twenty-five (25) years.

**SECTION 4.** President of City Council and the City Clerk are hereby authorized to directed to prepare, execute and verify under oath a "Debt Statement" of the City of Jeannette in order to make effective the aforementioned 1998 Guaranty Agreement, and to submit the same as presented at this meeting, together with an executed "Application for Approval", a "Borrowing Base Certificate", and a "Self-Liquidating Debt Exclusion Certificate", for said 1998 Guaranty Agreement, and the necessary filing fees to the Pennsylvania Department of Community and Economic Development pursuant to the Local Government Unit Debt Act as promptly as practicable. Upon approval by the Pennsylvania Department of Community and Economic Development, the "Certificate of Approval" and the approved "Self-Liquidating Debt Exclusion Certificate" shall be promptly filed with the Records of the City. 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 5.** City Council of the City of Jeannette hereby further authorizes and directs that the City of Jeannette Municipal Authority to commence and complete its 1998 Capital Improvements Project which includes as part thereof the Refunding Program through the issuance of said \$5,500,000 - Guaranteed Sewer Revenue Bonds, Series of 1998 (the "Series of 1998 Bonds"), with said Series of 1998 Bonds being secured by said 1998 Guaranty Agreement approved hereunder.

The Board of City Council of the City of Jeannette, together with the Board of the City of Jeannette Municipal Authority, has previously considered and determined that under

the present market conditions it is in the best financial interests of the City and the Authority that said Series of 1998 Bonds of the Authority be sold by said Authority at a private sale by negotiation with Scheetz Smith, a division of Mellon Financial Markets, Inc., of Pittsburgh, Pennsylvania, the Managing Underwriters for said Authority's Series of 1998 Bonds.

**SECTION 6.** 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 7.** This Ordinance shall take effect five (5) days after its final enactment and second and final advertisement.

**ORDAINED AND ENACTED** into law by the Board of City Council of the City of Jeannette in lawful session assembled this JUNE 15, 1998.

**CITY OF JEANNETTE MUNICIPAL  
AUTHORITY**

(CITY SEAL)

By Carl J. M. [Signature]  
President, City Council

Attest:

[Signature]  
City Clerk