

BILL NO. 99-7

ORDINANCE NO. 99-7

**AN ORDINANCE OF THE CITY OF JEANNETTE,
WESTMORELAND COUNTY, PENNSYLVANIA
AUTHORIZING THE ISSUANCE AND SALE
OF \$30,000.00 IN GENERAL OBLIGATION
NOTES, SERIES PNC-_____**

WHEREAS, the Council of the City of Jeannette (hereinafter the "Local Government Unit"), deems it advisable to borrow the amount shown above, pursuant to the Local Government Unit Debt Act (the "Act"), for the purpose of acquiring, constructing, improving or renovating the building, facilities or other physical plant, purchasing or obtaining the equipment and/or otherwise acquiring the capital items listed on Exhibit P hereto (the "Project"); and

WHEREAS, the Local Government Unit has obtained estimate(s) of the cost(s), and has determined the useful life, of the Project by any one or more of the following methods: taking bids, obtaining an option for a fixed price contract or obtaining estimates from registered architects, professional engineers or other persons qualified by experience; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION (the "Bank") has presented a written Purchase Contract (the "Purchase Contract"), attached hereto as Exhibit PC, to purchase a note to be issued by the Local Government Unit in order to achieve the financing of the Project;

NOW THEREFORE, it is hereby enacted that:

Section 1 -- Authorization.

1.01. The Local Government Unit hereby authorizes the incurrence, and the increase of its nonelectoral indebtedness in the principal amount set forth above, to be evidenced by an Installment Note (the "Note"), in the form attached hereto as Exhibit N, in order to pay the costs of the Project. The Note will be dated the date of its delivery, will bear interest at the rate and will be payable (or will be subject to redemption or will mature) on the dates shown on Exhibit PC.

1.02. The Chief Legislative Officer and the Chief Administrative Officer or their duly elected and acting successors (the "Designated Officers") are hereby authorized and directed to execute and deliver such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including its execution and sealing and delivery to the Bank.

Section 2 -- Preparation of Debt Statement.

As required by §410 of the Local Government Unit Debt Act, the Designated Officers of the Local Government Unit shall prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate, forms of which are attached hereto as Exhibit DS.

Section 3 -- Security and Payment of Note.

3.01. The Note shall be a general, full faith and credit, unlimited tax obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Bank and with subsequent holders, from time to time, of the Note that it will (a) include the amount of the debt

service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates, at the place and in the manner stated therein according to the true intent and meaning thereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

3.02. The Local Government Unit does hereby create, and orders to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with the Bank, and does further covenant to maintain such Sinking Fund with a bank, in accordance with the Local Government Unit Debt Act, until the Note is paid in full. The Designated Officer is hereby authorized and directed to contract with the Bank for its services in such capacity, except as the same may be included in the Purchase Contract.

Section 4 -- Tax Covenants.

4.01. The Local Government Unit hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder applicable to the Note and that it will comply with the requirements of that Section and the Regulations throughout the term of the Note.

4.02. If: (a) the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by or on behalf of the Local Government Unit during the current calendar year exceeds \$5,000,000 (\$10,000 in the case of certain debt issued for educational purposes); and (b) the gross proceeds of the Note are invested at a yield greater than the yield on the Note; and if (c) the gross proceeds of the Note are not expended or deemed to have been expended either within six months from the date of issuance, or, if the Project is a construction project, within two years from the date of issuance (and according to certain periodic expenditure thresholds), all pursuant to §1.148.7 of the Regulations, the Local Government Unit covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, the difference (if a positive number) between the investment income received on the Note proceeds and the investment income that would have been earned had the Note proceeds been invested at the yield of the Note.

4.03. The Local Government Unit hereby designates the Note as a Qualified Tax-Exempt Obligation pursuant to Section 265(b)(3) of the Code and represents that the total amount of obligations designated and to be designated by or on behalf of the Local Government Unit during the current calendar year does not and is not expected to exceed \$10,000,000.

4.04. The Local Government Unit will file IRS Form 8038-G (or 8038-GC, if applicable) and any other forms or information required by the Code or the Regulations to be filed with the Internal Revenue Service in order to further ensure the exclusion of the interest on the Note from gross income tax for federal income tax purposes.

Section 5 -- Award.

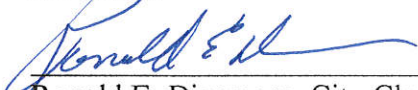
Having determined that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit, the Governing Body hereby awards and sells the Note to the Bank in accordance with the Purchase Contract which, as presented at this meeting, is hereby accepted and shall be executed by the Designated Officers.

Section 6 -- Note Ordinance a Contract.

This Ordinance shall be deemed to be a contract with the holders, from time to time, of the Note.

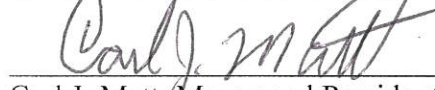
THIS ORDINANCE IS DULY ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF JEANNETTE AT A PUBLIC MEETING HELD THE 10th DAY OF NOVEMBER 1999.

ATTEST:



Ronald E. Dinsmore, City Clerk

THE CITY OF JEANNETTE:



Carl J. Matt, Mayor and President of Council

**THE CITY OF JEANNETTE
WESTMORELAND COUNTY, PENNSYLVANIA**

DESCRIPTION OF PROJECT

The proceeds of the within described Note will be used for the purchase of equipment for the Jeannette Fire Department from Premier Safety & Service, Two Industrial Park Drive, Oakdale, Pennsylvania, 15071, such equipment to include the following:

- a) 10 - AIRBOSS EVOLUTION, 4500 PSI
45 MIN. CARBON FIBER, QD;
- b) 5 - CYLINDER, 4500 PSI
45 MIN. CARBON COMPOSITE;
- c) 11 - 40" AIRLINE HOSE 2/2
MALE FITTINGS;
- d) 10 - PANORAMA NOVA EPDM MASKS
- e) 10 - HAIR NET FOR PANORAMA NOVA
NF PA INSTALLED

Such purchases being in accordance with an invoice submitted by Premier Safety & Service to the City of Jeannette dated September 17, 1999.

Exhibit P

NOTE
8 - RF

City of Jeannette
Westmoreland County, Pennsylvania

GENERAL OBLIGATION NOTE, SERIES PNC-1999

<u>\$30,000.00</u>	<u>5.45%</u>	<u> </u> , 19 <u> </u>	<u>January 31, 2004</u>
Principal Amount	Interest Rate	Dated Date	Maturity Date

The above named Local Government Unit, intending to be legally bound, promises to pay to the registered owner shown on the attached registration form in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the Principal Amount set forth above in level payments of principal together with interest on the dates and in the amounts indicated on the attached amortization schedule. Any outstanding principal and accrued interest shall be due and payable in full on January 31, 2004. The Local Government Unit acknowledges that the level payment of principal and interest is calculated on the assumption that each periodic payment will be made on the date when due, and if there is any variation in the actual payment dates, there may be an additional amount due upon maturity of this Note. The Principal Amount outstanding under this Note will bear interest at a rate per annum which is at all times equal to 5.45%.

Interest will be calculated on the basis of a year of 360 days with 30 days per month. The Local Government Unit also agrees to pay to the registered owner in like coin or currency, on the date hereof, an Origination Fee equal to 0% of the Principal Amount.

The Local Government Unit has reviewed the areas within its business and operations which could be adversely affected by, and had developed or is developing a program to address on a timely basis the risk that certain computer applications used by the Local Government Unit may be unable to recognize and properly perform date-sensitive functions involving dates prior to and after December 31, 1999 (the "Year 2000 Problem"). The Year 2000 Problem will not result, and is not reasonably expected to result, in any material adverse effect on the business, properties, assets, financial conditions, results of operations or prospects of the Local Government Unit, or the ability of the Local Government Unit to duly and punctually pay or perform its obligations hereunder and under the other loan documents executed in connection herewith.

The Local Government Unit hereby covenants with the registered owner hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon at the place, on the dates and in the manner stated above, according to the true meaning and intent hereof, and for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such

liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

In the event of a default hereunder, the entire principal balance hereof shall, at the option of the holder, accelerate and shall be and become immediately due and payable without notice or demand and the Local Government Unit will pay the registered owner's reasonable costs and expenses incurred in collection of the amounts due hereunder.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to an Ordinance of the Local Government Unit duly and regularly enacted in accordance with the provisions of the Debt Act.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

This Note is a Qualified Tax-Exempt Obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

WITNESS the due execution hereof as of the Dated Date set forth above.

ATTEST:

Chief Administrative Officer

City of Jeannette

By: 

Chief Legislative Officer

(SEAL)

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below. The Local Government Unit shall treat the registered owner of this Note, as noted on this Note and on its books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner

PNC BANK, NATIONAL ASSOCIATION

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.