

Borough of Greenville, Mercer County, Pennsylvania

ORDINANCE NO. 1634

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF GREENVILLE, MERCER COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$899,298.00 FOR SUNDRY PURPOSES RELATED TO THE CONSTRUCTION, ALTERATION AND IMPROVEMENT TO THE STORMWATER SYSTEM IN AND ABOUT THE BOROUGH OF GREENVILLE; 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 DOCUMENTS INCLUDING BUT NOT LIMITED TO A SELF LIQUIDATING DEBT PROCEEDING; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF; AND EXECUTING CERTAIN DOCUMENTS, INCLUDING A GUARANTY AGREEMENT, WHEREBY, THE GREENVILLE SANITARY AUTHORITY, AGREES TO PLEDGE A LIEN ON THE STORMWATER SYSTEM REVENUES TO SECURE THE REPAYMENT OF THE GENERAL OBLIGATION NOTE ISSUED BY THE BOROUGH OF GREENVILLE TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY.

WHEREAS, it is necessary that the indebtedness of the Borough of Greenville, Mercer County, Pennsylvania, be increased for the following purpose: constructing alterations, additions, and improvements to the stormwater system in and about the Borough of Greenville; and

WHEREAS, the Borough of Greenville, hereinafter also referred to as the Local Government Unit, has received preliminary realistic cost estimates from professional consultants indicating the sum of \$899,298.00 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 Borough of

Greenville, Mercer 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 Greenville, Mercer County, Pennsylvania, proposed to be issued is \$899,298.00, to be issued for the foregoing purposes and to be incurred as non-electoral 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 50 years.

SECTION 3. Said indebtedness shall be evidenced by one General Obligation Note, in fully registered form, in a sum not to exceed \$899,298.00 (the "PENNVEST General Obligation Note") bearing interest at a rate of 1.000% during the interest-only period and the first five years of principal amortization and 1.743% for the remainder of the 20-year term. The form of the PENNVEST General Obligation Note is set forth in **EXHIBIT A**.

SECTION 4. The PENNVEST General Obligation Note is being issued as provided in the Act of the General Assembly of the Commonwealth of Pennsylvania approved on the 28th day of April 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act (the "Act"). The Borough of Greenville shall begin principal payment of the PENNVEST Note on the earlier of: (i) three (3) months after the estimated date of completion of the Project, (ii) the first day of the calendar month following the actual completion of the Project, or (iii) three (3) years from the date of settlement. Notwithstanding the foregoing, principal amortization on the PENNVEST Note shall not be deferred beyond the later of two (2) years from the date of settlement or one (1) year after completion of the Project in accordance with Section 8142(c) of the Act. As of the date of this Ordinance, the projected estimated date of completion of the Project is January 2024.

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 dates thereof, without notice or penalty.

The principal and interest of the PENNVEST General Obligation Note shall be payable at

the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 5. The said Note is hereby declared to be a general obligation of the Borough of Greenville, Mercer County, Pennsylvania. The Local Government Unit hereby covenants that it shall include the amount of debt service on the PENNVEST General Obligation 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 PENNVEST General Obligation Note and the interest thereon at the dates and places and in the manner stated in the PENNVEST General Obligation 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 Greenville, Mercer County, Pennsylvania is hereby irrevocably pledged. Further, the Local Government Unit hereby covenants to pay in each of the following fiscal years in respect to the PENNVEST General Obligation Note, including the principal maturity and interest set forth in **EXHIBIT C** attached hereto and incorporated herein by reference thereto.

The Borough of Greenville, Mercer County, Pennsylvania, leased its stormwater system to the Greenville Sanitary Authority on or about June 27, 2019 (the “Lease”). Pursuant to the Lease, the Greenville Sanitary Authority, operates the stormwater system and sets and collects the rates for the stormwater system.

The Greenville Sanitary Authority has agreed to grant to PENNVEST a lien and security interest in all gross revenues or receipts generated or produced from its operation of the Greenville Borough stormwater system (the “System”) as it now exists and upon completion of the Project, including but not limited to, a security interest in all existing and future accounts, contract rights and general intangibles arising out its operation of the System. The grant of a lien and security interest shall be evidenced in the Loan Documents and the Greenville Sanitary Authority shall execute and deliver to PENNVEST a Guaranty Agreement providing a security interest in the System revenues.

SECTION 6. The PENNVEST General Obligation Note shall be executed in the name and under the corporate seal of the Local Government Unit by the Mayor and attested to by the Secretary. Each of the Mayor, Secretary, and the Treasurer are hereby authorized and directed to

deliver the PENNVEST General Obligation Note to PENNVEST and receive payment therefor on behalf of the Local Government Unit. The Mayor, the Treasurer, and the Secretary of the Local Government Unit are authorized and directed to prepare, verify, and file the debt statement required by Section 8110 of the Act and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. First National Bank of Pennsylvania (Bank or Bank and Trust Company) is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as “Sinking Fund 2023 General Obligation Note” for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer 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 obligation no later than the date upon which such payments shall become due. PENNVEST shall, as and when said payments are due, without further action by the Local Government Unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 8. The Mayor, Treasurer, and Secretary of the Local Government Unit are hereby authorized to contract with the Bank for its services as a Sinking Fund Depository for the PENNVEST General Obligation Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the Local Government Unit governing body have determined that the private sale of the Note by negotiation rather than public sale is in the best financial interest of the Local Government Unit. Therefore, the PENNVEST General Obligation Note not to exceed the amount of \$ 899,298.00, herein authorized to be issued and sold, is hereby awarded and sold to PENNVEST in accordance with its proposal to purchase the said Note at par; and is in the form set forth in this Ordinance as **EXHIBIT A**, and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the

Act, and subject to such further terms and conditions set forth in the PENNVEST Funding Offer attached hereto as **EXHIBIT D** and made a part hereof by reference.

SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Record-Argus, a newspaper of general circulation, is ratified and confirmed. The advertisement in the said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED this 13th day of November 2023.

ATTEST:

BOROUGH OF GREENVILLE, MERCER
COUNTY, PENNSYLVANIA

Jasson W. Urey
Secretary

Paul R. Hamill
Mayor

Approved this 13th day of November 2023.