

Borough of Portage

PORTAGE, PENNSYLVANIA

Resolution No.: 5-2011

*Resolution Authorizing Small Borrowing for
Capital Purposes Under Section 8109 of the
Local Government Unit Debt Act*

WHEREAS, the Borough of Portage of Cambria County, Pennsylvania, hereinafter called the Local Government Unit, proposes to incur nonelectoral debt by the issuance of a general obligation note to finance the costs of the following project: bridge repair; and

WHEREAS, Section 8109 of the Local Government Unit Debt Act authorizes any Local Government Unit to incur debt evidenced by notes to provide funds for a project as defined in the Act without notification to the Department of Community and Economic Development provided: (1) the aggregate of such debt outstanding at any one time shall not exceed the lesser of \$125,000 or 30% of the nonelectoral debt limit; (2) the principal shall mature within five years; and (3) the debt does not otherwise exceed the limits imposed in Section 8022 of the Act; and

WHEREAS, the local government unit has obtained preliminary cost estimates as required by the Act and determined that the sum of \$23,961.85 needed to finance the project will not cause the aggregate of such debt to exceed the lesser of \$125,000 or 30% of the nonelectoral debt limit of the Local Government Unit of and the limits imposed by Section 8022 of the Act.

NOW, THEREFORE, BE IT RESOLVED THAT;

- (1) The Local Government Unit hereby authorizes the issuance of a general obligation note in the amount of \$23,961.85 to be issued for the forgoing purposes as nonelectoral debt.
- (2) The period of useful life of the project for which this obligation is to be issued is estimated to be fifteen years.
- (3) The note shall be issued in the principal sum of \$23,961.85, shall be dated July 18, 2011, bear interest at the rate of 3.95%, payable monthly, and shall mature in installments as follows:

2011 (5 months)	\$2,204.15
2012	\$5,289.96
2013	\$5,289.96
2014	\$5,289.96
2015	\$5,289.96
2016 (7 months)	\$3,085.97

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.

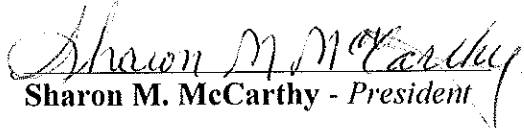
The principal and interest of said note shall be payable at First Summit Bank, 125 Donald Lane, Johnstown, Cambria County, Pennsylvania.


- (4) The note is hereby declared to be a general obligation of the Local Government Unit which hereby covenants that it 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 Local Government Unit is hereby irrevocably pledged.
- (5) The form of note is attached hereto as Exhibit "A".
- (6) The said note shall be executed in the name and under the corporate seal of the local Government Unit by the Council President and Mayor and attested to by the Secretary. The Council President, Mayor and the Secretary are authorized and directed to prepare and verify the debt statement required by Section 8110 of the Act 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.
- (7) In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the

best interest of the Local Government Unit. Therefore, the general obligation note in the amount of \$23,737.35 herein authorized to be issued and sold is hereby awarded and sold to First Summit Bank in accordance with its proposal to purchase the said note. A copy of Lender's signed proposal is attached hereto as Exhibit "B".

BE IT RESOLVED this eighteenth day of July, 2011

BOROUGH OF PORTAGE:

By: 
Sharon M. McCarthy - President

Attest:  (Seal)
Michelle D. Claar - Secretary