

MARS BOROUGH, BUTLER COUNTY, COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 446

AN ORDINANCE INCREASING THE INDEBTEDNESS OF MARS BOROUGH, BUTLER COUNTY, PENNSYLVANIA, BY THE ISSUE OF A PURCHASE MONEY GENERAL OBLIGATION NOTE ("MORTGAGE NOTE") IN THE AMOUNT OF \$270,000 FOR THE PURPOSE OF PURCHASING FOUR PARCELS OF PROPERTY FROM DUTILH UNITED METHODIST CHURCH; 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 DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of Mars Borough, Butler County, Pennsylvania be increased for the following purpose: to purchase four parcels of property, which includes a school building, church, and two parking lots from Dutilh United Methodist Church at 525 Pittsburgh Street, Mars, PA 16046 for eventual use as a new municipal building and for other purposes; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of \$270,000 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 Mars Borough, Butler, 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 Mortgage Note of Mars Borough, Butler County, Pennsylvania, proposed to be issued is \$270,000, same to be issued for the foregoing purposes and same to be incurred as nonelectoral 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 twenty years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Mortgage Note, in fully registered form, in the sum of \$270,000 dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act, at a rate of interest calculated at the tax-free equivalent, if available, of the 10 Year Swap rate plus 2.75 percent per annum, payable on the unpaid balance of said Note as of the first day of the first month following the closing of the sale of the property, which Note shall mature in installments on the annual anniversary date of said Note as listed on the Amortization Schedule attached as Exhibit "A." (The Amortization Schedule is based on an interest rate of 3.817 percent, which would have been the interest rate as of July 17, 2019, which was the date of the Commitment Letter. The actual rate will vary depending on the 10 Year Swap rate.)

The local government unit could be subject to a prepayment penalty, which is five percent (5%) of the principal if paid off during the first year, decreasing annually to a one percent (1%) penalty if paid off in the fifth year.

The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 4. The said Note is hereby declared to be a general obligation of Mars Borough, Butler County, Pennsylvania. The local government unit 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 Mars Borough is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate as described above, based on the 10 Year Swap rate plus 2.75 percent as listed on the Amortization Schedule listed as Exhibit "A" and more fully described above.

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit N.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the President of the Mars Borough Council and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser at the closing, and receive credit therefor on behalf of the local government unit. The President and 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. Mars Bank 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 2019 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. The Sinking Fund Depository 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 President and Treasurer of the local government unit are hereby authorized to contract with Mars Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. 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 financial interest of the local government unit. Therefore, the general obligation Note in the amount of \$270,000, herein authorized to be issued and sold is hereby awarded and sold to Mars Bank in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to Mars Bank and is in the form set forth in this Ordinance as Exhibit N; 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.


SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Butler Eagle, a newspaper of general circulation, is ratified and confirmed. The advertisement in 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 day 9th Day of September, 2019 .

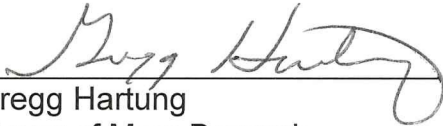
ATTEST:

MARS BOROUGH


Bonnie Forsythe, Secretary


G. Michael Fleming, President

Approved this 9th day of September, 2019 .


Gregg Hartung
Mayor of Mars Borough

AMORTIZATION SCHEDULE

Date of First Payment: 10/01/2019	Loan Amount: 270,000.00
Date Interest Starts: 09/01/2019	Regular Payment: 2,710.20
Original Number of Payments: 120	Annual Rate: 3.8170
Actual Number of Payments: 120	

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
09/01/2019	270,000.00	0.00	0.00	0.00	270,000.00
10/01/2019	270,000.00	2,710.20	858.83	1,851.37	268,148.63
11/01/2019	268,148.63	2,710.20	852.94	1,857.26	266,291.37
12/01/2019	266,291.37	2,710.20	847.03	1,863.17	264,428.20
2019	0.00	8,130.60	2,558.80	5,571.80	264,428.20
01/01/2020	264,428.20	2,710.20	841.10	1,869.10	262,559.10
02/01/2020	262,559.10	2,710.20	835.16	1,875.04	260,684.06
03/01/2020	260,684.06	2,710.20	829.19	1,881.01	258,803.05
04/01/2020	258,803.05	2,710.20	823.21	1,886.99	256,916.06
05/01/2020	256,916.06	2,710.20	817.21	1,892.99	255,023.07
06/01/2020	255,023.07	2,710.20	811.19	1,899.01	253,124.06
07/01/2020	253,124.06	2,710.20	805.15	1,905.05	251,219.01
08/01/2020	251,219.01	2,710.20	799.09	1,911.11	249,307.90
09/01/2020	249,307.90	2,710.20	793.01	1,917.19	247,390.71
10/01/2020	247,390.71	2,710.20	786.91	1,923.29	245,467.42
11/01/2020	245,467.42	2,710.20	780.79	1,929.41	243,538.01
12/01/2020	243,538.01	2,710.20	774.65	1,935.55	241,602.46
2020	264,428.20	32,522.40	9,696.66	22,825.74	241,602.46
01/01/2021	241,602.46	2,710.20	768.50	1,941.70	239,660.76
02/01/2021	239,660.76	2,710.20	762.32	1,947.88	237,712.88
03/01/2021	237,712.88	2,710.20	756.13	1,954.07	235,758.81
04/01/2021	235,758.81	2,710.20	749.91	1,960.29	233,798.52
05/01/2021	233,798.52	2,710.20	743.67	1,966.53	231,831.99
06/01/2021	231,831.99	2,710.20	737.42	1,972.78	229,859.21
07/01/2021	229,859.21	2,710.20	731.14	1,979.06	227,880.15
08/01/2021	227,880.15	2,710.20	724.85	1,985.35	225,894.80
09/01/2021	225,894.80	2,710.20	718.53	1,991.67	223,903.13
10/01/2021	223,903.13	2,710.20	712.20	1,998.00	221,905.13
11/01/2021	221,905.13	2,710.20	705.84	2,004.36	219,900.77
12/01/2021	219,900.77	2,710.20	699.47	2,010.73	217,890.04
2021	241,602.46	32,522.40	8,809.98	23,712.42	217,890.04
01/01/2022	217,890.04	2,710.20	693.07	2,017.13	215,872.91
02/01/2022	215,872.91	2,710.20	686.66	2,023.54	213,849.37

AMORTIZATION SCHEDULE

Date of First Payment:	10/01/2019	Loan Amount:	270,000.00
Date Interest Starts:	09/01/2019	Regular Payment:	2,710.20
Original Number of Payments:	120	Annual Rate:	3.8170
Actual Number of Payments:	120		

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
03/01/2022	213,849.37	2,710.20	680.22	2,029.98	211,819.39
04/01/2022	211,819.39	2,710.20	673.76	2,036.44	209,782.95
05/01/2022	209,782.95	2,710.20	667.28	2,042.92	207,740.03
06/01/2022	207,740.03	2,710.20	660.79	2,049.41	205,690.62
07/01/2022	205,690.62	2,710.20	654.27	2,055.93	203,634.69
08/01/2022	203,634.69	2,710.20	647.73	2,062.47	201,572.22
09/01/2022	201,572.22	2,710.20	641.17	2,069.03	199,503.19
10/01/2022	199,503.19	2,710.20	634.59	2,075.61	197,427.58
11/01/2022	197,427.58	2,710.20	627.98	2,082.22	195,345.36
12/01/2022	195,345.36	2,710.20	621.36	2,088.84	193,256.52
2022	217,890.04	32,522.40	7,888.88	24,633.52	193,256.52
01/01/2023	193,256.52	2,710.20	614.72	2,095.48	191,161.04
02/01/2023	191,161.04	2,710.20	608.05	2,102.15	189,058.89
03/01/2023	189,058.89	2,710.20	601.36	2,108.84	186,950.05
04/01/2023	186,950.05	2,710.20	594.66	2,115.54	184,834.51
05/01/2023	184,834.51	2,710.20	587.93	2,122.27	182,712.24
06/01/2023	182,712.24	2,710.20	581.18	2,129.02	180,583.22
07/01/2023	180,583.22	2,710.20	574.41	2,135.79	178,447.43
08/01/2023	178,447.43	2,710.20	567.61	2,142.59	176,304.84
09/01/2023	176,304.84	2,710.20	560.80	2,149.40	174,155.44
10/01/2023	174,155.44	2,710.20	553.96	2,156.24	171,999.20
11/01/2023	171,999.20	2,710.20	547.10	2,163.10	169,836.10
12/01/2023	169,836.10	2,710.20	540.22	2,169.98	167,666.12
2023	193,256.52	32,522.40	6,932.00	25,590.40	167,666.12
01/01/2024	167,666.12	2,710.20	533.32	2,176.88	165,489.24
02/01/2024	165,489.24	2,710.20	526.39	2,183.81	163,305.43
03/01/2024	163,305.43	2,710.20	519.45	2,190.75	161,114.68
04/01/2024	161,114.68	2,710.20	512.48	2,197.72	158,916.96
05/01/2024	158,916.96	2,710.20	505.49	2,204.71	156,712.25
06/01/2024	156,712.25	2,710.20	498.48	2,211.72	154,500.53
07/01/2024	154,500.53	2,710.20	491.44	2,218.76	152,281.77
08/01/2024	152,281.77	2,710.20	484.38	2,225.82	150,055.95
09/01/2024	150,055.95	2,710.20	477.30	2,232.90	147,823.05
10/01/2024	147,823.05	2,710.20	470.20	2,240.00	145,583.05
11/01/2024	145,583.05	2,710.20	463.08	2,247.12	143,335.93

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Date Interest Starts: 09/01/2019	Regular Payment: 2,710.20
Original Number of Payments: 120	Annual Rate: 3.8170
Actual Number of Payments: 120	

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
12/01/2024	143,335.93	2,710.20	455.93	2,254.27	141,081.66
2024	167,666.12	32,522.40	5,937.94	26,584.46	141,081.66
01/01/2025	141,081.66	2,710.20	448.76	2,261.44	138,820.22
02/01/2025	138,820.22	2,710.20	441.56	2,268.64	136,551.58
03/01/2025	136,551.58	2,710.20	434.35	2,275.85	134,275.73
04/01/2025	134,275.73	2,710.20	427.11	2,283.09	131,992.64
05/01/2025	131,992.64	2,710.20	419.85	2,290.35	129,702.29
06/01/2025	129,702.29	2,710.20	412.56	2,297.64	127,404.65
07/01/2025	127,404.65	2,710.20	405.25	2,304.95	125,099.70
08/01/2025	125,099.70	2,710.20	397.92	2,312.28	122,787.42
09/01/2025	122,787.42	2,710.20	390.57	2,319.63	120,467.79
10/01/2025	120,467.79	2,710.20	383.19	2,327.01	118,140.78
11/01/2025	118,140.78	2,710.20	375.79	2,334.41	115,806.37
12/01/2025	115,806.37	2,710.20	368.36	2,341.84	113,464.53
2025	141,081.66	32,522.40	4,905.27	27,617.13	113,464.53
01/01/2026	113,464.53	2,710.20	360.91	2,349.29	111,115.24
02/01/2026	111,115.24	2,710.20	353.44	2,356.76	108,758.48
03/01/2026	108,758.48	2,710.20	345.94	2,364.26	106,394.22
04/01/2026	106,394.22	2,710.20	338.42	2,371.78	104,022.44
05/01/2026	104,022.44	2,710.20	330.88	2,379.32	101,643.12
06/01/2026	101,643.12	2,710.20	323.31	2,386.89	99,256.23
07/01/2026	99,256.23	2,710.20	315.72	2,394.48	96,861.75
08/01/2026	96,861.75	2,710.20	308.10	2,402.10	94,459.65
09/01/2026	94,459.65	2,710.20	300.46	2,409.74	92,049.91
10/01/2026	92,049.91	2,710.20	292.80	2,417.40	89,632.51
11/01/2026	89,632.51	2,710.20	285.11	2,425.09	87,207.42
12/01/2026	87,207.42	2,710.20	277.39	2,432.81	84,774.61
2026	113,464.53	32,522.40	3,832.48	28,689.92	84,774.61
01/01/2027	84,774.61	2,710.20	269.65	2,440.55	82,334.06
02/01/2027	82,334.06	2,710.20	261.89	2,448.31	79,885.75
03/01/2027	79,885.75	2,710.20	254.10	2,456.10	77,429.65
04/01/2027	77,429.65	2,710.20	246.29	2,463.91	74,965.74
05/01/2027	74,965.74	2,710.20	238.45	2,471.75	72,493.99

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Date Interest Starts:	09/01/2019	Regular Payment:	2,710.20
Original Number of Payments:	120	Annual Rate:	3.8170
Actual Number of Payments:	120		

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
06/01/2027	72,493.99	2,710.20	230.59	2,479.61	70,014.38
07/01/2027	70,014.38	2,710.20	222.70	2,487.50	67,526.88
08/01/2027	67,526.88	2,710.20	214.79	2,495.41	65,031.47
09/01/2027	65,031.47	2,710.20	206.85	2,503.35	62,528.12
10/01/2027	62,528.12	2,710.20	198.89	2,511.31	60,016.81
11/01/2027	60,016.81	2,710.20	190.90	2,519.30	57,497.51
12/01/2027	57,497.51	2,710.20	182.89	2,527.31	54,970.20
2027	84,774.61	32,522.40	2,717.99	29,804.41	54,970.20
01/01/2028	54,970.20	2,710.20	174.85	2,535.35	52,434.85
02/01/2028	52,434.85	2,710.20	166.79	2,543.41	49,891.44
03/01/2028	49,891.44	2,710.20	158.70	2,551.50	47,339.94
04/01/2028	47,339.94	2,710.20	150.58	2,559.62	44,780.32
05/01/2028	44,780.32	2,710.20	142.44	2,567.76	42,212.56
06/01/2028	42,212.56	2,710.20	134.27	2,575.93	39,636.63
07/01/2028	39,636.63	2,710.20	126.08	2,584.12	37,052.51
08/01/2028	37,052.51	2,710.20	117.86	2,592.34	34,460.17
09/01/2028	34,460.17	2,710.20	109.61	2,600.59	31,859.58
10/01/2028	31,859.58	2,710.20	101.34	2,608.86	29,250.72
11/01/2028	29,250.72	2,710.20	93.04	2,617.16	26,633.56
12/01/2028	26,633.56	2,710.20	84.72	2,625.48	24,008.08
2028	54,970.20	32,522.40	1,560.28	30,962.12	24,008.08
01/01/2029	24,008.08	2,710.20	76.37	2,633.83	21,374.25
02/01/2029	21,374.25	2,710.20	67.99	2,642.21	18,732.04
03/01/2029	18,732.04	2,710.20	59.58	2,650.62	16,081.42
04/01/2029	16,081.42	2,710.20	51.15	2,659.05	13,422.37
05/01/2029	13,422.37	2,710.20	42.69	2,667.51	10,754.86
06/01/2029	10,754.86	2,710.20	34.21	2,675.99	8,078.87
07/01/2029	8,078.87	2,710.20	25.70	2,684.50	5,394.37
08/01/2029	5,394.37	2,710.20	17.16	2,693.04	2,701.33
09/01/2029	2,701.33	2,709.92	8.59	2,701.33	0.00
2029	24,008.08	24,391.52	383.44	24,008.08	0.00
TOTALS:	270,000.00	325,223.72	55,223.72	270,000.00	0.00