

**CITY OF JEANNETTE  
WESTMORELAND COUNTY, PENNSYLVANIA**

Bill No. 89-15  
First Reading Approved: 9/6/89  
Adopted Finally: 9/20/89

ORDINANCE NO. 89-14

AN ORDINANCE OF THE CITY OF JEANNETTE AUTHORIZING THE EXECUTION AND DELIVERY OF A 1989 PENNVEST GUARANTY AGREEMENT BETWEEN THE CITY OF JEANNETTE AND CITY OF JEANNETTE MUNICIPAL AUTHORITY, AUTHORIZING THE ASSIGNMENT THEREOF, APPROVING THE CONSULTING ENGINEERS' COST ESTIMATE AND REPORT, AND AUTHORIZING THE EXECUTION AND FILING OF A DEBT STATEMENT AND A SELF-LIQUIDATING LEASE RENTAL DEBT EXCLUSION CERTIFICATE AND AN APPROVAL REQUEST FOR SAID 1989 PENNVEST GUARANTY AGREEMENT WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS.

**WHEREAS**, City of Jeannette Municipal Authority (the "Authority" and the "Lessor/Borrower") has recently received and accepted an offer of a loan in the principal amount of \$1,781,100 (the "Loan" and "Pennvest Loan") from the Pennsylvania Infrastructure Investment Authority ("Pennvest") for a Capital Addition Project to be constructed as an improvement to its Sewer System (the "System") within and without the City of Jeannette (the "City" and the "Guarantor"), and, as security for said Pennvest Loan, the Authority will issue a long term permanent Promissory Note (the "Note") to Pennvest, subordinate and subject to its 1989 Trust Indenture, dated as of November 15, 1988 (the "Trust Indenture"), with Pittsburgh National Bank, as Trustee (the "Trustee"); and

**WHEREAS**, the Authority will continue to levy and collect user charges upon customers benefited by and using the System in amounts sufficient to pay the operation and maintenance expenses of the System and the principal of and the interest on said Bonds and said Pennvest Loan and all other bonds subsequently issued under said Trust Indenture; and

**WHEREAS**, in order to provide a guaranty security instrument for said aforementioned Pennvest Loan, it is necessary for the City to enter into a 1989 Pennvest Guaranty Agreement, to be dated as of September 1, 1989, for reference purposes only (the "1989 Pennvest Guaranty Agreement"), with the Authority; and

**WHEREAS**, in order to render said 1989 Pennvest Guaranty Agreement effective as to the City as "excluded self-liquidating lease rental debt", it will be necessary, pursuant to Section 106 of the Local Government Unit Debt Act, for the City and the Authority to approve and adopt the Consulting Engineers' Report submitted herewith and the Consulting Engineers' Cost Estimate as set forth therein.

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED** by the 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 a guaranty agreement with City of Jeannette Municipal Authority, substantially in the form of the 1989 Pennvest Guaranty Agreement, to be dated as of September 1, 1989, for reference purposes only, as presented to this meeting, which is hereby approved and made a part hereof by reference only and is on file with the City Clerk.

**SECTION 2.** The Mayor and President of City Council is hereby directed to execute, on behalf of the City, the guaranty agreement substantially in the form of the said 1989 Pennvest Guaranty Agreement, which 1989 Pennvest Guaranty Agreement when consummated shall be sealed and attested to by the City Clerk, and shall, after proper filings and approvals, be "excluded self-liquidating lease rental debt" of the City of Jeannette to the extent initially of \$1,781,100 (the initial principal amount of the Promissory Note of said Authority securing the Pennvest Loan), as guaranteed by said 1989 Pennvest Guaranty Agreement.

**SECTION 3.** The Mayor and President of City Council and the City Clerk are hereby further directed to prepare, execute and verify under oath a "Debt Statement" of the City of Jeannette in order to make effective the aforementioned 1989 Pennvest Guaranty Agreement, and to submit the same, together with an executed "Application for Approval" and executed "Debt Statement" and executed "Borrowing Base Certificate" and executed "Self-Liquidating Debt Exclusion Certificate" for said 1989 Pennvest Guaranty Agreement, and the necessary filing fee to the Pennsylvania Department of Community Affairs pursuant to the Local Government Unit Debt Act as promptly as practicable. Upon approval by the Pennsylvania Department of Community Affairs, the approved "Application" 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. The City Council also hereby approves and adopts the Consulting Engineers' Report for said Pennvest Capital Addition Project submitted herewith and the Consulting Engineers' Cost Estimate as set forth therein.



**SECTION 4.** The City Council of the City of Jeannette hereby further authorizes and directs that the Authority shall long term permanently finance and complete the improvements to the System pursuant to and in compliance with the Pennvest Loan Commitment Letter, and in accordance with the Plans and Specifications and Report previously provided by Gannett Fleming Environmental Engineers, Inc., of Pittsburgh, Pennsylvania, the Consulting Engineers for the Authority, and the City Council in furtherance thereof authorizes and directs that the Authority long term permanently finance and complete its Pennvest Capital Addition Project through consummation of the aforesaid long term permanent Pennvest Loan and the issuance of said long term permanent Promissory Note to Pennvest, with said debt being secured by said 1989 Pennvest Guaranty Agreement approved hereunder.

**SECTION 5.** The City Council hereby authorizes and consents to the assignment by the Authority of its rights under said 1989 Pennvest Guaranty Agreement to Pennvest, in conjunction with the issuance of the aforementioned Note.

**SECTION 6.** The City Council of the City of Jeannette and the Authority have considered and determined that under the present market conditions it is in the best financial interests of the City and the Authority that said aforementioned Note of the Authority be issued by the Authority to the Pennsylvania Infrastructure Investment Authority ("Pennvest") at a private sale by negotiation.

**SECTION 7.** The proper and appropriate officers of the City are also hereby authorized and directed to perform any and all other acts necessary and proper to be done as required by the Local Government Unit Debt Act, as reenacted, amended and revised, in connection with the long term permanent financing through Pennvest of the Pennvest Capital Addition Project of the Authority.

**SECTION 8.** 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.

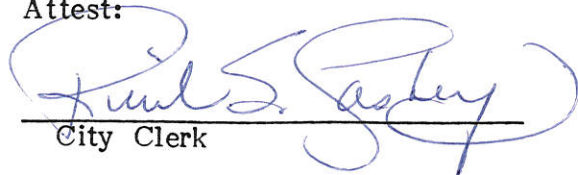
**SECTION 9.** This Ordinance shall take effect five (5) days after the second and final advertisement of its adoption.

**ORDAINED AND ENACTED** into law by the City Council of the City of Jeannette in lawful session assembled this September 20, 1989.

**CITY OF JEANNETTE**

(CITY SEAL)

Attest:

  
City Clerk

By   
Mayor and President of City Council

C E R T I F I C A T E

I, the undersigned, City Clerk of the City of Jeannette, Westmoreland County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said City which was duly enacted by the affirmative vote of a majority of the members of the Governing Body of said City at a meeting thereof duly called and held on September 20, 1989, with said members voting in the following manner:

<u>Members of Council</u>	<u>Vote</u>
Glenn D. Hoak, Mayor and President of City Council	<u>Y</u>
James F. Solomon	<u>Y</u>
Don Shirer	<u>Y</u>
Carol Francese	<u>Y</u>
James Brooks	<u>Y</u>

I hereby further certify that proper notices before and after its adoption were duly published, as required by law, in a newspaper of general circulation, published or circulating in the City, and that the same was duly recorded in the Ordinance Book of said City, and that said Ordinance has not been amended, modified or rescinded and is still in full force and effect.

WITNESS my hand and the seal of the City of Jeannette this September 20, 1989.

(CITY SEAL)

CITY OF JEANNETTE

By   
City Clerk