

Resolution 1998-3

RESOLUTION AUTHORIZING SMALL BORROWING  
FOR CAPITAL PURPOSES UNDER  
SECTION 8109 OF THE LGUDA

WHEREAS, the Borough of Indian Lake of Somerset 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: purchase of an existing sewage disposal system; 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 \$125,000.00 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 sum of \$35,000.00 needed to finance the project will not cause the aggregate of such debt to exceed the lesser of \$125,000.00 or 30% of the nonelectoral debt limit of the Local Government Unit of \$1,030,352.00 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 \$35,000.00 to be issued for the foregoing 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 40 years.

(3) The note shall be issued in the principal sum of \$35,000.00, shall be dated May 15, 1998, shall bear interest at the rate of 8%, payable monthly, and shall mature in installments as follows:

Fiscal Year 1998	\$3,401.80
Fiscal Year 1999	\$6,212.70
Fiscal Year 2000	\$6,728.34
Fiscal Year 2001	\$7,286.79
Fiscal Year 2002	\$7,891.61
Fiscal Year 2003	\$3,478.76

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 P. O. Box 54, Shanksville, Pennsylvania, 15560, or such other place as the Obligee may designate.

(4) The said 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.

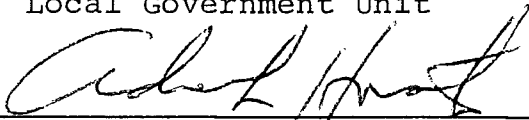
(6) The said note shall be executed in the name and under the corporate seal of the Local Government Unit by the Council President and Vice President and attested to by the Secretary. The Borough Manager and the Secretary are authorized and directed to prepare and verify the debt statement required by 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.

(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 \$35,000.00 herein authorized to be issued and sold is hereby awarded and sold to Unger and Iseman, Inc., in accordance with its proposal to purchase the said note.

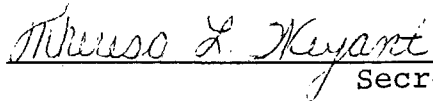
IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Local Government Unit this 28th day of April, 1998.

Borough of Indian Lake,  
Local Government Unit

By:   
Executive Officer

SEAL

ATTEST:

  
Secretary

CERTIFICATION

I, Theresa Weyant, Secretary of the Borough of Indian Lake, hereby certify that the foregoing is a true and correct copy of the resolution, duly adopted by the majority vote of the said Local Government Unit, at a meeting duly held on the 28th day of April , 1998, and that the minutes of the said meeting showing how each member voted have been duly recorded in the official minutes of the said Local Government Unit.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 28th day of April , 1998.

Theresa H. Weyant

Secretary

DEBT STATEMENT PURSUANT TO SECTION 8110  
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit Indian Lake Borough  
Somerset County

Statement as of April 6, 1998  
(Date)

Section 8002 I. GROSS INCURRED DEBT

	Electoral	Nonelectoral	Lease Rental
A. Bonds outstanding	\$ -0-	\$ -0-	\$ -0-
List and identify	\$ _____	\$ _____	\$ _____
by year of issue	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
B. Notes Outstanding	\$ -0-	\$ -0-	\$ -0-
List and identify	\$ _____	\$ _____	\$ _____
by year of issue	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
TOTAL	\$ -0-	\$ -0-	\$ -0-

II. CREDITS & EXCLUSIONS

Section. 8028(b)

Less:  
(where applicable)

1. Sinking Funds, reserve accounts, bond proceeds	\$ -0-	\$ -0-	\$ -0-
2. Current appropriations	\$ -0-	\$ -0-	\$ -0-
3. Uncollected special assessments	\$ -0-	\$ -0-	\$ -0-
4. Delinquent taxes and liens	\$ -0-	\$ -0-	\$ -0-
5. Surplus cash	\$ -0-	\$ -0-	\$ -0-
6. Solvent debts due	\$ -0-	\$ -0-	\$ -0-
7. Indemnifying insurance	\$ -0-	\$ -0-	\$ -0-
8. Self-liquidating and self-sustaining debt (Excluded under Sections 8024, 8025, 8026)	\$ -0-	\$ -0-	\$ -0-
TOTAL NET INDEBTEDNESS	\$ -0-	\$ -0-	\$ -0-

III. The aggregate principal amount of bonds or notes being issued or evidencing lease rental debt \$35,000.00

IV. The principal amount of bonds or notes which will no longer be deemed to be outstanding pursuant to Section 8250 after settlement of the issue.

*(Refunding issues only)*

\$ -0-

The borrowing base as shown by appended borrowing base certificate

\$ 412,141

Applicable debt limitations

(a) nonelectoral  
(250% of the borrowing base)

\$ 1,030,352

(b) nonelectoral plus lease rental  
(350% of the borrowing base)

\$ 1,442,493

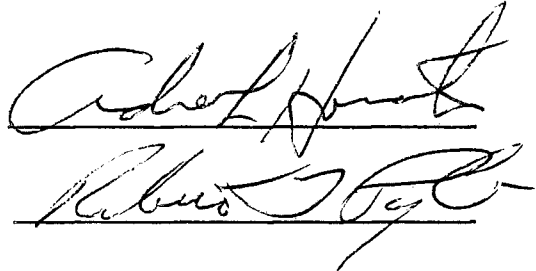
Section 8110(a) IN WITNESS WHEREOF, we, Andrew L. Horvath, Borough Council President;

Robert T. Pyle, Borough Council and Theresa L. Weyant, Borough  
Vice President Secretary

being authorized to prepare, certify and file the foregoing statement, have hereunto set out hands and affixed the seal

of the Borough of Indian Lake, this 28th day of April,  
(Name of Local Government Unit)

19 98.



(SEAL)

Theresa L. Weyant  
Secretary

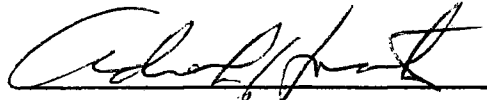
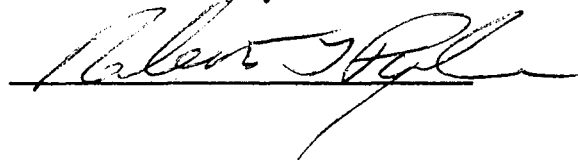
BORROWING BASE CERTIFICATE - SECTION 8002

The borrowing base is the arithmetic average of total revenues received for the three preceding fiscal years as set forth in a certificate stating the total revenues for each year and stating the average. The certificate may be executed by any authorized official of the local government unit or an independent accountant. The computation of the borrowing base must be done in accordance with the definition of revenues in Section 8002. The following method may be used:

BORROWING BASE CERTIFICATE

Prepared as of April 6, 1998  
(Date)

	<u>FISCAL YEAR</u>		
	<u>19_95</u>	<u>19_96</u>	<u>19_97</u>
Total Revenues Received (money from <u>all</u> sources)	<u>\$ 398,657</u>	<u>\$ 428,601</u>	<u>\$ 421,188</u>
<u>Less:</u>			
(1) State and Federal subsidies and reimbursements related to a particular project financed by debt	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
(2) Revenues, receipts, assessments, etc., pledged for self-liquidating debt	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
(3) Interest on moneys in sinking funds pledged for debt	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
(4) Grants and gifts-in-aid measured by construction or acquisition of specific projects	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
(5) Nonrecurring receipts	<u>\$ 300</u>	<u>\$ 8484</u>	<u>\$ 3235</u>
SUBTOTAL	<u>\$ 398,350</u>	<u>\$ 420,113</u>	<u>\$ 417,953</u>
TOTAL NET REVENUES			<u>\$ 1,236,423</u>
BORROWING BASE (Total Net Revenues divided by 3)			<u>\$ 412,141</u>

(SEAL)

Theresa L. Keyant  
Secretary



COMMONWEALTH OF PENNSYLVANIA :

SS

COUNTY OF SOMERSET

Before me, the undersigned Notary Public, personally appeared Andrew L. Horvath

Robert T. Pyle and Theresa L. Weyant, who

being duly sworn according to law depose and say that they are the Borough Council President,  
(Title of Officer)

Borough Council Vice President and Borough Secretary of  
(Title of Officer) (Title of Officer)

the Borough of Indian Lake, Somerset and that the facts set forth in the foregoing  
(Name of Local Government Unit)

County, Pennsylvania,  
are true and correct.

*Andrew L. Horvath*  
(Title of Officer)

*Robert T. Pyle*  
(Title of Officer)

*Theresa L. Weyant*  
(Title of Officer)

Sworn to and subscribed before me

this 28th day of April, 19 98.

*Michelle Petrus*  
Notary Public

