

**TOWNSHIP OF FAIRFIELD, COUNTY OF WESTMORELAND AND COMMONWEALTH OF PENNSYLVANIA**

**ORDINANCE NO. 1 OF 2020**

**AN ORDINANCE INCREASING THE INDEBTEDNESS OF FAIRFIELD TOWNSHIP, WESTMORELAND COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$ 100,000.00 FOR THE PURCHASE OF A TRUCK AND EQUIPMENT ACCESSORIES, 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 the Township of Fairfield, Westmoreland County, Pennsylvania be increased for the purchase of a truck and equipment accessories; and

**WHEREAS**, the local government unit has received preliminary realistic cost estimates from review of the public bids obtained by the Commonwealth Department of General Services, Costars Program indicating the sum of \$ 100,000.00 will be needed to purchase the truck and equipment accessories; and

**WHEREAS**, the proposed increase of debt, together with its non-electoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of Fairfield Township debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

**NOW THEREFORE, BE IT ORDAINED AND ENACTED** by the Township of Fairfield, Westmoreland 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 Township of Fairfield, Westmoreland County, Pennsylvania, proposed to be issued is \$ 100,000.00, same to be issued for the foregoing purposes and same 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 10 years.

**SECTION 3.** Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$ 100,000.00, 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 the rate of interest of 2.65 % per annum, payable on the unpaid balance of said Note on August 14, 2027 during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 2.65 % per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows: **SEE ATTACHED EXHIBIT "A"**.

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 payments dates thereof, without notice or penalty.

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 the Township of Fairfield, Westmoreland 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 the Township of Fairfield, Westmoreland County 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 of 2.65 % are as follows: **SEE ATTACHED EXHIBIT "A"**

**SECTION 5.** The form of said Note shall be substantially as set forth in the attached **EXHIBIT "B"**.

**SECTION 6.** The said Note shall be executed in the name and under the corporate seal of the Township of Fairfield by the Chairman of the Board of Supervisors and attested to by the Secretary. The Secretary or any Supervisor is hereby authorized and directed to deliver said Note to First National Bank and receive payment therefore on behalf of Fairfield Township. The Secretary of Fairfield Township is 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 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 2020 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 Supervisors of Fairfield Township are hereby authorized to contract with First National 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 Supervisors of Fairfield Township 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 \$ 100,000.00, herein authorized to be issued and sold is hereby awarded and sold to First National Bank in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to First National Bank and is substantially in the form set forth in this Ordinance as Exhibit B; 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 Latrobe Bulletin, 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 13<sup>th</sup> day of August, 2020.

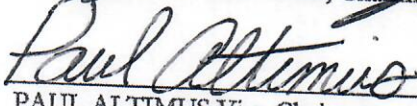
**ATTEST:**

FAIRFIELD TOWNSHIP

BY:

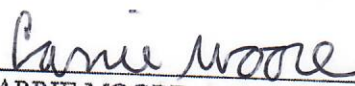
  
VAUGHN TANTLINGER, Chairman

BY:

  
PAUL ALTIMUS Vice-Chairman

BY:

  
JAMES BROWN, Supervisor

  
CARRIE MOORE, Secretary

# EXHIBIT A



First National Bank

June 17, 2020

Fairfield Township  
159 Midget Camp Road  
Bolivar PA 15923

Re: Financing Proposal

To Whom It May Concern:

We are pleased to express our interest in considering the credit accommodations described below. This letter is not intended to constitute a commitment to lend on the part of First National Bank of Pennsylvania, but only to summarize for discussion purposes the credit accommodations, which we are interested in considering at this time.

**I. REQUEST FOR A TAX-FREE TERM NOTE:**

Borrower	:	Fairfield Township
Principal Amount	:	\$100,000
Purpose	:	To provide financing for vehicle purchase
Interest rate	:	<u><b>Option I:</b></u> 2.25% fixed for 5 years (solicitor qualified) Payment: \$1763.80 per month; \$21,364 yearly  <u><b>Option II:</b></u> 2.45 % fixed for 6 years (solicitor qualified) Payment \$1494.95; \$18,125 yearly  Option III: 2.65% fixed for 7 years (solicitor qualified) Payment \$1305.67; \$15840 annually
Term	:	Varying/ Multiple
Repayment	:	Monthly principal and interest payment Annual at 365/365 payment 1 year from loan inception



### Amortization Schedule

Principal: \$100,000.00					
Interest Rate: 2.65%					
Payment Interval: Annually					
# of Payments: 7					
Payment: \$15,839.58					
Schedule of Payments					
Please allow for slight rounding differences.					
Pmt #	Date	Payment	Principal	Interest	Balance
1	May 1 2021	\$15,839.58	\$13,189.58	\$2,650.00	\$86,810.42
2	May 1 2022	\$15,839.58	\$13,539.10	\$2,300.48	\$73,271.32
3	May 1 2023	\$15,839.58	\$13,897.89	\$1,941.69	\$59,373.43
4	May 1 2024	\$15,839.58	\$14,266.18	\$1,573.40	\$45,107.25
5	May 1 2025	\$15,839.58	\$14,644.24	\$1,195.34	\$30,463.01
6	May 1 2026	\$15,839.58	\$15,032.31	\$807.27	\$15,430.70
7	May 1 2027	\$15,839.61	\$15,430.70	\$408.91	\$0.00
<b>Grand Total</b>		<b>\$110,877.09</b>	<b>\$100,000.00</b>	<b>\$10,877.09</b>	

# EXHIBIT B



## PROMISSORY NOTE

**BORROWER:**

Fairfield Township  
159 Midget Camp Road  
Bolivar, PA 15923

**LENDER:**

First National Bank  
One North Shore Center  
Pittsburgh, PA 15212

**PRINCIPAL AMOUNT: \$100,000.00**

**DATE OF NOTE: August 13, 2020**

**PROMISE TO PAY.** Fairfield Township Board of Supervisors ("Borrower") promises to pay to First National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Thousand & 00/100 Dollars (\$100,000.00) together with interest on the unpaid principal balance from August 13, 2020, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 2.650% per annum based on a year of 365 days, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in 7 annual payments of \$ 15,840.00, each payment. Borrower's first payment is due May 1, 2021 and all subsequent are due on the same day of each month after that. Borrower's final payment will be due May 1, 2027, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to interest first; then to principal; then to late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this note is computed on a 365/365 basis; that is, by applying the ratio of the interest rate over the year of 365 days, multiplied by the outstanding principal balance multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$5.00. Other than Borrower's obligation to any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the schedule. Rather early payments will reduce the principal balance due and may result in Borrower making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First National Bank, One North Shore Center, Pittsburgh, PA 15212.

**LATE CHARGE.** If a payment is 15 days or more late, Borrower will be charged 10.00% of the regularly scheduled payment or \$20.00 whichever is greater.



**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note. If judgment is entered in connection with this Note, interest will continue to accrue after the date of judgment at the rate of 6%.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note:

**Other defaults.** Borrower fails to comply with, or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or comply with or to perform any term, obligation, covenant, or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made.

**Dissolution, Merger, or Insolvency.** The dissolution or termination of Borrower's existence as a municipal corporation, the insolvency of the Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under the bankruptcy or insolvency laws by or against Borrower.

**Creditor or Foreclosure Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceedings, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceedings and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Cure Provisions.** If any default, other than a default in payment, is curable and if Borrower has not been given notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and



completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may, after giving such notices as required by applicable law and this Note, declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note, if Borrower does not pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower will also pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This note will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law provisions. This Note has been accepted by the Lender in the Commonwealth of Pennsylvania.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Westmoreland County, Commonwealth of Pennsylvania.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all of Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA, Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges this Note is secured by title of vehicle being purchased.

**INTEREST RATE AFTER DEFAULT.** Upon any event of default as defined herein, including but not limited to payment default and/or the failure of the Borrower to provide lender with required reporting or financial information, Lender may at its sole option, if permitted under applicable law, increase the interest rate on this Note by up to three point three five (3.35%) percentage points maximum total increase. The Lender may opt, at its sole discretion, to increase the interest rate in the event of default as provided here by any percentage less than three point three five (3.35%) percent above the rate provided hereinabove. The election by the Lender to increase or not increase the interest rate upon any individual default, or the election by the Lender to increase the rate for any individual default by less than three point three five (3.35%) percent shall in no way impair the rights of the Lender under the terms of this paragraph with respect to any subsequent default. The increased interest rate, once applied shall remain in effect until the end of the calendar quarter in which the default has occurred.



**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors, and assigns and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as a maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon, or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

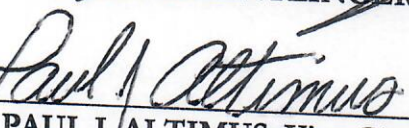
**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**THIS NOTE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS NOTE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.**

**BORROWER:**

**FAIRFIELD TOWNSHIP BOARD OF SUPERVISORS**

By:   
VAUGHN E. TANTLINGER, Chairman

By:   
PAUL J. ALTIMUS, Vice-Chairman

By:   
JAMES M. BROWN, Supervisor