

**CITY OF COATESVILLE
COUNTY OF CHESTER**

AN ORDINANCE AUTHORIZING THE CITY OF COATESVILLE TO ISSUE ITS BANK QUALIFIED NOTE WITH MID PENN BANK FOR PURPOSES OF ACQUIRING ONE TRACKLESS MT7 FOR THE USE OF THE CITY PURSUANT TO A COSTARS CONTRACT EXEMPT FROM PUBLIC BIDDING, CONTAINING FULL PAYMENT TERMS, SAID AGREEMENT TO REQUIRE INTEREST PAYMENTS AT RATES SET FORTH IN THE ATTACHMENTS FOR A FIVE (5) YEAR TERM FOR A MAXIMUM AMOUNT OF \$125,000.00, UNDER §8109 OF THE LGUDA FOR SMALL BORROWING FOR CAPITAL PURPOSES.

WHEREAS, the City of Coatesville (hereinafter the “City”) is a Third Class City operating by means of a Home Rule Charter; and

WHEREAS, the City desires to purchase through COSTARS one Trackless MT7 for City use; and

WHEREAS, the City Charter, §2-301.D, requires that the City pass an Ordinance authorizing the borrowing of money; and

WHEREAS, the City proposes to incur nonelectoral debt by the issuance of a note to finance the costs of the following project: acquisition of one Trackless MT7; and

WHEREAS, Section 8109 of the Local Government Unit Debt Act (“Act”) authorizes any Local Government Unit to incur debt evidenced by notes to provide funds for a project as defined in the Act without prior 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 City has obtained preliminary cost estimates as required by the Act and determined that the sum of \$125,000 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 City of \$7,919,527 and the limits imposed by Section 8022 of the Act.

WHEREAS, the total price through COSTARS will include the gross equipment price plus accessory and destination charges, it being understood that the debt portion of the purchase shall not exceed \$125,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 5.60%, and the financing term shall not exceed five (5) years; and

WHEREAS, the City will not rent out the equipment for private hire and will otherwise comply with the requirements for a tax exempt bank qualified purchase; and

WHEREAS, the City hereby designates its obligations to make principal and interest payments under the purchase agreement as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3); and

WHEREAS, Mid Penn Bank submitted a proposal, dated August 14, 2023, which is extremely beneficial by providing a basis for replacing outdated equipment at a reasonable cost.

NOW THEREFORE, in accordance with the foregoing authority, which incorporates all rights and powers granted to the City of Coatesville under the Third Class City Code and those powers set forth under its Charter, the City hereby enacts and ordains as follows:

1. The City hereby authorizes the issuance of its note in the amount of \$125,000 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 twenty to thirty years.

3. The note shall be issued in the principal sum of \$125,000, shall be dated on or about September 26, 2023, bear interest at the rate of 5.60%, payable quarterly, and shall mature in installments as listed in the amortization table attached hereto as Exhibit A.

The City 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 Coatesville, Pennsylvania or at such location or by such method as designated by Mid Penn Bank.

4. The said note is hereby declared to be a secured obligation of the City (the purchased equipment to be ledged as collateral) 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.

5. The form of the note is attached hereto as Exhibit B.

6. The said note shall be executed in the name and under the corporate seal of the City by the President of City Council, City Manager, and/or Finance Director, and attested to by the Secretary. The Finance Director 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 City. Therefore, the note in the amount of \$125,000 herein authorized to be issued and sold is

hereby awarded and sold to Mid Penn Bank in accordance with its proposal to purchase the said note. A copy of Lender's signed August 14, 2023, proposal is attached hereto as Exhibit C.

8. The City Council of the City of Coatesville does hereby authorize and direct the City Manager, the City Finance Director and the President of City Council to enter into an appropriate purchase agreement, attached hereto as Exhibit D, to purchase one Trackless MT7.

9. The City Council of the City of Coatesville has determined to appoint Mid Penn Bank, Millersburg, Pennsylvania (the "Paying Agent"), as paying agent and sinking fund depository with respect to the Note.

10. All ordinances or parts of ordinances conflicting with any provisions of this ordinance are hereby repealed insofar as the same affects this ordinance.

11. If any sentence, clause, section or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts hereof.

12. This Ordinance shall be effective thirty (30) days after publication following final adoption in accordance with the City Charter and the Third-Class City Code.

ENACTED AND ORDAINED this 25th day of September, 2023


Linda Lavender Norris, President City Council

ATTEST:


James Logan, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 11th day of September, 2023, was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 25th day of September, 2023, and that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.



Michael Guyer – Vice President, Commercial Loan Officer
Dimeji Gisanrin – Vice President, Commercial Loan Officer
Discussion Outline for The City of Coatesville
As of August 24, 2023

(The following is for discussion purposes only and does not constitute a formal commitment to lend)

Borrower: The City of Coatesville

Amount:	\$125,000 Commercial Term Loan
Purpose:	To finance the acquisition of a new Trackless MT7
Rate:	Option A) Tax-Free Bank Qualified 5.60% for 5 years. Option B) Taxable 7.0% fixed for 5 years.
Repayment:	Five (5) year amortization. Payments to be collected Quarterly or whichever preferred.
Collateral:	Secured by a security lien on the Trackless MT7 vehicle to be purchased
Fees:	All recording and loan preparation (including Attorney prepared documentation \$1000) are to be paid by the Borrower.
Prepayment:	No Prepayment Penalty.

Conditions:

- The governing board shall provide Mid Penn Bank with its resolution or ordinance authorizing this agreement and shall designate the individual(s) to execute all necessary documents used therein. Mid Penn Bank shall provide such resolution to the governing board upon request.
- (If option A is chosen) Opinion covering this transaction and the documents used herein verifying it is a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code. This opinion shall be in a form and substance satisfactory to Mid Penn Bank.
- Satisfactory review of the invoice/contract with the fire truck dealer.
- Satisfactory review of insurance policy.
- All other third-party costs to be paid by the Borrower.
- Borrower agrees to Mid Penn Bank reviewing existing Bank's deposit accounts to provide an attractive and competitive deposit proposal for the Board to consider.
- Formal review of Audited Annual Reports is required prior to formal approval.

Please be advised that the above are the terms

of our interest in this request and an outline of the general terms and we have approved the financing.

Respectfully Submitted,

Michael E Guyer, VP, Commercial Loan Officer
(717) 575-6934

Dimeji Gisanrin, VP, Commercial Loan Officer
(484) 577-6203

Exhibit A

1576-2023



Y OF COATESVILLE 158 104

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$125,000.00	08-29-2023	08-29-2028					

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Borrower: City of Coatesville
One City Hall Place
Coatesville, PA 19320

Lender: Mid Penn Bank
349 Union Street
Millersburg, PA 17061

Disbursement Date: August 29, 2023
Interest Rate: 5.600

Repayment Schedule: Irregular
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	11-29-2023	7,224.37	1,788.89	5,435.48	119,564.52
2023 TOTALS:		7,224.37	1,788.89	5,435.48	
2	02-29-2024	7,224.37	1,711.10	5,513.27	114,051.25
3	05-29-2024	7,224.37	1,596.72	5,627.65	108,423.60
4	08-29-2024	7,224.37	1,551.66	5,672.71	102,750.89
5	11-29-2024	7,224.37	1,470.48	5,753.89	96,997.00
2024 TOTALS:		28,897.48	6,329.96	22,567.52	
6	02-28-2025	7,224.37	1,373.05	5,851.32	91,145.68
7	05-29-2025	7,224.37	1,276.04	5,948.33	85,197.35
8	08-29-2025	7,224.37	1,219.27	6,005.10	79,192.25
9	11-29-2025	7,224.37	1,133.33	6,091.04	73,101.21
2025 TOTALS:		28,897.48	5,001.69	23,895.79	
10	02-28-2026	7,224.37	1,034.79	6,189.58	66,911.63
11	05-29-2026	7,224.37	936.76	6,287.61	60,624.02
12	08-29-2026	7,224.37	867.60	6,356.77	54,267.25
13	11-29-2026	7,224.37	776.62	6,447.75	47,819.50
2026 TOTALS:		28,897.48	3,615.77	25,281.71	
14	02-28-2027	7,224.37	676.91	6,547.46	41,272.04
15	05-29-2027	7,224.37	577.81	6,646.56	34,625.48
16	08-29-2027	7,224.37	495.53	6,728.84	27,896.64
17	11-29-2027	7,224.37	399.23	6,825.14	21,071.50
2027 TOTALS:		28,897.48	2,149.48	26,748.00	
18	02-29-2028	7,224.37	301.56	6,922.81	14,148.69
19	05-29-2028	7,224.37	198.08	7,026.29	7,122.40
20	08-29-2028	7,224.33	101.93	7,122.40	0.00
2028 TOTALS:		21,673.07	601.57	21,071.50	

TOTALS: 144,487.36 19,487.36 125,000.00

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

UNITED STATES OF AMERICA
CITY OF COATESVILLE

NOTE

Series of 2023

\$125,000

Coatesville, Pennsylvania
_____, 2023

FOR VALUE RECEIVED, the CITY OF COATESVILLE (the "City"), a municipality existing under the laws of the Commonwealth of Pennsylvania, hereby promises to pay to MID PENN BANK (the "Bank"), or registered assigns, the principal sum of ONE HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$125,000), or so much thereof as shall have been advanced and remain outstanding hereunder, together with interest thereon at the rate hereinafter provided, in such coin or currency of the United States of America which, at the respective times of payment, is legal tender for payment of public and private debts. This Note is issued for the purpose of financing under the Act involving the acquisition of a Trackless M17 for the City (the "Project").

This Note is issued in accordance with the provisions of the Pennsylvania Local Government Unit Debt Act, as amended, 53 Pa.C.S. Chs. 80-82 (the "Act"), specifically §809 permitting small borrowing for capital purposes, and by virtue of an Ordinance of the City Council of the City duly enacted September 25, 2023 (the "Ordinance"). The Ordinance shall constitute a contract between the City and the Bank or the registered owner, from time to time, of this Note.

The proceedings pursuant to which the City has been authorized to issue this Note and incur the indebtedness evidenced thereby have been duly authorized and approved by the City and a copy of such approval's being delivered to the Bank contemporaneously. Such approval is in full force and effect. The City has not received notice (constructive or actual) of the commencement or threatened commencement of any proceedings to revoke or rescind such approval, or any proceedings by any party to challenge the authority of the City to execute and deliver this Note or to incur the indebtedness evidenced by this Note.

1. Interest Rate.

a. Interest shall accrue on this Note at a rate of 5.6% per annum (such rate, as it adjusts thereafter, is sometimes referred to herein as the "Rate"). If for any reason there is a determination of taxability as to this Note, then the interest rate shall increase to 7.0% per annum.

b. Interest will be calculated based on a 360-day year comprised of twelve 30-day months.

2. Payments. The City shall make quarterly fixed payments of principal and interest on this Note, as billed by the Bank, without any form of setoff or deduction, on each January 1, April 1, July 1, and October 1 during the term of this Note, commencing January 1, 2024, until October 1, 2028, at the Rate set forth in Section 1.a. hereof.

3. Prepayment Penalties. The principal amount of and interest due on the Note shall be subject to prepayment prior to maturity, at the option of the City, as a whole or, from time to time, in part, on any date, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal shall be applied against the principal installments on the Note last, by date, due and payable.

4. Security. The City has covenanted, in the Ordinance, to and with the registered owner, from time to time, of this Note, that the City: (i) shall include the amount of the debt service for this Note, for each fiscal year of the City in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues, for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal of this Note and the interest hereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof. The Act provides that the foregoing covenant of the City shall be enforceable specifically. Repayment of this Note shall be secured by a lien on the equipment being purchased with the Note proceeds.

5. Sinking Fund Debt Service. The City, in the Ordinance, has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the disbursement thereof. The City has covenanted, in the Ordinance, to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amount, as shall be sufficient for prompt and full payment of all obligations of this Note.

6. Loan Documents. Reference is hereby made to this Note and the accepted August 14, 2023 Proposal from the Bank (which are collectively hereinafter referred to as the "Bank Loan Documents") for a statement of the covenants, conditions, security, events of default and remedies applicable to the City's obligations hereunder.

7. Events of Default and Remedies. If the City has not made a payment of any installment of interest or principal on the date the same becomes due and payable and such default is not cured within the applicable cure period of fifteen (15) days from written notice by the Bank, the entire unpaid principal sum evidenced hereby plus all interest accrued thereon and all other sums due and payable to the Bank under the Bank Loan Documents shall become due and payable immediately without presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by the City, and the Bank shall have all of the rights and remedies provided for or waivable by law, equity, statute or otherwise.

8. Costs and Expenses. Following the occurrence of any Event of Default hereunder and acceleration by the Bank of the City's obligations hereunder, the City shall pay upon demand all costs and expenses (including reasonable amounts paid to attorneys) incurred by the Bank in the exercise of any of its rights, remedies or powers hereunder or under any of the Bank Loan Documents. To the extent these amounts go unpaid when due, the unpaid amount shall bear interest payable at the Rate.

9. Severability. In the event that for any reason one or more of the provisions of this Note or its or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

10. Successors and Assigns. This Note inures to the benefit of the Bank, binds the City, and benefits and binds the respective successors and assigns of the City and the Bank; the words "Bank" and "City", whenever occurring herein, shall be deemed and construed to include such respective successors and assigns.

11. Assignment and Transfer. This Note is transferable in whole by the registered owner hereof or the registered owner's attorney duly authorized in writing at the principal office of the City, which shall act as registrar and transfer agent of this Note, upon surrender of this Note accompanied by a duly executed instrument of transfer, in form and with guarantee of signature satisfactory to the City, and upon payment of the governmental charges or taxes thereof and any fees and expenses of the City. Upon any such transfer a new fully registered Note of the same maturity as this Note and in the then outstanding principal balance of the indebtedness evidenced hereby, and bearing the same rate of interest, will be issued to the transferee.

12. No Personal Liability of City Officials. No covenant or agreement contained in this Note shall be deemed to be the covenant or agreement of any member, official, officer, agent or employee of the City in his or her individual capacity, and neither the member of the City nor any official executing this Note shall be liable personally on this Note or be subject to any personal liability or accountability by reason of the issuance hereof.

13. Notices. All notices required or desired to be given to any of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by certified or registered mail, to such party at its address set forth below.

City:

City of Coatesville
One City Hall Place
Coatesville, PA 19320
Attention: Finance Director

With a copy to: Robert G. Jefferson, IV, Esquire
Gawthrop Greenwood, P.C.
17 East Gay Street, Suite 100
P. O. Box 562
West Chester, PA 19381-0562

Bank: Mid Penn Bank
2407 Park Drive
Harrisburg, PA 17110
Attention: Dimeji Gisanrin

such notice shall be deemed to be given when received if delivered personally or two days after the date mailed if sent by certified or registered mail. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

14. Incorporation by Reference. All of the terms and provisions of the Bank Loan Documents are hereby incorporated herein by reference.

15. Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

16. Qualified Tax-Exempt Obligations. The City hereby designates this Note as a "qualified tax-exempt obligation" within the meaning of Internal Revenue Code section 265(b)(3)(B), and hereby covenants that it will take such steps as may be necessary to cause the Note to continue to be an obligation described in such Code section during the period when the Note is outstanding. The City represents that it has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the Note, will result in more than \$10,000,000 of tax-exempt obligations being issued during calendar year 2023.

Exhibit B

1576-2023

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name and on its behalf by its Chairperson and its corporate seal to be affixed hereto, duly attested by its Secretary, all as of the day and year first above written.

Attest:

CITY OF COATESVILLE

Secretary

By: _____

Linda Lavender Norris,
President City Council

(Corporate Seal)

ASSIGNMENT AND TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books of the within named City, with full power of substitution in the premises.

Dated:

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatever.

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF MID PENN BANK, THE PAYING AGENT, ACTING AS REGISTRAR, IN BEHALF OF THE WITHIN NAMED ISSUER.

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
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ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

Name (the "Transferee")

Address

Social Security or Federal Employer Identification No. _____ the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTICE: No transfer will be made in the name of the Transferee unless the signature(s) to this assignment correspond(s) with the name(s) appearing upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Identification Number and date of the trust and the name of the trustee must be supplied.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guaranteed program.

Quotation

Date: 8/4/2023

Sold To: City of Coatesville
 One City Hall Place
 Coatesville, PA. 19320

Attn: Rich Troutman, CPA, CMA
Phone: 610-384-0300 Ext. 3235
Email: rtroutman@coatesville.org
Customer #:

Ship To:		Customer P.O. #		
Street: City: State: Attn: Phone#		Purchasing Agent: Salesman: County: Contract number: PA DGS 4400020109		
Ship Via: USM				
Quantity	Part No.	Description - TRACKLESS MT7 - Municipal Tractor - Standard Equipment	Unit Price	Amount
1	MT7	John Deere Model 4045 Tier 4 Final 74 HP Engine	\$ 149,700.00	\$ 149,700.00
		16" Radial Tires - Used with Snowblowers, Snowplows & Salt Spreaders		
		Reversing Fan	inc.	inc.
		Equipped Start Aid & 1000 Watt Engine Block Heater	inc.	inc.
		Sauer Danfoss Hydrostatic/Electric Transmission & Motor	inc.	inc.
		Mechanical Transmission with High/Low Range & Neutral	inc.	inc.
		Cruise Control In Low Range	inc.	inc.
		Dana Model 60 Full Float Axles	inc.	inc.
		Low Range - 0-8 MPH & High Range 0-19 MPH	inc.	inc.
		Front PTO	inc.	inc.
		Twin Disc Over Center Clutch	inc.	inc.
		Joystick Control with 8-Backlit Switches & Four Float Position Switches	inc.	inc.
		Hydrostatic Braking	inc.	inc.
		Certified ROP Cab	inc.	inc.
		7-Speed HVAC Fan	inc.	inc.
		AM/FM Stereo	inc.	inc.
		Back Up Alarm & Camera	inc.	inc.
1	OPL02-1	High Mount Tail Lights On Rear of Cab	\$ 385.00	\$ 385.00
1	OPH33	Ride Control	\$ 2,575.00	\$ 2,575.00
1	OPCE08	Rear License Plate Bracket & Light	\$ 250.00	\$ 250.00
Customer Acceptance Signature: _____				
Print Name: _____				
Date: _____				

 PRICE \$ 152,910.00
 SHIPPING \$ 1,500.00
TOTAL PRICE WITH SHIPPING \$ 154,410.00
Prepared By: Bill Holden
Phone: 215-378-6957
Email: wjh@usmuni.com
Quote firm until: 30 DAYS