

BOROUGH OF DICKSON CITY
LACKAWANNA COUNTY
PENNSYLVANIA
No. R-01-2017

RESOLUTION AUTHORIZING THE INCURRING OF TAX AND REVENUE ANTICIPATION DEBT AND THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE IN THE FACE AMOUNT OF \$200,000.00; ACCEPTING THE OFFER OF FIDELITY DEPOSIT & DISCOUNT BANK, AND ESTABLISHING THE TERMS OF THE NOTE.

WHEREAS, the Borough of Dickson City of Lackawanna County, Pennsylvania, (the "Borough") anticipates current revenues as yet uncollected; and

WHEREAS, the Borough requires additional funds for current and anticipated expenditures to fund anticipated deficits; and

WHEREAS, the Borough has determined that it is necessary to borrow for the purpose of meeting current and anticipated expenses for the fiscal year ending December 31, 2017, by issuing a note to be repaid from the receipt of anticipated taxes and revenues; and

WHEREAS, FIDELITY DEPOSIT & DISCOUNT BANK (the "Bank"), has submitted to the Borough a Proposal to Purchase the Tax and Revenue Anticipation Note of the Borough and the Borough desires, by the adoption of this Resolution, to accept such proposal and authorize the issuance and sale of its Tax and Revenue Anticipation Note;

NOW THEREFORE, Be It Resolved by the Borough Council of the Borough of Dickson City, and it is hereby resolved by the authority of said Board, as follows:

1. The Borough hereby authorizes the issuance of a tax and revenue anticipation note in the amount of \$200,000 (the "Note") in anticipation of the receipt of current taxes and revenues, to be sold at private sale. The Borough has determined it to be in its best financial interest to award the sale by private negotiation.
2. The Note shall be in the denomination of \$200,000.00, shall be redeemable at any time at the option of the Borough, without penalty or premium, shall be fully registered without coupons, shall be dated the earliest date possible under the law, bear interest at the rate of one

and eighteen hundredths percent (1.15%) per annum on the unpaid balances from time to time, subject to an alternate taxable rate of four percent (4.00%) if the interest in the Note is not free of federal and Pennsylvania income tax in the hands of the holder or the cost to carry the Note is not deductible to the extent of at least 80% thereafter, which accrued interest shall be payable at maturity, shall mature on December 31, 2017, shall be payable at the Scranton office of the Bank, and shall be substantially in the form annexed to this Resolution as Exhibit "A," hereby made a part of this Resolution as though fully set forth at this place. The said Note shall be given to secure a current advance of \$200,000.00.

3. The proposal of FIDELITY DEPOSIT & DISCOUNT BANK to purchase the Note, dated January 6, 2015, is hereby accepted and shall be incorporated into this Resolution as Exhibit "B" hereto and the President and Secretary of the Borough Council are hereby authorized and directed to execute and deliver a duplicate original of the acceptance of said proposal to the Bank.

4. Closing of the purchase of the Note by FIDELITY DEPOSIT & DISCOUNT BANK shall not occur prior to January 13, 2017.

5. The Note is hereby designated as a "qualified tax-exempt bond", as that term is defined in §265 of the U.S. Internal Revenue Code of 1988, as amended (the "Code"). The Borough does not anticipate borrowing in excess of \$10,000,000 during fiscal year 2017. No part of the proceeds of the Note shall at any time be used directly or indirectly to acquire securities or other obligations the acquisition of which would cause the Note to be "arbitrage bonds" as defined in the Code.

6. The Note shall be secured by the full faith, credit and taxing power of the Borough, and a pledge of, and a lien and charge on, the taxes and all of the other revenues of the Borough to be received during the period when the Note will be outstanding.

7. The Borough hereby established a sinking fund and designates FIDELITY DEPOSIT & DISCOUNT BANK as sinking fund depository pursuant to the Local Government Unit Debt Act, enacted December 19, 1996, as amended (the "Act"). The Treasurer of the Borough hereby is authorized and directed to deposit the interest due and the full amount of the debt due and owing, plus interest accrued, if any, on or before December 31, 2017, to be held by the Bank for payment of the Note. The Bank shall, without further authorization, withdraw moneys from the sinking fund and apply such moneys to the payment of principal and interest on the Note as the same become due.

8. The President of the Borough Council be and hereby is authorized and directed to execute and deliver in the name of, on behalf of, and under the seal of, the Borough, the Tax and Revenue Anticipation Note, in the form and containing terms described above, and the Secretary of the Borough Council be and hereby is authorized and directed to attest the same.

9. The Treasurer of the Borough Council be and hereby is authorized and directed to prepare or to cause to be prepared a Certificate As To Taxes and Revenues To Be Collected and a Certificate of Cumulative Deficit as required by Section 8126 of the Act.

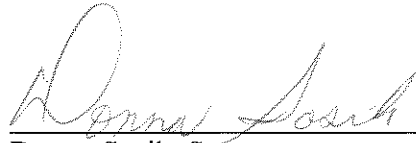
10. The officers of the Borough Council be and hereby are authorized and directed to perform all acts which are necessary and proper for the valid issuance and security of the Note.

11. Attached hereto or to be attached upon completion as Exhibit "C" is a true and correct copy of the Certificate of the Treasurer of the Borough as the taxes to be collected and cumulative deficits during the period when the Note will be outstanding, prepared pursuant to the provisions of Section 8126 of the Act to be forwarded with the Commonwealth.

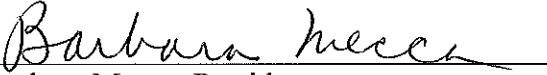
RESOLVED this 10th day of January, 2017.

ATTEST:

BOROUGH OF DICKSON CITY



Donna Sosik, Secretary

By: 

Barbara Mecca, President
Borough Council

Exhibit A

BOROUGH OF DICKSON CITY,
County Of Lackawanna,
Pennsylvania
Tax and Revenue Anticipation Note

Series of 2017

\$ 200,000.00

The Borough of Dickson City, Lackawanna County, Pennsylvania, hereinafter called the Local Government Unit, intending to be legally bound, promises to pay to the order of Fidelity Deposit and Discount Bank, (Lender) at its office at Blakely and Drinker Streets, Dunmore, Pennsylvania 18512 on or before, December 31, 2017, two hundred thousand (\$200,000.00) dollars, in such coin or currency as at the place and time of payment is legal tender for the payment of public and private debts, with interest thereon from the date hereof on the unpaid principal balance from time to time outstanding at the rate of 1.15% per annum.

Payment of the indebtedness evidenced hereby may be anticipated in whole or in part at any time and from time to time without penalty or premium.

The indebtedness evidenced hereby is a borrowing in anticipation of current taxes and other current revenues to be received during the fiscal year ending, December 31, 2017 and is to be repaid from revenues received by it during said fiscal year.

The Local Government Unit hereby pledges to the Lender and grants to the Lender a first lien and charge on its taxes and revenues to be received during the period when the note is outstanding to secure the payment of the indebtedness evidenced hereby and the interest thereon.

Payment of principal and interest shall be made in the following amounts on the following dates: Balloon payment of principal and interest due on December 31, 2017.

This tax and revenue anticipation note is executed and delivered pursuant to Resolution adopted by the Local Government Unit upon the affirmative vote of at least a majority of its members at a meeting held on January 10, 2017 and after filing with the Department of Community and Economic Development of the Commonwealth of Pennsylvania the documents required by Section 8128 of the Local Government Unit Debt Act, as amended.

IN WITNESS WHEREOF, the Local Government Unit has caused this tax and revenue anticipation note to be executed by its executive officer, its seal to be

hereunto affixed, and the same to be attested by its Secretary, and this Note to be delivered to the Bank this th day of January , 2017.

ATTEST:

The Borough of Dickson City
BY

Donna Sosik, Secretary

Barbara Mecca, President of Council

January 6, 2017

Barbara Mecca
Borough Council President
Dickson City Borough Council
801 Boulevard Ave.
Dickson City, PA 18519

**RE: PROPOSAL TO PURCHASE 2017 TAX & REVENUE ANTICIPATION
NOTE**

Dear Ms. Mecca:

The Fidelity Deposit and Discount Bank, (the "Bank") hereby offers, on the terms and conditions herein set forth, to purchase, at the principal amount thereof, a tax and revenue anticipation note (the "Note"), as follows:

1. The Note shall be issued by the following local government unit, (the "Issuer"):

Dickson City Borough, a municipality located in the Commonwealth of Pennsylvania, and shall be a Tax and Revenue Anticipation Note, and shall have the following terms:

- Principal Sum: Two hundred thousand (\$200,000.00) Dollars
- Interest Rate: 1.15% per annum (the "Tax-Free Rate"), computed based on a year of 365 days, and paid for the actual days elapsed, provided that the interest is free of Federal and Pennsylvania income tax in the hands of the holder (the "Tax Assumption") and provided further that the Bank shall be entitled to deduct at least 80% of the cost to carry the Note (the "Cost to Carry Assumption"); if either the Tax Assumption or the Cost to Carry Assumption is not correct the rate shall be 4.00%.
- Due Date: Not later than December 31, 2017
- Closing: Closing shall occur in 2017, no later than January 31st.

Payable to the Bank or its order at Dunmore, Pennsylvania.

2. The Note shall be in form and content satisfactory to the Bank, and shall be issued and sold by the Issuer pursuant to the Pennsylvania Local Government Unit Debt Act 177 of 1996, P.L. 1155 of the General Assembly of the Commonwealth of Pennsylvania, as amended, (the "Act") and shall be dated the date of the loan evidenced thereby.

3. The Bank shall purchase the Note at such time as the Issuer shall request, but no later than January 31, 2017 subject, however, to the satisfaction of the following conditions precedent at or before the issuance of the Note and the making of the loan evidenced thereby, to wit:
- (a) The Issuer shall have duly adopted a resolution in form and content satisfactory to the Bank authorizing the issuance of the Note to the Bank, and the Bank shall receive a copy of the resolution duly certified by a duly authorized officer of the Issuer;
 - (b) The Bank shall receive an executed counterpart of a Certificate of Authorized Officers confirming that the principal amount of the Note does not exceed the maximum principal amount permitted by the Act, dated not more than thirty (30) days prior to the date of the closing and otherwise complying with the Act;
 - (c) The Bank shall have received the unqualified approving legal opinion of the Issuer's Solicitor as to (i) the due adoption, legal sufficiency and continuing effectiveness of the resolution, (ii) the due authorizations, execution, issuance and delivery, validity, binding effect and enforceability of the Note; and (iii) the absence of pending or threatening litigation with respect to or affecting acceptance of this Proposal, adoption of the resolution and issuance of the Note, and such other matters as the Bank may reasonably request;
 - (d) The Bank shall have received the unqualified legal opinion of the Borough Solicitor that (i) the interest in the hands of the holder is free of Pennsylvania and U.S. income tax and (ii) that the Cost to Carry the Note is deductible by the Bank for federal income tax purposes in an amount not less than 80% thereof;
 - (e) The proceedings for the issue and sale of the Note shall have been duly filed with, and approved by, the Department of Community Economic Development of the Commonwealth of Pennsylvania in compliance with the Act, and the Bank shall have received satisfactory evidence of such filing and approval;
 - (f) The Bank shall have received a duly executed Certificate as to Estimated Taxes and Revenues to be collected during the period that the Note will be outstanding dated as of the date of the Note;
 - (g) The Note shall be secured by the full faith, credit and taxing power of the issuer and the Bank shall be entitled to file Financing Statements complying with the Pennsylvania Uniform Commercial Code describing the pledge by the Issuer to the Bank of the taxes and revenues to be received by the Issuer;

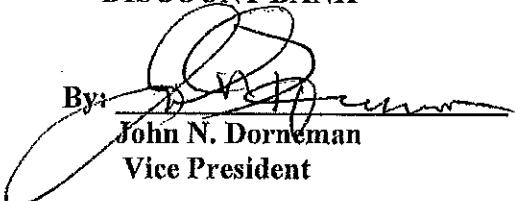
- (h) The Bank shall have received such information and certification as the Bank may in its discretion require in order to establish that the Note will not be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder;
- (i) The Bank shall have received such information as the Bank may in its discretion require in order to establish that the Note will be a "qualified tax-exempt obligation" as that term is defined in Section 265 (b) (3) (B) of the Code;
- (j) The Bank shall receive an Indemnity and Alternate Rate Agreement in such form and content satisfactory to the bank.
- (k) The Bank shall have received at the time of payment for and delivery of the Note, or promptly thereafter, a copy of IRS Form 8038-G prepared by the Issuer in compliance with Section 149 (e) of the Code along with evidence of the filing thereof with the Internal Revenue Service Center; and

~~(l) All legal details and proceedings in connection with the transactions contemplated by this proposal and such loan shall be in form and substance satisfactory to the Bank, and the Bank shall have received all such counterparts or certified copies of such documents and proceedings as the Bank may reasonably request.~~

- 4. This proposal is subject to acceptance by the Issuer not later than sixty (60) days following the date hereof, such acceptance to be evidenced by the execution by the Issuer, as indicated below.
- 5. Fidelity Bank would like the opportunity to provide the Borough with a proposal with respect to pricing and earnings for the Borough's deposit accounts. The interest rate quoted herein is not subject to the opportunity to bid on these accounts.

Dated: 1/6, 2017

**THE FIDELITY DEPOSIT AND
DISCOUNT BANK**

By: 
John N. Dorneman
Vice President

Accepted this _____ day of _____, 2017

ATTEST:

Donna Smith

Dickson City Borough

By: *Barbara Meese*

Title:

EXH C
CERTIFICATION OF
ANTICIPATED TAX RECEIPTS FOR THE
BOROUGH OF DICKSON CITY, LACKAWANNA COUNTY
FISCAL YEAR 2017

I hereby certify that:

- | | |
|---|---------------|
| 1. The entire assessed value of real estate situate in the Borough of Dickson City, Lackawanna County, Pennsylvania, and subject to real estate taxation for Fiscal Year 2017 (January 1, 2017, to December 31, 2017) is: | \$ 70,389,482 |
| 2. The Borough Council has duly imposed a real estate tax for Fiscal Year 2017 at a rate of \$20 per thousand dollars of assessment or .02 mills. | \$ 1,407,790 |
| 3. The total real estate tax assessed by the Borough of Dickson City for Fiscal Year 2017 is: | \$ 1,407,790 |
| 4. In the past, the fair average percentage of taxes collected to taxes assessed has been 97%, and it is reasonable to anticipate that such percentage will be achieved in Fiscal Year 2017. | \$ 1,365,556 |
| 5. It is reasonable and accurate to estimate that the Borough of Dickson City will collect real estate taxes for Fiscal Year 2017 in the amount of: | \$ 1,365,556 |
| 6. As of the date hereof, the duly elected real estate tax collector for Borough of Dickson City has collected real estate taxes with regard to the 2016 assessment in the sum of: | \$ 1,382,901 |
| 7. It is reasonable and accurate to estimate that the Borough of Dickson City will collect additional real estate taxes prior to December 31, 2017, in the sum of: | \$ 1,365,556 |
| 8. The Borough of Dickson City anticipates that it will receive additional revenues from all sources, available for general purposes, during the remaining period of Fiscal Year 2017 in the amount of: | \$ 4,150,529 |
| 9. Combine 7 and 8. | \$ 5,516,085 |
| 10. Borrowing limitation percentage | <u>85%</u> |
| 11. Borrowing limitation | \$ 4,688,672 |

Date this 12 day of January, 2017.

Treasurer
Borough of Dickson City

Exhibit C

CERTIFICATE OF TAXES AND REVENUES TO BE COLLECTED

Pursuant to Section 8126 of the Local Government Unit Debt Act, the executive officers of the Borough of Dickson City, Lackawanna County, Pennsylvania (hereinafter the Local Government Unit) hereby certify that:

1. The undersigned have carefully estimated that the following amounts of moneys will be received from taxes presently levied and assessed, and other revenues to be received (including subsidies and reimbursements) during the following months in the fiscal year ending December 31, 2017

DATE	AMOUNT
January	\$ 242,100.00
February	\$ 373,500.00
March	\$ 490,000.00
April	\$ 895,000.00
May	\$ 405,000.00
June	\$ 385,000.00
July	\$ 490,000.00
August	\$ 450,000.00
September	\$ 545,000.00
October	\$ 476,415.00
November	\$ 416,000.00
December	\$ 348,070.00

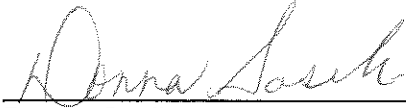
TOTAL: \$5,516,085.00

2. In making the foregoing estimate, the undersigned have considered the past and anticipated collection experience of the Local Government Unit and current economic conditions.

3. The amount of the borrowing pursuant to tax and revenue anticipation notes in the above-mentioned fiscal year, including the current obligation, does not exceed 85% of the sum of the revenues.

IN WITNESS WHEREOF, the undersigned have set their hands this th day
Of January, 2017

ATTEST:



Donna Sosik, Secretary

The Borough of Dickson City
BY

Barbara Mecca, President of Council

Approved this th day of January 2017.

Stanley Prushinski, Mayor

BOROUGH OF DICKSON CITY
Small Borrower (\$10,000,000 and Under) Exemption

<u>Year 2016</u>	<u>Opening Balance</u>	<u>Estimated Receipts</u>	<u>Estimated Expenditures</u>	<u>Cumulative Surplus/Deficit</u>
January	0	242,100	358,000	(115,900)
February	(115,900)	373,500	510,000	(252,400)
March	(252,400)	490,000	490,000	(252,400)
April	(252,400)	895,000	498,000	144,600
May	144,600	405,000	483,000	66,600
June	66,600	385,000	496,000	(44,400)
July	(44,400)	490,000	460,000	(14,400)
August	(14,400)	450,000	460,000	(24,400)
September	(24,400)	545,000	490,000	30,600
October	30,600	476,415	436,202	70,813
November	70,813	416,000	406,435	80,378
December	80,378	348,070	428,448	0
		<u>5,516,085</u>	<u>5,516,085</u>	
		<u>x 85%</u>		
			12,635	
		<u>4,688,672</u>		

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution with respect to issuance by the Borough of Dickson City of a Tax and Revenue Anticipation Note in the amount of \$200,000 duly enacted by the majority vote of all the members of the Borough Council of said Borough at a meeting of said board duly held January 10, 2016, at which time the following members of Borough Council were present:

Barbara Mecca-President of Council
Jeffrey Kovaleski- Vice President of Council
Jack Horvath
Georgia Adamitis
Paul Kwiec
Rick Cesari
Robert Hall

and that the voting on said Resolution was as follows:

FOR

AGAINST

(7) Unanimous

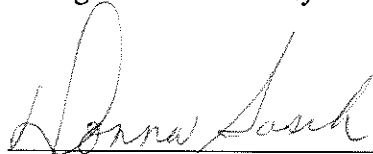
None

and that said Resolution has been duly recorded in the official minutes of said meeting showing how each member of said Borough Council voted.

I further certify that the Treasurer of the Borough of Dickson City for the fiscal year 2016 is Thomas Rainey.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Borough of Dickson City has been fixed this 12th day of January, 2017.

Borough of Dickson City



Donna Sosik, Secretary (Seal)