

ORDINANCE

AN ORDINANCE REPEALING ORDINANCE NO. 1124-2000, AS CODIFIED IN “THE GENERAL LAWS OF THE CITY OF COATESVILLE, PENNSYLVANIA,” CHAPTER 49, “RESERVE TRUST FUND COMMISSION,” AUTHORIZING THE ESTABLISHMENT OF A CITY RESERVE TRUST FUND FOR THE DEPOSIT AND REGULATION OF THE PROCEEDS FROM THE SALE OF ASSETS OF THE CITY OF COATESVILLE AUTHORITY AND AUTHORIZING THE CREATION OF A CITY RESERVE TRUST FUND COMMISSION TO REGULATE THE FUNDS AND HIRE A TRUST MANAGER, IN ITS ENTIRETY; AND DIRECTING THAT ANY FUNDS DESIGNATED AS “RESERVE TRUST FUNDS” BE MOVED TO THE GENERAL FUND OF THE CITY OF COATESVILLE AND INVESTED IN ACCORDANCE WITH THE THIRD CLASS CITY CODE.

WHEREAS, the City of Coatesville is a Third Class City situated in Chester County, Pennsylvania, operating under its Home Rule Charter and the Third Class City Code (“City”); and

WHEREAS, The City and the City of Coatesville Authority (“CCA”) entered into a certain Agreement on the Sale and/or Lease of Some of All of City of Coatesville Authority Assets, in June of 1998 (the “Agreement”); and

WHEREAS, the City and CCA acknowledged and agreed that the City at all times relevant to the Agreement had the legal right and authority to acquire the assets and assume the obligations of CCA; and

WHEREAS, the terms of the Agreement purported to require the City to restrict the designation and use of its funds received as a result of the sale of CCA’s assets, in perpetuity; and

WHEREAS, pursuant to an agreement dated February 15, 2000, substantially all of the CCA assets were sold to a third party; and

WHEREAS, it was intended that the net proceeds of the sale of the CCA assets would go to the City; and

WHEREAS, Ordinance 1124-2000 was adopted on February 28, 2000, codified in "The General Laws of the City of Coatesville, Pennsylvania," as Chapter 49, "Reserve Trust Fund Commission," and placed restrictions on current and future City Councils' ability to utilize the net proceeds belonging to the City as a result of the sale of CCA's assets, as more specifically set forth therein; and

WHEREAS, at the time of the Agreement and adoption of Ordinance 1124-2000 through and including the present, there was no statutory authority expressed or implied, for the City to create an irrevocable trust for "catastrophic occurrences" by ordinance or otherwise; and

WHEREAS, at the time of the Agreement and adoption of Ordinance 1124-2000 through and including the present, there was no statutory authority expressed or implied for the City to create the "reserve trust fund" by ordinance or otherwise; and

WHEREAS, the limits on the maintenance and expenditure of funds belonging to the City, as set forth in the Agreement and Ordinance 1124-2000, limited future City Councils from exercising their governmental functions with regard to the finances of the City; and

WHEREAS, the law of the Commonwealth of Pennsylvania prohibits any action of a governing body, such as Council, from binding its successors with regard to the exercise of governmental functions; and

NOW THEREFORE, in accordance with the foregoing authority, which incorporates all rights and powers granted by law to the City of Coatesville, the City does hereby enact and ordain as follows:

1. Ordinance No. 1124-2000, as codified in "The General Laws of the City of Coatesville, Pennsylvania," Chapter 49, "Reserve Trust Fund Commission," authorizing the establishment of a City Reserve Trust Fund for the deposit and regulation of the proceeds from the sale of assets of the City of Coatesville Authority and authorizing the creation of a City Reserve Trust Fund Commission to regulate the funds and hire a trust manager, is repealed in its entirety.

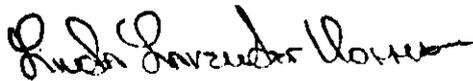
2. Any funds designated as "Reserve Trust Funds" shall be moved to the General Fund of the City of Coatesville and invested in accordance with the Third Class City Code.

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

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.

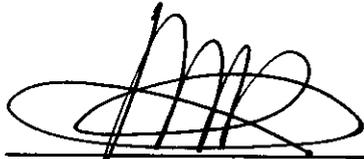
This Ordinance shall be effective thirty (30) days after publication following final adoption in accordance with the City Charter and the Third-Class City Code.

ENACTED AND ORDAINED this 26th day of November, 2018.



Linda Lavender-Norris
President, City Council

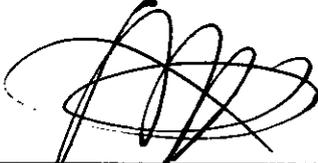
ATTEST:



Michael T. Trio, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 13 day of November, 2018, was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 26th day of November, 2018, 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 T. Trio, City Manager