

**CITY OF COATESVILLE
CHESTER COUNTY, PENNSYLVANIA
Resolution No. 2017-23**

Tax Anticipation Note
Authorizing and Awarding Resolution

AUTHORIZING THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE, SERIES OF 2018, OF THE CITY OF COATESVILLE IN AN AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000.00; ESTABLISHING THE TERMS, CONDITIONS AND FORM OF SUCH NOTE, ESTABLISHING A SINKING FUND FOR THE NOTE; AUTHORIZING CERTAIN OFFICIALS TO EXECUTE AND DELIVER THE NOTE AND TO PREPARE AND FILE CERTAIN CERTIFICATES AND OTHER PROCEEDINGS; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the City of Coatesville, Chester County, Pennsylvania (the "City") anticipates the receipt during the 2018 fiscal year of taxes as yet uncollected; and

WHEREAS, based on monthly estimates of its expected taxes, and expenditures for the upcoming fiscal year, the City anticipates that its cash on hand at certain times during such fiscal year may temporarily be reduced to undesirably low levels; and

WHEREAS, the City is authorized, pursuant to the Local Government Unit Debt Act, as codified by the Act of December 19, 1996, P.L. 1158, No. 177 (the "Act"), to borrow money from time to time in any fiscal year in anticipation of the receipt of current taxes to evidence such borrowing by the issuance and sale of tax anticipation notes; and

WHEREAS, Coatesville Savings Bank (the "Purchaser"), has submitted a proposal to purchase the City's tax anticipation note in the aggregate principal amount of \$1,000,000.00; and

WHEREAS, the City desires by the adoption of this Resolution to accept such proposal and authorize the issuance and sale of its tax anticipation note in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Coatesville, Chester County, Pennsylvania as follows:

1. The City hereby authorizes the issuance of its Tax Anticipation Note, Series of 2018, in an aggregate principal amount of \$1,000,000.00 (the "Series "Note"), in anticipation of the receipt of current taxes in the 2018 fiscal year.
2. The Note shall be issued as a registered note, in the denomination of \$1,000,000.00, shall be dated the date of its issuance, and mature on April 30, 2018 or December 31, 2018 at the election of the City, and shall bear interest (calculated on the basis of a 360-day year and the actual number of days elapsed) at a fixed rate of interest of two and forty-eight hundredths percent (2.48%) if the maturation date is April 30, 2018 and at a fixed rate of interest of two and sixty-eight hundredths percent (2.68%) if the maturation date is December 31, 2018. The Note shall be substantially in the form attached hereto as Exhibit A with such changes as the President shall deem appropriate.

3. The principal of and interest on the Note shall be payable at maturity, in lawful money of the United States of America at the office of Coatesville Savings Bank, in Coatesville, Pennsylvania, which is hereby appointed paying agent and registrar for the Note and sinking fund depository and is hereinafter called the "Paying Agent."

4. The Note may be prepayable in whole or in part, together with interest accrued on the amount prepaid, at any time at the option of the City prior to maturity without penalty.

5. The proposal of the Purchaser heretofore presented to the Council this day to purchase the Note at a price of par (the "Note Purchase Proposal") is hereby accepted, confirmed and approved, and the Note is hereby awarded to the Purchaser. In the event the sale is a negotiated sale, the Council hereby finds and determines, on the basis of all information available to the Council, that a private sale of the Note by negotiation is in the best financial interest of the Borough.

6. Any officer of the City is hereby authorized and directed to notify the Purchaser of the City's acceptance of the Note Purchase Proposal, to execute such acceptance on a duplicate original thereof, to deliver the same to the Purchaser and to file the original of the Note Purchase Proposal with the records of the City.

7. The Note shall be a general obligation of the City and shall be equally and ratably secured by the pledge hereby of, security interest in, and a first lien and charge on, the taxes to be received by the City during the period the Note will be outstanding, together with all proceeds thereof. Such pledge, lien and charge shall be fully perfected as against the City, all its creditors and all third parties from and after the filing of appropriate financing statements in accordance with the Uniform Commercial Code and Section 8125 of the Act. The execution and filing of such financing statements are hereby authorized and directed.

8. The City hereby establishes a sinking fund for the Note to be held by the Paying Agent in the name of the City but subject to withdrawal only by the Paying Agent. The City covenants and agrees to deposit in said sinking fund not later than April 30, 2018 or December 31, 2018 (depending upon the interest rate elected by the City as identified in paragraph 2 above, the principal of and interest on the Note due on April 30, 2018 or December 31, 2018). The Paying Agent shall, without further authorization, withdraw moneys from the sinking fund and apply such moneys to the payment of the principal of and interest on the Note.

9. The President or Vice President of Council is hereby authorized and directed to execute in the name of, on behalf of, and under the seal of, the City, the Note in the form and containing the terms described above, and the Secretary or Assistant Secretary of the City is hereby authorized and directed to attest the same. Such officers are hereby authorized and directed to deliver the Note to the Purchaser upon receipt of the proceeds thereof and upon compliance with all conditions precedent to such delivery required by the Act, this Resolution and the Note Purchase Proposal. Immediately upon receipt of the purchase price for the Note, the President or Vice President of Council or the City Manager is authorized to make disbursements to pay the financing costs incurred in conjunction with the issuance of the Note.

10. The President and Secretary of the City have been authorized and directed to prepare a Certificate as to Taxes to be Collected (the "Certificate"), of which, if prepared and submitted to the Council in accordance with Sections 8122 and 8126 of the Act is hereby approved.

11. It is hereby determined that the aggregate principal amount of the Note does not exceed eighty-five percent (85%) of the sum of the taxes to be collected or received in the 2018 fiscal year during the period when the Note will be outstanding as estimated by the President and Secretary of the City in the Certificate.

12. The President or Vice President of Council and the Secretary or Assistant Secretary of the City are hereby authorized to certify to the Purchaser at the time of delivery of the Note that the amount of the Note to remain outstanding will not exceed the limitations of Section 8122 of the Act. A copy of such certificate shall be retained by the City until maturity of the Note.

13. The President or Vice President of the Council and the Secretary or Assistant Secretary of the City are hereby authorized and directed to cause certain documents and proceedings in connection with the authorization, issuance and sale of the Note (including certified copies of this Resolution and the Certificate and a true copy of the Note Purchase Proposal) to be filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania in accordance with Section 8128 of the Act.

14. The City hereby warrants to the Purchaser, its successors and assigns, that it has not encumbered or pledged its anticipated tax receipts for the 2018 fiscal year and further covenants that, except for outstanding current operating expenses incurred for the current fiscal year, for the payment of which the Note is being issued and sold, it will not, as long as the principal of or interest on the Note shall remain unpaid, incur any further obligations against such tax receipts ranking prior to or on a parity with the Note without the prior written consent of the Purchaser.

15. The City Manager as well as the appropriate officers of the City are hereby authorized and directed to execute all documents and to perform all other actions necessary or desirable for the valid issuance, sale and delivery of the Note in accordance with the Act, the aforesaid proposal of the Purchaser and the provisions of this Resolution.

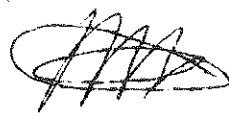
16. All resolutions or parts of resolutions heretofore adopted to the extent that the same are inconsistent in any manner herewith are hereby repealed.

17. This Resolution shall take effect immediately.

DULY ADOPTED, the Council of the City of Coatesville, this 11th day of December, 2017.

**CITY OF COATESVILLE
CHESTER COUNTY, PENNSYLVANIA**

BY: 
C. Arvilla Hunt, President (SEAL)

ATTEST: 
BY: _____
Michael T. Trio,
City Manager (SEAL)