

RESOLUTION AUTHORIZING SMALL BORROWING FOR CAPITAL PURPOSES UNDER
SECTION 8109 OF THE LOCAL GOVERNMENT UNIT DEBT ACT

CHERRY TOWNSHIP RESOLUTION NO. 24-04

WHEREAS, the Board of Supervisors of Cherry Township, Pennsylvania, hereinafter called the Local Government Unit, proposes to incur nonelectoral debt by the issuance of a general obligation note to finance the costs of the following project: Purchase of a 2024 Chevrolet Silverado Cab and Chassis; and

WHEREAS, Section 8109 of the Local Government Unit Debt Act authorizes any Local Government Unit to incur debt evidenced by notes to provide funds for a project as defined in the Act without 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 \$125,000.00 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 sum of \$77,932.61 needed to finance the project will not cause the aggregate of such debt to exceed the lesser of \$125,000.00 or 30% of the nonelectoral debt limit of the Local Government Unit of \$1,437,420.00 and the limits imposed by Section 8022 of the Act.

NOW, THEREFORE, BE IT RESOLVED THAT;

(1) The Local Government Unit hereby authorizes the issuance of a general obligation note/master lease purchase agreement (hereinafter "note") in the amount of \$77,932.61 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 30 years.

(3) The note shall be issued in the sum of \$77,932.61, with interest at the rate of 5.95%, shall be dated August 19, 2024, payable in five (5) annual installments of principal and interest of

\$17,438.19, and shall mature in installments as set forth in **Exhibit "1"** attached hereto and incorporated herein by reference thereto.

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 payment dates thereof, without notice or penalty.

The principal and interest of said note shall be payable at FNB Equipment Finance, 12 Federal Street, Ste. 205, Pittsburgh, PA 15212.

(4) The said note is hereby declared to be a general obligation of the Local Government Unit 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 payor 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 Local Government Unit is hereby irrevocably pledged.

(5) The form of note is attached hereto as **Exhibit "2"**.

(6) The said note shall be executed in the name and under the corporate seal of the Local Government Unit by a majority of the Local Government Unit, including the Chairman and attested to by the Secretary. The Chairman 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 Local Government Unit. Therefore, the general obligation note in the amount of \$77,932.61 herein

authorized to be issued is hereby awarded to FNB Equipment Finance in accordance with its proposal attached hereto as **Exhibit "3"** and incorporated herein by reference thereto.

IN WITNESS WHEREOF, the undersigned has hereunto set their hands and affixed the seal of the Local Government Unit this 3rd day of September, 2024.

ATTEST:

Carolyn L. Yeager
Township Secretary

(TOWNSHIP SEAL)

CHERRY TOWNSHIP SUPERVISORS:

By: W.S. Smith
Chairman

By: David A. Mueller
Vice-Chairman

By: [Signature]
Supervisor