

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9095

DATE 1-7-21

TITLE

RESOLUTION AUTHORIZING TAX AND REVENUE ANTICIPATION NOTE FOR 2021

WHEREAS, the City of Williamsport, of Lycoming County, Pennsylvania, hereinafter called the Local Government Unit, anticipates 2021 revenues as yet uncollected; and

WHEREAS, the said Local Government Unit has determined that it is necessary to borrow for the purpose of meeting 2021 expenses by issuing a note to be repaid from said anticipated revenues; and

WHEREAS, M&T Bank has submitted to the said Local Government Unit a proposal to purchase a tax anticipation note of the Local Government Unit and the Local Government Unit 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 THAT:

- (1) The Local Government Unit hereby authorizes the issuance of a tax and revenue anticipation note in the amount of \$2,000,000 in anticipation of the receipt of 2021 taxes and revenues to be sold at private sale. This will be a revolving line of credit.
- (2) The note shall be in the denomination of \$2,000,000, shall be redeemable at any time at the option of the officers of the Local Government without penalty or premium, shall be fully registered without coupons, shall be dated on or after January 2, 2021, bear interest at a bank qualified tax-exempt variable rate (30/360-day basis) equal to the Daily LIBOR Rate (0.1250%) plus a margin of 165 basis points and would equal an interest rate of 1.3845% as of December 14, 2020, (interest rate charged to the City shall not exceed 2.00% or fall below 1.3845%), shall mature on December 31, 2021, and shall be payable at the Williamsport office of the Bank, shall be substantially in the form annexed to the resolution as Exhibit "A" and hereby made a part of the resolution as though fully set forth in its place.

Approved

Jessica M. Freund
City Clerk

Dandy Allison
President

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9095

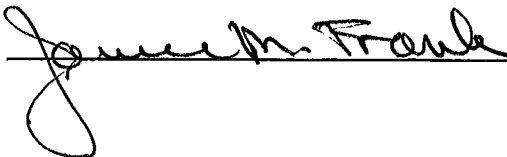
DATE 1-7-21

TITLE


- (3) The proposal of M&T Bank to purchase the note dated December 14, 2020 is hereby accepted and shall be incorporated into the minutes of this meeting. A true and correct copy of said Proposal is attached hereto as Exhibit "B", and the appropriate executive officers are hereby authorized and directed to execute and deliver a duplicate original of the acceptance of said proposal to the Bank.
- (4) The Local Government Unit hereby pledges to the Bank and grants to the Bank a first lien and charge on its 2021 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.
- (5) Payment of principal and interest shall be made on or before December 31, 2021.
- (6) The appropriate officers be and hereby are authorized and directed to execute and deliver on or after January 2, 2021, in the name of, on behalf of, and under the seal of, the Local Government Unit, the tax and revenue anticipation note in the form and containing terms described above, and the City Clerk of the Local Government Unit be and hereby is authorized and directed to attest the same.
- (7) The appropriate executive or fiscal officer be and hereby is authorized and directed to prepare or cause to be prepared and to file a Certificate as to Taxes and Revenues to be Collected as required by Section 8128 of the Local Government Unit Debt Act. A true and correct copy of said Certificate is attached hereto as Exhibit "C".
- (8) The executive officers of the Local Government Unit be and hereby are authorized and directed to perform all acts which are necessary and proper for the valid issuance and securing of the note.
- (9) The use of the funds shall be for general fund operating expenses and payroll. Any other use shall be subject to City Council approval.
- (10) City Council shall be notified of any draw down and repayment of funds.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand and affixed the seal of the Local Government Unit this 7th day of January, 2021.

Approved



City Clerk



President

CERTIFICATION

I, Janice M. Frank, City Clerk of the City of Williamsport, hereby certify that the foregoing is a true and correct copy of a resolution, duly adopted by the majority vote of City Council City of Williamsport, at a meeting duly held on the 7th day of January, 2021, and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of said Local Government Unit.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 7th day of January, 2021.

City Clerk

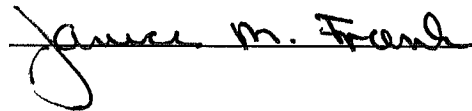
A handwritten signature in black ink that reads "Janice M. Frank". The signature is written in a cursive style and is positioned above a horizontal line.

Exhibit A

CITY OF WILLIAMSPORT LYCOMING COUNTY PENNSYLVANIA

TAX ANTICIPATION NOTE

DATED: January 7, 2021

SERIES 1 OF 2021

\$2,000,000.00

The City of Williamsport, Lycoming County, Pennsylvania (hereinafter called "City"), intending to be legally bound, promises to pay to the order of M&T Bank (hereinafter called "Bank") at its office at 101 West Third Street, Williamsport, Pennsylvania, on or before December 31, 2021, \$2,000,000.00 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, together with interest thereon from the date hereof on the unpaid principal balance from time to time outstanding at a bank qualified tax-exempt variable rate (30/360-day basis) equal to the Daily LIBOR Rate plus a margin of 165 basis points and would equal an interest rate of 1.3845% as of December 14, 2020 (the "Tax Exempt Rate"), (interest rate charged to the City shall not exceed 2.00% or fall below 1.3845%) per annum.

On and after the occurrence of a Determination of Taxability (hereinafter defined), the City promises to pay interest on the unpaid principal balance of this Note at an annual rate equal to the Bank's taxable equivalent rate (the "Taxable Rate") as determined by the Bank. Notwithstanding the prepayment or repayment of this Note, the City also promises to pay, within fifteen (15) days after written notice from the Bank (i) additional interest, if any, in an amount which, together with the interest actually received for the period commencing upon an Event of Taxability (hereinafter defined) and ending on the date of a Determination of Taxability, shall equal interest calculated on the various outstanding monthly principal balances under this Note during such period at the Taxable Rate, (ii) any deficiency (as defined in Section 6211 of the Code) assessed by the Internal Revenue Service by the issuance of a statutory notice under Section 6212 of the Code alleging that all or some part of the interest paid or payable with respect to this Note is not exempt from income taxation under Section 103(a) of the Code (plus statutory interest and penalties due thereon) on account of such Event of Taxability, and (iii) all other charges, costs, fees, penalties or assessments paid or payable by the Bank as the result of a Determination of Taxability. The Bank shall not have an obligation to contest a Determination of Taxability. Any notice from the Bank to the City shall

be conclusive as to the occurrence of a Determination of Taxability or an Event of Taxability specified therein and as to the correctness of the amount of additional payments therein, absent manifest error.

"Determination of Taxability" means:

(a) the issuance by the Internal Revenue Service or the Pennsylvania Department of Revenue to the Bank or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note, the receipt of which shall establish that an Event of Taxability with respect to the Note has occurred; or

(b) the delivery of written notice to the City by the Bank or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in paragraph (a) above).

"Event of Taxability" means (i) a change in law or fact (or the interpretation thereof), (ii) the occurrence or recognition of a fact, circumstance or situation, (iii) a determination, regulation, ruling or decision issued or made in regard to Section 103 of the Code by any court or judicial or quasi-judicial body or by the Commissioner or any District Director of the Internal Revenue Service, or (iv) the enactment of any legislation, which, with respect to any of the foregoing clauses (i), (ii), (iii), and (iv), recognized bond counsel selected by the Bank (which counsel may be the Bank's counsel), is of the opinion requires the interest payable on this Note for either Federal or Pennsylvania purposes to be includable in the gross income of any person.

The City shall pay to the Bank a late charge for any payment of principal and/or interest not received by the Bank within fifteen (15) days of the due date in an amount equal to five percent (5.00%) of the amount of the delinquent installment of principal and/or interest or \$10.00, whichever is greater. The delinquency charge shall be paid promptly but only once for each delinquent payment.

Disclosure Regarding the Availability of LIBOR. Borrower acknowledges and understands that (i) LIBOR is established, issued and regulated by third parties, and that its continuing existence and ongoing viability as a source and basis for establishing contractual interest rates is entirely outside the control of M&T Bank, (ii) regulatory agencies in the United States and worldwide have advised that LIBOR may be discontinued after 2021, or possibly sooner, (iii) in order to address the possibility of LIBOR discontinuance, the terms of any proposed loan(s) referenced herein may include provisions (modeled after recommendations issued by the Federal Reserve's Alternative Reference Rates Committee, or otherwise) that contemplate the replacement of LIBOR as a basis for establishing the applicable interest rate for such loans, and (iv) should the actual discontinuance of LIBOR occur, any replacement index may be materially

different than LIBOR, and necessitate substantive changes (arising from such differences) to the manner in which the applicable interest rate for the proposed loan(s) are calculated and applied. Notwithstanding the above, Borrower has knowingly and voluntarily requested and/or accepted a LIBOR pricing proposal from M&T Bank, accepting any inherent risks associated with the utilization and any subsequent discontinuance of LIBOR, and hereby waives any claims or defenses against the Bank in connection therewith.

Upon the occurrence of an Event of Default (as described herein), the City shall pay interest on the unpaid principal balance of this Note at the Default Rate.

For purposes hereof, the following terms shall have the following meanings:

"Default" means any Event of Default, and any event which with the passage of time or notice, or both, would become an Event of Default.

"Default Rate" means a rate per annum equal to the interest rate as then in effect on this Note plus 5.00%.

"Event of Default" shall have the meaning set forth herein under the heading "Events of Default".

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes and other revenues by the City from the date of original delivery of the Note to the stated maturity date thereof.

The City has pledged and granted (equally and ratably with all other tax and revenue anticipation notes issued by the City for the City's 2021 fiscal year) to the Bank, as holder of the Note, a lien on, and security interest in, its taxes and revenues to be received by the City during the period when this Note is outstanding in order to secure the payment of the principal indebtedness evidenced hereby and the interest hereon. Such pledge, security interest, and lien are enforceable in the manner provided by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Act").

In the Resolution, the City has covenanted that it will make no use of the proceeds of the Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause the Note to be an "arbitrage bond" or "private activity bond" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder.

This Note has been designated in the Resolution by the City as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.

The City agrees to provide to the Bank, (i) not later than 180 days after the end of each fiscal year of the City, financial statements of the City, and (ii) any other financial information or operating reports as reasonably requested by the Bank.

Events of Default. Any of the following events shall constitute an "Event of Default" under this Note:

(a) the nonpayment when due, after ten (10) days written notice or oral notice followed by written confirmation, of any amount payable under this Note or of any amount owed to the Bank with regard to this Note when due, or the failure of the City to observe or perform, after thirty (30) days written notice, any agreement of any nature whatsoever with the Bank, including but not limited to, those contained in the documents executed in connection with the issuance of this Note; provided that such thirty (30) day notice period shall not apply to events which, in the Bank's reasonable judgment, are not capable of being cured within thirty (30) days and the notice so provides;

(b) if the City becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed against the City under any provision of any state or federal law or statute alleging that the City is insolvent or unable to pay its debts as they mature or under any provision of the Federal Bankruptcy Code, and the failure to cause the same to be discharged within ninety (90) days, or the City voluntarily files any petition for such purpose;

(c) the entry of any final, un-appealed and/or otherwise unchallenged judgment in excess of \$500,000 against the City or any of the property of the City which remains unsatisfied for forty-five (45) days;

(d) if any information or signature furnished to the Bank by the City at anytime in connection with this Note is false or incorrect; or

(e) the failure of the City to furnish timely to the Bank such financial and other information as the Bank may reasonably request or require; and

(f) the City defaults in the payment of any amounts due under any other bond, note, contract, lease or obligation.

Remedies.

(a) At any time after occurrence of an Event of Default, the Bank may, at the Bank's option and sole discretion and without notice or demand, exercise any right or remedy as may be provided in this Note, the Resolution, any other writing delivered with this Note or which is provided at law or in equity.

- (b) The interest rate on the unpaid principal balance of this Note shall accrue at the Default Rate from the date on which an Event of Default occurs until the date on which all defaults are cured or the entire unpaid principal balance and all other sums due under this Note are actually received by the Bank.

In any action under this Note, the Bank may recover all reasonable costs of suit and other expenses in connection with the action, including the cost of any attorneys' fees, paid or incurred by the Bank.

The rights and remedies provided to the Bank in this Note and in the Resolution, including all warrants of attorney, (a) are not exclusive and are in addition to any other rights and remedies that the Bank may have at law or in equity, (b) shall be cumulative and concurrent, (c) may be pursued singly, successively or together against the City, and/or any of the security at the sole discretion of the Bank, and (d) may be exercised as often as occasion therefor shall arise. The failure to exercise or delay in exercising any such right or remedy shall not be construed as a waiver or release thereof.

The Bank shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Bank. Such a written waiver signed by the Bank shall waive the Bank's rights and remedies only to the extent specifically stated in such written waiver. A waiver as to one or more particular events or defaults shall not be construed as continuing or as a bar to or waiver of any right or remedy as to another or subsequent event or default.

The Bank shall have the right to exercise the remedies set forth in the Act. Any failure by the Bank to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Resolution, against any member, officer or employee, past, present, or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Note.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have

been done and performed as required by law.

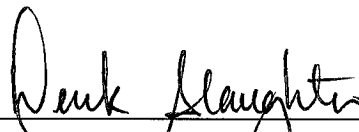
Payment of this revolving line of credit evidenced hereby may be anticipated in whole or in part at any time from time to time without penalty or premium.

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, 2021 and is to be repaid from revenues received by it during said fiscal year. The City may draw down on said line of credit, however, the balance due cannot exceed 85% of anticipated revenues. The Local Government Unit hereby pledges to the Bank and grants to the Bank 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.

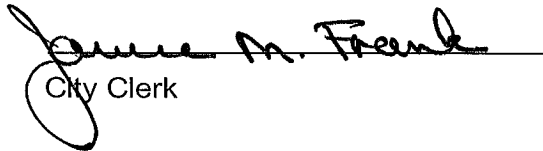
Payment of principal and interest shall be made on or before December 31, 2021.

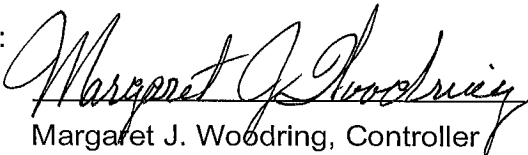
IN WITNESS WHEREOF, the Local Government Unit has caused this tax and revenue anticipation note to be executed by its officers, its seal to be hereunto affixed, and the same to be attested by its City Clerk and this note to be delivered to the Bank this 7th day of January, 2021.

CITY OF WILLIAMSPORT

By: 
Derek Slaughter, Mayor

ATTEST:


City Clerk

By: 
Margaret J. Woodring, Controller