

STATE OF INDIANA
BEFORE THE TOWN COUNCIL OF SELLERSBURG, INDIANA

ORDINANCE NO. 2022 – OR – 004

AN ORDINANCE OF THE TOWN OF SELLERSBURG, INDIANA, AUTHORIZING THE INCURRENCE OF SHORT-TERM INDEBTEDNESS AND ISSUANCE OF NEGOTIABLE NOTE.

WHEREAS, on September 13, 2021, the Town Council (the “Town Council”) of the Town of Sellersburg, Indiana (the “Town”), issued the “Town of Sellersburg, Indiana Police Station Obligations of 2021” (the “Obligations”) in the principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000.00) to finance the acquisition and redevelopment of certain real property within the Town to be repurposed and used as a police station (the “Project”);

WHEREAS, I.C. 36-9-41-3 authorizes a political subdivision to borrow money necessary to finance a public work project from a financial institution in Indiana by executing a negotiable note;

WHEREAS, the Project qualifies as a public work project pursuant to I.C. 36-9-41-2;

WHEREAS, the Town Council has found that it is in the best interests of the Town and its citizens to pay the costs to complete the Project through the incurrence of short-term indebtedness as evidenced by the issuance of a negotiable note;

WHEREAS, the Town is in need of additional funds to complete the necessary renovations to the Town’s police station and otherwise complete the Project;

WHEREAS, the Town Council deems it advisable to obtain financing from New Washington State Bank (“NWSB”) and issue a negotiable note for purposes of completing the necessary renovations to the Town’s police station and otherwise completing the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SELLERSBURG, INDIANA THAT:

SECTION 1. Authorization for Loan and Issuance of Negotiable Note. In order to provide financing for the Project and incidental expenses incurred in connection therewith, the Town is hereby authorized to borrow money from NWSB in the original principal amount not to exceed Five Hundred Eighty Thousand Dollars (\$580,000.00) (the “Loan”) in order to pay costs associated with the Project and any incidental expenses incurred therewith, such expenses to include without limitation all expenses necessary to issue the a negotiable note (the “Note”) and enter into this Loan transaction with NWSB. The Town is further authorized to issue the Note and deliver the Note to NWSB in order to procure funds for the Project.

SECTION 2. General Terms of Loan. Principal and interest on the Loan shall be payable to NWSB in compliance with I.C. 36-9-41-4, commencing on July 1, 2022, and for a term not to

exceed ten (10) years. The Town's obligation to make payments on the Loan are subject to existing revenues and annual appropriation. Interest on the Loan shall accrue at an interest rate not to exceed 3% per annum and calculated on an Actual/365 simple interest basis, or upon such other terms as may be determined by the President of the Town Council (the "President") and the Clerk-Treasurer of the Town (the "Clerk-Treasurer") upon consultation with the Town's municipal advisor. Payments on the Loan shall be made from the Town's General Fund or such other revenues as may be available to the Town. The final maturity of the Loan shall be no later than January 1, 2032, however the Town shall have the right to prepay the outstanding principal amount of the Loan at any time without prepayment penalty, or upon such other terms as may be determined by the President and the Clerk-Treasurer upon consultation with the Town's municipal advisor. Except as otherwise set forth in this Ordinance, the President and the Clerk-Treasurer, upon consultation with the Town's municipal advisor, are hereby authorized and directed to determine the terms governing any such prepayment, as evidenced by the delivery of the Note.

SECTION 3. Execution of Loan Documents. The President is hereby authorized to finalize and execute the Note on behalf of the Town in addition to any other documents necessary to enter into the Loan (the "Loan Documents"). The Loan Documents shall be signed in the name of the Town by the manual or facsimile signature of the President and attested to by the manual or facsimile signature of the Clerk-Treasurer, who may affix the seal of the Town, if necessary, to the Loan Documents, manually or may have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears on the Loan Documents shall cease to be such officer before the issuance of the Note, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery thereof.

SECTION 4. Form of Loan Documents. The form and tenor of the Loan Documents shall be in such form as determined appropriate by the President as evidenced by his manual or facsimile signature on any such documents as attested by the Clerk-Treasurer, provided that the terms of any such document shall not be inconsistent with this Ordinance.

SECTION 5. Publication of Determination to Issue Note. The Clerk-Treasurer shall cause to be published a notice of determination of the Town to issue the Note two (2) times and at least one (1) week apart, pursuant to I.C. 5-3-1-2. The date fixed for the issuance of the Note shall not be earlier than fifteen (15) days after the adoption of this Ordinance and after the first publication of said notice is made. After the Note has been properly negotiated and executed, the Clerk-Treasurer shall receive the proceeds of the Loan from NWSB.

SECTION 6. Use of Loan Proceeds. The Clerk-Treasurer is hereby authorized to deposit the proceeds of the Loan in the Police Station Fund, with the proceeds to be used to pay expenses incurred in connection with the Project together with the expenses incidental thereto on account of the issuance of the Note. The proceeds deposited in the Police Station Fund shall be expended only for the purpose of paying expenses incurred in connection with the Project together with the expenses incidental thereto and on account of the issuance of the Note.

SECTION 7. Qualified Tax-Exempt Obligation. The President of the Council or any other authorized officer is authorized and directed, in the name and on behalf of the Town, to

designate the Note as a “qualified tax-exempt obligation” within the meaning of Section 265 of the Code if he or she shall determine as of the date of the issued Note that the reasonably anticipated amount of qualified tax-exempt obligations (including tax-exempt leases and qualified 501(c)(3) obligations, but excluding other private activity bonds) that will be issued by the Town, and all entities subordinate to the Town, during the year in which the Note is issued will not exceed \$10,000,000.00. He or she shall make such designation in the tax documents executed in connection with the Note and/or the Form 8038-G filed with the Internal Revenue Service. If such designation is made the Town shall not designate more than \$10,000,000.00 of qualified tax-exempt obligations during the year in which the Note is executed and issued.

SECTION 8. No Conflict. The provisions of this Ordinance control and supersede any ordinances, resolutions, and orders or parts in conflict with the provisions of this Ordinance. After the issuance of the Note and so long as any of the Loan or interest thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of the Note, nor shall the Town adopt any law, ordinance, or resolution which in any way adversely affects the rights of such holders.

SECTION 9. Severability; Interpretation. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance. Unless the context or laws clearly require otherwise, references herein to statutes or other laws include the same as modified, supplemented, or superseded from time to time.

SECTION 10. Holidays, Etc. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the Town are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 11. Effectiveness. This Ordinance shall be in full force and effect from and after its adoption and approval and pursuant to the procedures required by law.

SAID ORDINANCE is hereby passed and adopted by the Town Council of the Town of Sellersburg, Indiana, this 14th day of March, 2022.

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“Aye”

“Nay”

Brad Amos
Brad Amos
Council President

Brad Amos
Council President

Absent
Scott McVoy
Council Vice President

Scott McVoy
Council Vice President

Terry Langford
Terry Langford
Council 2nd Vice President

Terry Langford
Council 2nd Vice President

Matthew Czarniecki
Matthew Czarniecki
Council Member

Matthew Czarniecki
Council Member

Randall Mobley
Randall Mobley
Council Member

Randall Mobley
Council Member

Michelle D. Miller
Attested by: Michelle Miller
Sellersburg Clerk-Treasurer

FIRST READING

DATE: 3/14/2022

MOTION: Czarniecki

SECOND: Langford

VOTE: 4 AYE 0 NAY 0 ABSTAIN

SECOND READING

DATE: 3/14/2022

MOTION: Czarniecki

SECOND: Langford

VOTE: 4 AYE 0 NAY 0 ABSTAIN