



## Text File

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**Bill No:** 2016-0338, **Version:** 2

**Committee:** Committee on Finance and Law

**Status:** Passed Finally

Resolution to authorize and direct the incurring of Non-Electoral Debt through the issuance of a series of General Obligation Bonds or Notes of the City of Pittsburgh, in the aggregate maximum principal amount of twenty-four million dollars (\$24,000,000) consisting of General Obligation Refunding Bonds or Notes, Series of 2016.

RESOLUTION TO AUTHORIZE AND DIRECT THE INCURRING OF NONELECTORAL DEBT THROUGH THE ISSUANCE OF A SERIES OF GENERAL OBLIGATION BONDS OR NOTES (HEREINAFTER REFERRED TO AS "BONDS") OF THE CITY OF PITTSBURGH, PENNSYLVANIA (THE "LOCAL GOVERNMENT UNIT") IN THE AGGREGATE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF TWENTY-FOUR MILLION DOLLARS (\$24,000,000) CONSISTING OF ONE OR MORE SERIES OF BONDS BEING GENERALLY DESIGNATED GENERAL OBLIGATION REFUNDING BONDS, SERIES OF 2016 OR SIMILAR DESIGNATION FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE COSTS OF (I) REFUNDING CERTAIN OF THE LOCAL GOVERNMENT UNIT'S OUTSTANDING GENERAL OBLIGATION BONDS (THE "PRIOR BONDS"), AND (II) ISSUING THE BONDS; STATING THE PURPOSES OF THE REFUNDING; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE REFUNDING PROJECT; DESCRIBING THE REMAINING USEFUL LIFE OF PROJECTS PREVIOUSLY FINANCED WITH THE PRIOR BONDS; DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE LOCAL GOVERNMENT UNIT SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR FULLY REGISTERED BONDS, SERIES ISSUANCE DATE OF THE BONDS, INTEREST PAYMENT DATES, MAXIMUM PRINCIPAL MATURITY AMOUNTS AND MAXIMUM RATES OF INTEREST AND/OR YIELDS ON SUCH BONDS; AUTHORIZING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO CONTRACT WITH A BANK OR BANK AND TRUST COMPANY FOR ITS SERVICES AS SINKING FUND DEPOSITORY, PAYING AGENT AND REGISTRAR; PROVIDING FOR THE REGISTRATION OF BONDS; PROVIDING FOR THE EXECUTION AND DELIVERY OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; APPROVING THE FORM OF THE BONDS; AUTHORIZING THE AWARD OF SUCH BONDS PURSUANT TO A PRIVATE SALE BY INVITATION AND STATING THAT SUCH SALE IS IN THE BEST FINANCIAL INTEREST OF THE LOCAL GOVERNMENT UNIT;

COVENANTING TO ACCEPT A PROPOSAL FOR THE PURCHASE OF THE BONDS; AUTHORIZING, IF REQUIRED BY THE PURCHASER OF THE BONDS, A NOTE PURCHASE AGREEMENT, BOND PURCHASE AGREEMENT, LOAN AGREEMENT OR SIMILAR AGREEMENT WITH RESPECT TO THE BONDS BEING SOLD DIRECTLY TO THE PURCHASER; CREATING A SINKING FUND AND APPROPRIATING MAXIMUM ANNUAL AMOUNTS FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; COVENANTING THAT THE PROCEEDS OF THE BONDS SHALL NOT BE USED IN SUCH A MANNER AS TO CAUSE THE BONDS TO BE ARBITRAGE BONDS UNDER FEDERAL TAX LAW PROVISIONS; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS IF NEEDED TO ACCOMPLISH THE REFUNDING PROJECT AND OTHERWISE PROVIDING FOR THE REFUNDING OF THE PRIOR BONDS, AS DESCRIBED HEREIN; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO DO ALL THINGS NECESSARY TO CARRY OUT THE RESOLUTION; APPOINTING CERTAIN PROFESSIONALS; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO PAY ISSUANCE COSTS; REPEALING ALL INCONSISTENT RESOLUTIONS; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND STATING THE EFFECTIVE DATE.

## SEE ATTACHMENT

The City Council (the "Governing Body") of the City of Pittsburgh, Pennsylvania (the "Local Government Unit" or the "City"), pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq., as amended (the "Act") hereby RESOLVES as follows:

**Be it resolved by the Council of the City of Pittsburgh as follows:**

Estimates;

**Section 1.** Incurrence of Debt; Amount and Purpose of Bonds; Realistic Cost

Due to favorable market conditions, the Governing Body of the Local Government Unit hereby authorizes and directs the incurring of nonelectoral debt in the maximum principal amount of Twenty-Four Million Dollars (\$24,000,000) through the issuance of one or more series of bonds or notes (whether issued as bonds or notes hereafter referred to as "Bonds") consisting of General Obligation Refunding Bonds, Series of 2016 or similar designation of the Local Government Unit. The Bonds will be general obligation bonds of the Local Government Unit.

The Bonds are being issued to provide funds (i) to currently refund all or a portion of the Local Government Unit's outstanding General Obligation Refunding Bonds, Series B of 2006, (the "2006B Bonds") being all those outstanding 2006B Bonds maturing September 1, 2017 and, if recommended by the Municipal Advisor and approved by the Director of Finance of the Local Government Unit, a portion of the outstanding 2006B Bonds maturing September 1, 2016 (collectively, the "Refunded Bonds"), and (ii) to pay the costs of issuing the Bonds or any or all of the same (the "Project"). The Project is being undertaken by the Local Government Unit for the purposes of reducing total debt service over the life of the series. The Local Government Unit has obtained realistic cost estimates of the Project.

#### Section 2. Realistic Estimated Useful Life.

The Refunded Bonds were issued to, among other things, provide funds to currently refund or advance refund certain outstanding bonds of the Local Government Unit, as more particularly described in Resolution 265 of 2006 of the Local Government Unit adopted May 10, 2006 pursuant to which the Refunded Bonds were authorized. Said Resolution stated that the realistic estimated useful lives of each of the projects financed with the Refunded Bonds were determined at the time of the issuance of the applicable series of bonds and the Refunded Bonds did not extend by any amount or period of time the maturities. Likewise, the Bonds will not extend the maturities of the Refunded Bonds. Thus, the useful lives of the projects refinanced by the Refunded Bonds expire no earlier than the final maturity date of the Bonds, which final maturity date is on or prior to September 1, 2017.

#### Section 3. Debt Statement and Borrowing Base Certificate.

The Mayor, the President or President Pro-Tempore of the Governing Body, the City Clerk, the Director of Finance and the City Controller of the Local Government Unit or any one of them, and/or any other duly authorized or appointed officer of the Local Government Unit, are hereby authorized and directed to prepare and certify a Debt Statement required by Section 8110 of the Act and a Borrowing Base Certificate.

#### Section 4. Covenant to Pay Bonds.

The Local Government Unit covenants to: (i) include the amount of the debt service for the Bonds for each fiscal year in which the sums are payable in its budget for that year; (ii) appropriate those amounts from its general revenues for the payment of the debt service; and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the principal of, and the interest on, the Bonds at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Local Government Unit pledges its full faith, credit and taxing power. As provided by the Act, this covenant shall be specifically enforceable.

The maximum principal payment amounts by payment date, maximum interest rates and/or maximum yields, and maximum annual amounts of debt service hereby covenanted to be paid, are as set forth in Exhibit B attached to this Resolution and incorporated by reference herein.

#### Section 5. Definitions; Description of Bonds; Redemption of Bonds.

A. Definitions. For purposes of this Resolution, the following capitalized terms have the

meaning stated below:

"Bonds" shall include Notes issued by the Local Government Unit.

"Designated Officer(s)" means and includes, individually or jointly, the Mayor, Director of Finance and City Clerk of the Local Government Unit (and their appropriate successors acting by reason of absence or other incapacity), being those duly elected or appointed and acting officials of the Local Government Unit authorized to undertake and perform the actions herein specified, which are necessary and proper to the issuance of the Bonds and compliance with the Act.

"First Interest Payment Date" means that date upon which interest on the Bonds is first payable, which may be the Maturity Date, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

"Interest Payment Date(s)" means, unless interest on the Bonds is payable only on the Maturity Date in which case "Interest Payment Date" means the Maturity Date, singularly or jointly, those dates upon which interest on the Bonds is payable as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal, commencing with the First Interest Payment Date.

"Maturity Date(s)" means the date on which the Bonds mature in accordance with their terms, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal which date shall be no later than September 1, 2017.

"Municipal Advisor" means the firm or firms so appointed pursuant to Section 14 hereof. "Purchase

Price" means 100% of the par amount of the Bonds, as will be specified in the Purchase Proposal.

"Purchase Proposal" means the written agreement(s) for the purchase and sale of the Bonds, including, if necessary, any Addendum thereto, to be executed and presented by the Purchaser, and accepted by the Director of Finance of the Local Government Unit, or his designee, pursuant to Section 11 of this Resolution, as the same shall be recommended by the Municipal Advisor.

"Purchaser" means the purchaser of the Bonds pursuant to the Purchase Proposal.

"Registered Owner" or "Owner" or any similar term means, when used with respect to a Bond or any Bonds, the person whose name appears in the records of the Paying Agent as such owner.

B. Description of Bonds. The Bonds shall be in fully registered form without coupons, shall be numbered, shall be in the Dollars (\$100,000) or any multiple thereof, shall be dated as of the date of their delivery (the "Series Issuance Date"), shall be issued in one or more series, may be issued as a single bond or multiple bonds, and if issued as a single bond shall be in one denomination of the principal amount thereof, and shall bear interest from the dates, until maturity, all as set forth in the form of the Bonds attached hereto as Exhibit A and made a part hereof and as set forth in the Purchase Proposal.

The Bonds will be in the aggregate principal amount, will bear (or accrue) interest at the rate(s) (or yield(s)), payable on the appropriate Interest Payment Dates, and will mature on the Maturity Date and in the

principal amounts (or maturity amounts) set forth in the executed Purchase Proposal. Any redemption provisions relating to the Bonds will be set forth in the executed Purchase Proposal.

Section 6. Paying Agent, Sinking Fund Depository and Registrar.

The proper officers of the Local Government Unit are hereby authorized and directed to contract with a bank or bank and trust company, which may be the Purchaser, having an office in the Commonwealth of Pennsylvania, for its services as sinking fund depository, paying agent and registrar with respect to the Bonds and such bank or bank and trust company is hereby appointed to act in such capacities with respect to the Bonds.

The principal of the Bonds shall be payable upon surrender thereof when due in lawful money of the United States of America at the designated office of the bank or bank and trust company or at the designated office of any additional or appointed alternate or successor paying agent or agents (collectively the "Paying Agent"). Such payments shall be made to the registered owner of the Bonds, as shown on the registration books of the Local Government Unit on the date of payment. Interest on the Bonds shall be paid by check mailed to the registered owner or by wire transfer to the registered owner of such Bond, as such registered owner is shown on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day of the calendar month (whether or not a business day) immediately preceding the interest payment date in question (the "Regular Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Regular Record Date and prior to such interest payment date.

If the date for payment of the principal of, and interest on, the Bonds is a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in each of the cities in which the office of the Purchaser is located and is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Any corporation or association into which the Paying Agent, or any additional or appointed alternate or successor to it, may be merged or converted or with which it, or any additional or appointed alternate or successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or association to which the Paying Agent, or any additional or appointed alternate or successor to it, sells or otherwise transfers all or substantially all of its corporate trust business shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 7. Registration of the Bonds.

The Local Government Unit shall keep, at the corporate trust and/or payment office of the Paying Agent, as registrar, books for the registration of the Bonds. The Governing Body hereby authorizes and directs the Paying Agent, to keep such books on behalf of the Local Government Unit.

The ownership of Bonds shall be recorded in the registration books of the Local Government Unit, which shall contain such information as is necessary for the proper discharge of the Paying Agent's duties hereunder as Paying Agent and registrar.

The Local Government Unit and the Paying Agent may treat the registered owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the Local Government Unit or the Paying Agent.

#### Section 8. Execution and Delivery of the Bonds; Disposition of Proceeds.

The Bonds shall be executed by the manual or facsimile signature of the Mayor of the Local Government Unit and shall have the corporate seal of the Local Government Unit or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the Director of Finance of the Local Government Unit, and the said officers are hereby authorized and directed to execute the Bonds in such manner. In case any official of the Local Government Unit whose manual or facsimile signature shall appear on the Bonds shall cease to be such official before the delivery of such Bonds such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if such official had remained in office until such delivery; and any Bond may be signed on behalf of the Local Government Unit, even though at the date of authentication of such Bonds such person was not an official. The Director of Finance of the Local Government Unit is authorized and directed to deliver, or cause to be delivered, the Bonds to the Purchaser against the full balance of the purchase price therefor.

Upon receipt of the purchase price for the Bonds, the Paying Agent shall deposit the Bonds proceeds in a "2016 Bonds Settlement Account" or similar account (the "Settlement Account"). From the Settlement Account, the Paying Agent shall transfer, deposit or pay, or establish reserves for payment of, the costs and expenses of the financing and transfer, deposit or pay costs of the Project upon written authorization of the Local Government Unit. The proper officers of the Local Government Unit are authorized to direct the Paying Agent to make the transfers or deposits and to pay the issuance costs on behalf of the Local Government Unit from the Settlement Account as set forth in a closing receipt (the "Closing Receipt") duly executed and delivered by an authorized officer of the Local Government Unit on the date of issuance and delivery of the Bonds.

#### Section 9. Form of Bonds.

The Bonds shall be executed in substantially the form as set forth in Exhibit A hereto, including the form of assignment, with such appropriate changes, additions or deletions as may be approved by the officers executing the Bonds, including any changes, additions or deletions pursuant to the Purchase Proposal or any Financing Agreement, as hereinafter defined,; such execution shall constitute approval by such officers on behalf of the Local Government Unit.

#### Section 10. Execution and Delivery of Financing Agreement

A Designated Officer is hereby authorized and directed to enter into a Note Purchase Agreement, Loan Agreement, Bond Purchase Agreement or similar agreement (the "Financing Agreement") with the Purchaser, if requested in the Purchase Proposal, such Financing Agreement to be approved by such officer, with the advice of the Local Government Unit's City Solicitor or any Assistant City Solicitor and Bond Counsel. The execution of the Financing Agreement will be conclusive evidence of such approval, and the proper officers of the Local Government Unit are hereby authorized and directed to affix thereto the corporate seal of the Local Government Unit and to attest the same. **Neither the Financing Agreement nor the Bonds shall contain an "increased costs" or similar provision, the effect of which would impose on the Local Government Unit an obligation to pay the Purchaser**

**any amount other than the principal and interest at the fixed rate set forth in the Purchase Proposal.**

Section 11. Manner of Sale; Award of Bonds; Range of Interest Rates.

After due deliberation and investigation the Local Government Unit has found that a private sale by invitation with respect to the Bonds is in the best financial interest of the Local Government Unit and based upon such finding the Governing Body of the Local Government Unit hereby authorizes and directs the Bonds, to be awarded and sold pursuant to the terms set forth the Purchase Proposal with a maturity not extending beyond September 1, 2017 and interest rates and/or yields not exceeding those set forth in Exhibit B attached hereto.

The Designated Officers or either of them are hereby authorized to execute such Purchase Proposal, once such Designated Officer has determined, with the recommendation of the Municipal Advisor, that the refunding of the Refunded Bonds will achieve at least 3% aggregate net present value debt service savings of refunded par as confirmed by the Municipal Advisor, and, upon such acceptance, shall be incorporated by reference into this Debt Ordinance.

The Designated Officers are hereby authorized and directed to deliver the Bonds to the Purchaser against confirmed receipt of the Purchase Price thereof.

The Local Government Unit hereby authorizes and directs the Municipal Advisor, Bond Counsel, the City Solicitor and any Assistant City Solicitor to undertake and perform all actions on behalf of the Local Government Unit necessary and proper to the expeditious settlement of the sale of the Bonds.

Debt Service.

Section 12. Sinking Fund; Appropriation of Annual Amounts for Payment of

The Designated Officers, or any one of them, are hereby authorized to contract with the Paying Agent to serve as sinking fund depository for the Bonds and to pay any fees for its services as such sinking fund depository. There is hereby established a separate sinking fund for the Bonds (the "2016 Sinking Fund") to be held by the Paying Agent, which is hereby appointed, as Sinking Fund Depository (the "Sinking Fund Depository"), in the name of the Local Government Unit. The 2016 Sinking Fund shall be designated as the "Sinking Fund- City of Pittsburgh General Obligation Refunding Bonds, Series of 2016" or similar designation. Into the 2016 Sinking Fund the Local Government Unit shall cause to be paid, when and as required, all moneys necessary to pay the debt service on the Bonds, and the 2016 Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Bonds and to the principal thereof at maturity and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

All moneys deposited into the Sinking Fund and all investments and proceeds thereof shall be subject to a perfected security interest for the benefit of the owners of the Bonds. Moneys in the Sinking Fund not required for prompt expenditure may be invested as authorized by law as directed in writing by the Local Government Unit. The Sinking Fund Depository shall return to the Local Government Unit all moneys deposited and held in a Sinking Fund for the payment of Bonds which have not been claimed by the Registered Owners after two years from the date when payment is due, except where such funds are held for the payment of outstanding checks, drafts or other instruments of the Sinking Fund Depository. Nothing in this Section or by reason of any action

taken hereunder shall relieve the Local Government Unit of its liability for payment to the Registered Owners of unrepresented Bonds.

The Sinking Fund Depository shall serve in such capacity at the will of the Local Government Unit and may be removed, at any time, with or without cause, by the appointment of a qualified successor and upon sixty (60) days written notice to the Registered Owners of the Bonds and to the Sinking Fund Depository. The Sinking Fund Depository may at any time resign and be discharged its duties as Sinking Fund Depository by giving not less than sixty (60) days written notice to the Local Government Unit and the Registered Owner, specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice, unless previously a successor sinking fund depository shall have been appointed by the Local Government Unit as hereinbefore provided, in which event such resignation shall take effect immediately on the appointment of such successor.

#### Section 13. Advertising.

The action of the officers of the Local Government Unit in advertising a summary of this Resolution is hereby ratified and confirmed. The officers of the Local Government Unit are authorized and directed to advertise a notice of adoption of this Resolution in a newspaper of general circulation of the Local Government Unit within fifteen (15) days after final adoption. The City Clerk is hereby directed to make a copy of this Resolution available for inspection by any citizen during normal office hours.

#### Section 14. Appointment of Bond Counsel and Municipal Advisor.

The Local Government Unit hereby appoints Clark Hill PLC as Bond Counsel for the purpose of rendering any and all necessary opinions with respect to the Bonds and preparing such additional documents as may be necessary. The Local Government Unit hereby appoints MAS Financial Advisory Services LLC/Provident and Davenport & Company LLC as Municipal Advisor (the "Municipal Advisor") to the Local Government Unit with respect to the Bonds.

#### Section 15. Debt Proceedings.

The Director of Finance or the City Clerk of the Local Government Unit are hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the Debt Statement and Borrowing Base Certificate referred to hereinabove, and to pay the filing fees necessary in connection therewith.

#### Section 16. Tax Covenants and Representations. The Local

Government Unit hereby covenants that:

(i) the Local Government Unit will not take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for purposes of federal income taxation and will otherwise comply with applicable requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated thereunder, throughout the term of the Bonds;



(ii) the Local Government Unit will make no use of the proceeds of the Bonds during the term thereof which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(iii) if and to the extent the Local Government Unit is required to remit any amounts to the United States pursuant to Code Section 148(f) (the "Rebate Amounts") in order to cause the Bonds not to be arbitrage bonds, the Local Government Unit will cause to be remitted such Rebate Amounts at such times and in the manner required by Code Section 148(f) and the regulations thereunder. The obligation to remit the Rebate Amounts and to comply with all other requirements of this Section 16 shall survive the defeasance and payment in full of the Bonds; and

(iv) it is a political subdivision of the Commonwealth of Pennsylvania, a home rule municipality and a local governmental unit with general taxing powers.

Section 17. Refunding of Refunded Bonds; Escrow Agreements. The refunding of the Refunded Bonds is hereby approved. The proper officers of the Local Government Unit are hereby authorized and directed to take any and all action and to execute and deliver any and all documents and agreements necessary to accomplish the Project including any required escrow deposit agreement. The Director of Finance is authorized and directed, as recommended by the Municipal Advisor, to obtain the services of an escrow agent under any escrow deposit agreement if the same is necessary to accomplish the Project, and to pay the fees and costs of said escrow agent.

The escrow agent under any escrow deposit agreement is irrevocably authorized and directed to apply the moneys so to be made available to it in accordance with the escrow deposit agreement, including but not limited to the purchase of necessary investments including United States Treasury Obligations, State and Local Government Series or other United States Treasury Obligations. If deemed necessary, the Director of Finance is authorized and directed, as recommended by the Municipal Advisor, to obtain the services of a verification agent with respect to the refunding of the Refunded Bonds and to pay the fees and costs of said verification agent from the Settlement Account. The escrow agent, or the paying agent for the Refunded Bonds, in the name, place and stead of the Local Government Unit, shall mail, with respect to the Refunded Bonds, notices of redemption as required by the terms of the Refunded Bonds. In addition, the escrow agent or the paying agent for the Refunded Bonds are hereby authorized and directed to mail, notices of defeasance of the Refunded Bonds. Such notices are hereby approved, subject to such changes, variations, omissions, insertions and modifications, if any, as may be approved by the proper officers of the Local Government Unit, with the advice of the Local Government Unit's City Solicitor or Assistant City Solicitor and Bond Counsel, and, if necessary, the proper officers of the Local Government Unit are hereby authorized and directed to affix thereto the corporate seal of the Local Government Unit and to attest the same. The Local Government Unit hereby agrees to provide for payment of the expenses of such mailings from proceeds of the Bonds or from moneys otherwise made available by the Local Government Unit and gives and grants the escrow agent or paying agent for the Refunded Bonds full authority to do and perform all and every act and thing whatsoever requisite and necessary to effectuate said purposes as the Local Government Unit might do on its own behalf, and hereby ratifies and confirms all that said agents shall do or cause to be done by virtue thereof.

Section 18. Debt Management Policy.

It is expected that the issuance of the Bonds will be in compliance with the Local Government Unit's Debt Management Policy ("Policy") with the following exceptions. With respect to Section 202.07(a), as was the case when the Policy was established in 2011, the Local Government Unit remains outside the established limits of this section of the Policy. However, through achieving a reduction in debt service, the issuance of the Bonds does not adversely impact the goal of achieving the prescribed reduction in the affordability ratio of 12% within 10 years. Section 202.07(e) established the goal of funding at least fifteen (15) percent of capital expenditures from pay-as-you go cash, as measured on a five-year basis. This objective is not projected to be fully achieved based upon current estimates.

Section 19. Incidental Actions.

The proper officers of the Local Government Unit are hereby authorized, directed and empowered on behalf of the Local Government Unit to execute any and all agreements, papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the purposes of this Resolution.

Section 20. Inconsistent Resolutions.

All resolutions or parts of resolutions inconsistent herewith be and the same are hereby repealed.

Section 21. Severability.

In case any one or more of the provisions of this Resolution shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

Section 22. Effective Date.

This Resolution shall become effective on the earliest date permitted by the Act.

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CERTIFICATE

I, the undersigned, City Clerk of the City of Pittsburgh, Pennsylvania, Allegheny County, Pennsylvania (the "City") hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of a Resolution (the "Resolution") which was duly adopted at a meeting of the City Council of the City on \_\_\_\_\_, 2016, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Resolution was duly recorded in the City's Resolution Book; (c) the City met the advance notice requirements of the Pennsylvania Sunshine Act, 65 Pa. Cons. Stat §701 et seq. by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the City Council; and (d) the vote upon the Resolution was called and duly recorded upon the minutes and the members voted in the following manner:

ABSTAIN      ABSENT

Bruce A. Kraus, President  
Rev. Ricky Burgess  
Daniel Gilman  
Deborah Gross  
Darlene Harris  
Theresa Kail-Smith  
R. Daniel Lavelle  
Corey O'Connor  
Natalia Rudiak

WITNESS my hand and the seal of the City on \_\_\_\_\_, 2016

By:

City Clerk



Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania.

The Local Government Unit hereby covenants with the registered owner of this bond to: (i) include the amount of the debt service for each fiscal year in which the sums are payable in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of the debt service, and (iii) duly and punctually pay or cause to be paid from it sinking fund or any of its revenues or funds the principal of, and the interest on, this bond at the dates and places and in the manner stated in this bond, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Local Government Unit pledges its full faith, credit and taxing power. As provided in the Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.

The Local Government Unit has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal of, and the interest on, this bond shall be deposited not later than the date fixed for disbursement thereof. The Local Government Unit has covenanted in the Resolution to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of the principal of, and interest on, this bond.

No recourse shall be had for the payment of the principal of, or interest on, this bond, or for any claim based hereon or on the Resolution, against any member, officer or employee, past, present, or future, of the Local Government Unit or of any successor body, either directly or through the Local Government Unit 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 execution and issuance of this bond.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this bond, or in the creation of the indebtedness of which this bond is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this bond is not in excess of any constitutional or statutory limitation.

This bond is registered as to both principal and interest on the bond register to be kept for that purpose at the corporate trust and/or payment office of the Paying Agent, and both principal and interest shall be payable only to the registered owner hereof. The Local Government Unit and the Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon and for all other purposes, whether or not this bond shall be overdue. The Local Government Unit and the Paying Agent shall not be affected by any notice to the contrary.

[This bond is issued by the Local Government Unit in favor of the Registered Owner on the assumption that interest paid hereon is excludable from the gross income of the Registered Owner for Federal income tax purposes. If interest on this bond shall be declared by the Internal Revenue Service or an agent thereof to be, or shall otherwise be determined or required to be includable in the income of the Registered Owner for purposes of Federal income taxation, including pursuant to any amendment to the Internal Revenue Code of 1986, as amended, the indebtedness evidenced hereby shall

Committee: Committee on Finance and Law

Status: Passed Finally

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thereafter bear interest at an annual rate (the "Taxable Rate") which shall be the taxable equivalent of the Interest Rate (specified above), as determined by the Registered Owner from time to time; the Local Government Unit will pay to the Registered Owner on demand the difference between the amount of interest which the Registered Owner would have received in interest at the Taxable Rate if the indebtedness evidenced by this bond had borne interest at the Taxable Rate during the entire period that interest on this bond is so declared, determined or required to be taxable, together with such penalties and interest, if any, due and payable because of non-payment of Federal income taxation, less interest paid at the Interest Rate (specified above), notwithstanding that the indebtedness evidenced by this bond may have been paid in full prior to such declaration or determination. In the event that such declaration or determination is reversed pursuant to the entry of a final determination, order, ruling or decree, all amounts theretofore paid to the Registered Owner in excess of the Interest Rate (specified above) shall be promptly refunded to the Local Government Unit and the rate of interest shall revert to the Interest Rate (specified above).]

[If the Local Government Unit fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this bond within \_ calendar days of the date due and payable, the Local Government Unit also shall pay to the Registered Owner a late charge equal to the lesser of \_percent L%) of the amount of such payment or \$100.00 (the "Late Charge"). Such \_-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Registered Owner's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, this bond shall bear interest at a rate per annum which shall be equal to the Interest Rate (specified above) plus percent L%) (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this bond. Both the late charge and the Default Rate are imposed as liquidated damages for the purposes of defraying the Registered Owner's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Registered Owner's exercise of any rights and remedies hereunder, or under applicable law, and any fees and expenses of any agents or attorneys which the Registered Owner may employ. In addition, the Default Rate reflects the increased credit risk to the Registered Owner of carrying a loan that is in default. The Local Government Unit agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Registered Owner, and that the actual harm incurred by the Registered Owner cannot be estimated with certainty and without difficulty.]

[The occurrence of any of the following events shall be deemed an Event of Default:

- (a) Default in the payment of principal or interest on this bond for a period in excess of ( ) days or any other default under the terms of this bond; or
- (b) Default in the performance of any covenant or agreement set forth in the Resolution or in this bond or the occurrence of a default under any other agreement between the Local Government Unit and the Registered Owner; or
- (c) Any representation or warranty made by the Local Government Unit is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Local Government Unit pursuant to the Resolution is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or
- (d) The Local Government Unit shall fail or refuse to comply with any provisions of the Act, or

shall for any reason be rendered incapable of fulfilling its obligations hereunder or thereunder.]

IN WITNESS WHEREOF, the City of Pittsburgh, Pennsylvania has caused this bond to be signed in its name by the manual or facsimile signature of the Mayor and its corporate seal or a facsimile thereof to be affixed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its Director of Finance as of the Series Issuance Date.

CITY OF PITTSBURGH

By:

Mayor

[SEAL]

Attest

Director of Finance

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though the terms which they represent were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT Custodian

under Uniform Gifts to Minors Act. (Cust)

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(State)

(Minor)

Additional abbreviations may also be used though not in the above list.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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(Please type or print name, address

(including postal zip code) and social security or other tax identification

number of the transferee)

the within bond and all rights thereunder, hereby irrevocably appomtmg  
his/her attorney to transfer said bond on the bond register with full power of substitution in the  
-----  
premises.

Dated:

Signature Guaranteed:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

EXHIBITB

MAXIMUM DEBT SERVICE SCHEDULE

Exhibit B

Date	Maximum Principal Amount	Maximum Coupon	Maximum Interest Expense	Maximum Debt Service (Principal and Interest)	Maximum Annual Debt Service
September 1, 2016	0	1.23%	\$ 73,800	\$ 73,800	\$ 73,800
September 1, 2017*	\$ 24,000,000	1.23%	\$ 295,200	\$ 24,295,200	\$ 24,295,200

\* Final maturity date may be earlier than September 1, 2017, but no earlier than July 15, 2017 as agreed to by the Purchaser. Debt service as shown is based on the September 1, 2017 maturity date. Also, Interest Expense may all be paid on the Final Maturity Date, and therefore will move the interest due on September 1, 2016 to the Final Maturity Date.