

ORDINANCE NUMBER 2019-27

CALLERY BOROUGH, BUTLER COUNTY, PENNSYLVANIA

AN ORDINANCE CREATING A RESTRICTED FUND TO FINANCE CAPITAL EXPENDITURES FOR THE IMPROVEMENT, CONSTRUCTION AND/OR REPAIR OF THE BOROUGH'S STORM SEWER SYSTEM.

WHEREAS, Section 1313.1 of the Borough Code authorizes Borough council to set aside unrestricted funds in a separate restricted fund; and

WHEREAS, council anticipates future capital expenditures for the improvement, construction and/or repair of the Borough's storm sewer system; and

WHEREAS, council has decided to establish a Storm Sewer Improvement Fund ("SSI Fund") to accumulate money for such capital expenses; and

WHEREAS, in order to initially fund the SSI Fund, council has decided to transfer moneys from the general fund into the SSI Fund; and

WHEREAS, in order to continue to accumulate money in the SSI Fund, council has decided to authorize future deposits from the general fund and/or all or a portion of moneys received from the sale, lease or other disposition of any Borough property into the SSI Fund when such moneys become available.

NOW THEREFORE BE IT ENACTED AND ORDAINED, by Callery Borough council that Chapter 40, Financing, Article I, Storm Sewer Improvement Fund, of the Code of the Borough of Callery is hereby amended by the addition of the following:

**CHAPTER 40
FINANCING**

**ARTICLE I
STORM SEWER IMPROVEMENT FUND**

§ 40-101. FUND ESTABLISHED. A Storm Sewer Improvement Fund ("SSI Fund"), a restricted fund, is hereby established to accumulate money for capital expenditures for the improvement, construction and/or repair of the Borough's public storm sewer system.

§ 40-102. PURPOSE OF ACCOUNT. The SSI Fund shall be used solely for improvement, construction and/or repair projects on the Borough's public storm sewer system.

§ 40-103. INITIAL FUNDING. The SSI Fund shall be initially funded by transferring the entire balance of the General Fund Certificate of Deposit Number 5879, on its maturity date, into the SSI Fund.

§ 40-104. FUTURE FUNDING. Council may make future deposits from unrestricted funds in the general fund and from all or a portion of moneys received from the sale, lease or other disposition of any Borough property into the SSI Fund when such moneys become available.

§ 40-105. FUND RESTRICTIONS. Funds from the SSI Fund, including principal and/or interest and/or any part of the principal and/or interest, shall not be used or expended for any other purpose unless authorized by a majority vote of the electors of the Borough.

§ 40-106. ASSIGNMENT OF RESPONSIBILITIES. The Borough treasurer is hereby directed to:

- A. Ensure that SSI Fund certificate of deposits are purchased from FDIC or NCUSIF institutions to the extent that the principal and accrued interest does not exceed the maximum insurance coverage (currently \$250,000 per institution). For amounts above the insured maximum, the certificates of deposit must be collateralized by a pledge or assignment of assets of the institution, and the collateral may include loans, including interest in pools of loans, secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks must be limited to an amount equal to 20% of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks must be limited to an amount equal to 20% of an institution's assets minus liabilities.
- B. Upon the maturity date of the General Fund Certificate of Deposit Number 5879 at PNC Bank, N.A., purchase a Storm Sewer Improvement Fund "A" Certificate of Deposit at PNC Bank, N.A.
- C. Upon the maturity date of the General Fund Certificate of Deposit Number 5879 at PNC Bank N.A., transfer the entire CD balance into the SSI Fund "A" Certificate of Deposit at PNC Bank, N.A.
- D. Upon the maturity date of the General Fund Certificate of Deposit Number 9857, purchase a separate Storm Sewer Improvement Fund "B" Certificate of Deposit at PNC Bank, N.A.
- E. Upon the maturity date of the General Fund Certificate of Deposit Number 9857, transfer Forty Thousand Dollars (\$40,000) of the CD balance into the SSI Fund "B" Certificate of Deposit at PNC Bank, N.A.
- F. Maintain the SSI Fund as a separate ledger account and a record all contributions made to and all projects funded from the SSI Fund.

§ 40-107. SEVERABILITY.

A. If any sentence, clause, phrase or section of this Article is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining sentences, clauses, phrases or sections of this Article.

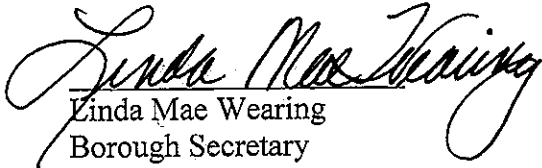
B. It is hereby declared as the intention of council that this Article would have been adopted had such unconstitutional, illegal or invalid sentence, clause, phrase or section thereof not been included therein.


§ 40-108. EFFECTIVE DATE. This Article shall become effective five (5) days after adoption and shall remain in force until modified, amended or rescinded by Borough council.

DULY ENACTED AND ORDAINED, this the 9th day of September 2019, by Callery Borough council in lawful session duly assembled.

CALLERY BOROUGH

ATTEST:

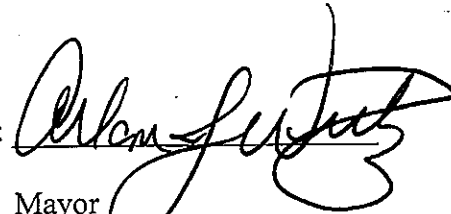

Linda Mae Wearing
Borough Secretary

By: 
Edward A. Conway
Council President

(SEAL)



APPROVED:

By: 
Mayor
Date: Sept. 9, 2019