

**CITY OF LOCK HAVEN
Clinton County, Pennsylvania**

FILE OF CITY COUNCIL

**ORDINANCE
NO. 2023-07**

**AN ORDINANCE
OF THE COUNCIL OF THE CITY OF LOCK HAVEN, CLINTON
COUNTY, PENNSYLVANIA (THE “CITY”) EXPRESSING THE
INTENTION OF THE CITY TO (I) ACQUIRE THE WATER AND
WASTEWATER SYSTEMS FROM THE LOCK HAVEN CITY
AUTHORITY (THE “AUTHORITY”), (II) ASSUME ALL FINANCIAL AND
CONTRACTUAL OBLIGATIONS OF THE AUTHORITY, AND (III)
TERMINATE THE AUTHORITY, ALL IN ACCORDANCE WITH THE
PENNSYLVANIA MUNICIPALITY AUTHORITIES ACT; APPROVING
THE CERTIFICATE OF TERMINATION OF THE AUTHORITY;
AUTHORIZING ALL ACTIONS NECESSARY TO EFFECTUATE THE
SAME, AND RESCINDING PRIOR INCONSISTENT ORDINANCES.**

WHEREAS, City of Lock Haven, Clinton County, Pennsylvania (the “City”), is a city of the third class created and existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) and is a Local Government Unit, as defined in the Local Government Unit Debt Act, 53 Pa.C.S. § 8001 *et seq.*, as amended and supplemented (the “Debt Act”) and is governed by its Council (the “Council”); and

WHEREAS, Lock Haven City Authority (the “Authority”) was incorporated by the City under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. Ch. 56, as amended and supplemented (the “Authorities Act”); and

WHEREAS, the Authority owns real and personal property located in and outside the City, including improvements, fixtures, and equipment thereon, constituting a public water system (collectively, the “Water System”); and

WHEREAS, pursuant to a Lease Agreement, dated January 1, 1995, as amended from time to time, the City operates, manages and sets all rates and charges for the Water System; and

WHEREAS, the Authority owns real and personal property located in and outside the City, including improvements, fixtures, and equipment thereon, constituting a wastewater system (collectively, the “Sewer System,” and together with the Water System, collectively, the “Systems”); and

WHEREAS, pursuant to a Lease Agreement, dated January 1, 1995, as amended from time to time, the City operates, manages and sets all rates and charges for the Sewer System; and

WHEREAS, pursuant to Section 3.03(2.3) of the Optional Third-Class City Charter Law of the Commonwealth, the City is permitted to own and operate the Systems; and

WHEREAS, the City, which is the sole incorporator of the Authority, has the power to terminate the Authority in accordance with the Authorities Act; and

WHEREAS, the City, acting through its City Council, desires to enact this Ordinance to (i) acquire ownership of the Systems from the Authority, (ii) assume all financial and contractual obligations incurred by the Authority and (iii) terminate the Authority’s corporate existence in accordance with the Authorities Act; and

WHEREAS, this Ordinance is being presented to the Council for its consideration and approval at a regularly scheduled public meeting, duly advertised and notice given in accordance with applicable law.

NOW, THEREFORE, BE IT AND IT HEREBY IS ORDAINED, PURSUANT TO THE AUTHORITY CONTAINED IN THE OPTIONAL THIRD-CLASS CITY CHARTER LAW OF THE COMMONWEALTH AND THE PENNSYLVANIA MUNICIPALITY AUTHORITIES ACT, by the Council of the City of Lock Haven that:

Section 1. The foregoing recitals to this Ordinance are incorporated herein and made a part hereof. The City Council hereby directs and orders that the Authority be terminated.

Section 2. The Authority is directed and ordered to take all actions necessary to effectuate its termination, including, but not limited to, the following:

- (a) The Authority shall immediately cease any activity that is not consistent with the City’s directives contained herein and as required to effectuate its termination.
- (b) Authority shall cooperate with the City in an orderly windup of its activities and take all steps necessary to effectuate the transfer of all of its assets, funds and other property, including, as applicable, any regulatory permits, to the City, and the assumption of all of its liabilities by the City. The Authority shall continue to function in the normal course during this windup.
- (c) The Authority shall satisfy any outstanding debts and obligations of the Authority and settle all other claims which may be outstanding against it; provided, however, that the Authority shall seek approval of the City Council

prior to satisfying any such outstanding debts, obligations and claims, and shall cooperate with the City in the execution of any agreements, instruments, certificates, and other documents determined by the City to be necessary or appropriate to satisfy any outstanding debts and obligations of the Authority.

- (d) Upon written direction of the City, the Authority shall approve, execute and deliver to the City, a Certificate of Termination, in the form attached hereto and incorporated herein as “Exhibit A” (the “Certificate”), so that the City, as required by Section 5619 of the Authorities Act, may as and when appropriate, file the executed Certificate with the necessary entities and governmental authorities.
- (e) The Authority shall take all actions necessary to remove any impediments to its termination in accordance with the Authorities Act, provided, however, the Authority obtain prior approval of such actions from City Council.

Section 3. The Authority hereby is prohibited from taking any action or expending any money in connection with any action that is inconsistent with its termination. The Authority shall not engage in any conduct or expend any money, directly or indirectly, for any purpose other than accomplishing the directives and objectives of the City as set forth in this Ordinance. Any expenditure of funds by the Authority that is contrary to the directives and objectives of the City as set forth in this Ordinance shall be a violation of the restrictions on the expenditure of funds of the Authority under Section 5612 of the Authorities Act, and a violation of the specification of projects to be undertaken by the Authority under Section 5607(c) of the Authorities Act.

Section 4. The City Council hereby approves the form of the Certificate attached hereto and incorporated herein as “Exhibit A”.

Section 5. Upon enactment of this Ordinance and compliance with all executory provisions herein, the proper officers of the City Council are hereby authorized to file the Certificate in the Office of the Secretary of the Commonwealth of Pennsylvania.

Section 6. Upon receipt of the Certificate, the Secretary of the Commonwealth shall note the termination of existence of the Authority on the Authority’s record of incorporation and return the Certificate with approval to the City Council. Upon receipt thereof, the proper officers of the City Council are hereby authorized to record the Certificate in the Office of the Recorder of Deeds of Clinton County.

Section 7. Upon recordation of the Certificate with the Clinton County Recorder of Deeds, all property of the Authority shall pass to the City, the City shall assume any remaining liabilities of the Authority, and the Authority will be effectively terminated.

Section 8. The City Council, its Mayor, President and Vice President of Council, the City Clerk and the Controller of the City are all, individually and collectively, authorized to take any further action necessary to effectuate the termination of the Authority, the removal of any impediments to such termination, the satisfaction of any outstanding debts and obligations of the

Authority (whether by assumption of such debts and obligations by the City or through the incurrence by the City in accordance with applicable law of indebtedness, the proceeds of which shall be used to satisfy such debts and obligations), the transfer of the Authority's funds, if any, and assets to the City, and the assumption of any liabilities of the Authority.

Section 9. All funds, assets and other property required by this Ordinance to be transferred by the Authority to the City shall be held and used by the City in a manner consistent with applicable laws.

Section 10. All ordinances, parts of ordinances, resolutions or parts of resolutions inconsistent herewith be and the same are hereby rescinded, cancelled and annulled.

Section 11. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City that such remainder shall be and shall remain in full force and effect. It is hereby declared to be the legislative intent of the City Council that this Ordinance was enacted to terminate the Authority and should be interpreted to effectuate such intent.

Section 12. This Ordinance shall take effect on the earliest date permitted by law.

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ENACTED by the Council of the City of Lock Haven, Clinton County, Pennsylvania, in lawful session assembled, on this ____ day of _____, 2023.

INTRODUCED BY COUNCIL MEMBER

PASSED CITY COUNCIL FIRST READING:

PASSED CITY COUNCIL SECOND READING:

APPROVED: _____, 2023
CITY OF LOCK HAVEN

Mayor and President of Council

ATTEST:

City Clerk

(SEAL)

EXHIBIT A

CERTIFICATE OF TERMINATION
OF THE
LOCK HAVEN CITY AUTHORITY

THIS CERTIFICATE (“Certificate”) is made this ___ day of _____, 2023, by the Lock Haven City Authority (“Authority”).

WHEREAS, pursuant to Ordinance No. 2023-07 (the “Ordinance”) of the City Council (“City Council”) of the City of Lock Haven, Clinton County, Commonwealth of Pennsylvania (the “City”), the Authority was directed to take all actions necessary to effectuate its termination;

WHEREAS, pursuant to Section 5619 of the Pennsylvania Municipality Authorities Act, the Authority hereby submits this Certificate, requesting and advising that the City Council terminate the Authority’s existence; and

WHEREAS, pursuant to Section 5619 of the Pennsylvania Municipality Authorities Act, the City Council is authorized to approve this Certificate by the Ordinance.

NOW THEREFORE, the Authority, intending to be legally bound hereby, certifies as follows:

1. The Authority has complied with the terms of the Ordinance and submits this Certificate requesting its termination pursuant to the Ordinance and the Pennsylvania Municipality Authorities Act.
2. The City Council is authorized to terminate the existence of the Authority based on the prior action of the City Council to create the Authority in 1952.
3. The Chair or Vice Chair and Secretary or Assistant Secretary of the Authority are hereby authorized to take all actions necessary to carry out the purposes of this Certificate and to effectuate the dissolution of the Authority.

IN WITNESS WHEREOF, the undersigned officers of the Authority, having been authorized by the Board of the Authority, have hereunto set their hands and seals the day and year first written above.

ATTEST:

LOCK HAVEN CITY AUTHORITY

(Assistant) Secretary

By: _____

(Vice) Chair

CERTIFICATE

I, the undersigned City Clerk of the City of Lock Haven, Clinton County, Pennsylvania (“City”), hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of an ordinance (the “Ordinance”) which was duly enacted by the affirmative vote of a majority of the entire Council of the City at a meeting convened and held according to law on _____, 2023, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Ordinance was duly recorded in the City’s Ordinance Book, and a summary of the Ordinance was published as required by law in a newspaper of general circulation in the City; (c) the City met the requirements of Act No. 1998-93 of the General Assembly of the Commonwealth of Pennsylvania, approved October 15, 1998, as amended by Act 2021-65 of the General Assembly of Pennsylvania, approved June 30, 2021; (d) the total number of members of the City Council is seven; and (e) the vote upon the Ordinance was called and duly recorded upon the minutes and that the members voted in the following manner:

	Yes	No	Abstain	Absent
Joel Long	_____	_____	_____	_____
Richard Morris	_____	_____	_____	_____
Douglas T. Byerly	_____	_____	_____	_____
Richard Conklin	_____	_____	_____	_____
Barbara Masorti	_____	_____	_____	_____
Stephen L. Stevenson	_____	_____	_____	_____
Jeffrey Brinker	_____	_____	_____	_____

and (f) the Mayor of the City has examined and approved the Ordinance, and further, has fixed his signature thereto as evidence of his approval, all as of the date thereof.

WITNESS my hand and seal of the City this ____ day of _____, 2023.

City Clerk

[SEAL]