

The regular meeting of Portage Borough Council was held on Monday, July 19<sup>th</sup>, 2016 at 6:30 p.m., in Council Chambers.

Those in attendance were:

Sharon McCarthy      James Kissell      John Morgan      David Hayes  
Jerome Yetsko      Todd Learn

Also present were: Robert Koban, Borough Manager; Michael Emerick, Solicitor; Gary Wisor, Engineer; Ray Bowman, Public Works; Chief Miller, Public Safety and Michelle Claar, Secretary. Absent was George Wozniak.

**ADDITIONAL AGENDA ITEMS:**

1. Portage Volunteer Fire Dept representatives; Jeremy Shuniak and Joe Stauski provided Council with an update on the 2017 Cambria County Firemen's Convention being hosted by Portage. A lengthy discussion took place on various issues:
  - Location of alcohol tent
  - Schedule of events
  - Fencing around the event
  - Bands/music/dj
  - Activities and events provided by Mr. Stauski
  - Discussion on closing of alley, fencing of property owners within the event
  - Map or diagram of where everything will be located.

Mr. Stauski advised that he will not have all the required information until late December since there are various events at the present time. A dispute developed between Mr. Shuniak and Mr. Yetkso concerning fencing within the event area .

2. USDA Grant funding and loan documentation for a 2017 Police Ford Interceptor. Ms. McCarthy provided a detailed account of a conference call between her, Ms. Claar and Mr. Bratich with the United States Department of Agriculture (USDA). Ms. McCarthy commented that the grant funding/loan was initiated by Chief Miller and Jerry Brant of Decoplan & Associates. Mr. Koban and Ms. Claar were also commended for their efforts in the processing. Ms. McCarthy advised Council that the project cost for grant funding/loan through USDA breakdown as follows:

Total Project Cost for the 2017 Interceptor	\$29,090
Accessories and Graphics	<u>\$ 8,572</u>
Total Project	\$37,662

The grant funding/loan breakdown:

Grant funding at 54.96% of costs	\$20,700.00
Financing/Loan at 2.75% for 5 years	\$15,800.00
Applicant Contribution	<u>\$ 1,162.00</u>
	\$37,662.00

Ms. McCarty commented that there is quite a lot of paperwork for the processing, terms and conditions of the grant, and obtaining funding for over half of the cost

for a brand new police vehicle. Mr. Koban commended Chief Miller and others that were involved in the process. Mr. Koban also commented that the cruiser was not included in the 2016 Operating Budget and would be out of rotation for the vehicle/equipment schedule. Ms. McCarthy commented that the fees could be paid from the Capital Improvements Fund. Mr. Emerick commented that in accordance with Home Rule Charter; the Borough must also advertise and approve by Ordinance for any loan indebtedness incurred by the Borough. USDA is also requesting a loan resolution. After a short discussion;

ON MOTION OF MR. LEARN, SECONDED BY MR. MORGAN, COUNCIL UNANIMOUSLY APPROVED RESOLUTION 7-2016 BY AUTHORIZING THE LOAN INDEBTEDNESS WITH USDA FOR THE PURCHASE OF A 2017 POLICE INTERCEPTOR IN THE AMOUNT OF \$15,800.00 AT 2.75% FOR A FIVE (5) YEAR TERM; APPROVAL TO ADVERTISE IN THE DISPATCH FOR A PROPOSED ORDINANCE BY INCURRING INDEBTEDNESS WITH USDA IN THE AMOUNT OF \$15,800.00. MS. McCARTHY POLLED EACH MEMBER AND COUNCIL MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. LEARN, MR. MORGAN, MR. YETSKO, MR. HAYES, AND MS. McCARTHY. MOTION CARRIED 6-0. MR. WOZNIAK WAS ABSENT.

3. Portage Area Planning Commission-the minutes from January, March and April, 2016 was submitted by Mr. Byers. There was no 2016 operating budget.
4. Portage Area Ambulance-Mr. Rimini submitted via e-mail the 2016 operating budget for 2016. Ms. Claar advised Mr. Rimini that if any donations were to be expended; they must submit the budget and the minutes. The minutes will be e-mailed by the end of the week.

#### **ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. LEARN, SECONDED BY MR. KISSELL, THE MEETING WAS ADJOURNED AT 8:30 P.M.

LETTER OF INTENT TO MEET CONDITIONS

Date 7/18/16

TO: United States Department of Agriculture

Rural Development

\_\_\_\_\_  
(Name of USDA Agency)

625 Evans City Road Suite 101  
Butler, PA 16001

\_\_\_\_\_  
(USDA Agency Office Address)  
\_\_\_\_\_

We have reviewed and understand the conditions set forth in your letter dated 07-18-2016 . It is our intent to meet all of them not later than 01-18-2017 .

Portage Borough

\_\_\_\_\_  
(Name of Association)  
BY Sharon McCaskey  
COUNCIL PRESIDENT  
\_\_\_\_\_  
(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

REQUEST FOR OBLIGATION OF FUNDS

<b>INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )</b> Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
<b>1. CASE NUMBER</b> ST CO BORROWER ID 44-011-*****0445		<b>LOAN NUMBER</b> 01	<b>FISCAL YEAR</b> 2016
<b>2. BORROWER NAME</b> Portage Borough		<b>3. NUMBER NAME FIELDS</b> (1, 2, or 3 from Item 2)	
721 Main St		<b>4. STATE NAME</b> Pennsylvania	
Portage, PA 15946		<b>5. COUNTY NAME</b> Cambria	
<b>GENERAL BORROWER/LOAN INFORMATION</b>			
<b>6. RACE/ETHNIC CLASSIFICATION</b> 1 - WHITE 2 - BLACK 3 - AI/AN 4 - HISPANIC 5 - A/PI	<b>7. TYPE OF APPLICANT</b> 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	<b>8. COLLATERAL CODE</b> 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	<b>9. EMPLOYEE RELATIONSHIP CODE</b> 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
<b>10. SEX CODE</b> 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY	<b>11. MARITAL STATUS</b> 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	<b>12. VETERAN CODE</b> 1 - YES 2 - NO	<b>13. CREDIT REPORT</b> 1 - YES 2 - NO
<b>14. DIRECT PAYMENT</b> 2 (See FMI)	<b>15. TYPE OF PAYMENT</b> 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	<b>16. FEE INSPECTION</b> 2 1 - YES 2 - NO	
<b>17. COMMUNITY SIZE</b> 1 - 10 000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000	<b>18. USE OF FUNDS CODE</b> (See FMI)		
<b>COMPLETE FOR OBLIGATION OF FUNDS</b>			
<b>19. TYPE OF ASSISTANCE</b> 238 (See FMI)	<b>20. PURPOSE CODE</b> 8	<b>21. SOURCE OF FUNDS</b>	<b>22. TYPE OF ACTION</b> 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
<b>23. TYPE OF SUBMISSION</b> 1 - INITIAL 2 - SUBSEQUENT	<b>24. AMOUNT OF LOAN</b> \$15,800.00	<b>25. AMOUNT OF GRANT</b> \$20,700.00	
<b>26. AMOUNT OF IMMEDIATE ADVANCE</b>	<b>27. DATE OF APPROVAL</b> MO DAY YR	<b>28. INTEREST RATE</b> 2.7500 %	<b>29. REPAYMENT TERMS</b> 5
<b>COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS</b>			
<b>30. PROFIT TYPE</b> 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
<b>COMPLETE FOR EM LOANS ONLY</b>		<b>COMPLETE FOR CREDIT SALE-ASSUMPTION</b>	
<b>31. DISASTER DESIGNATION NUMBER</b> (See FMI)		<b>32. TYPE OF SALE</b> 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
<b>FINANCE OFFICE USE ONLY</b>		<b>COMPLETE FOR FP LOANS ONLY</b>	
<b>33. OBLIGATION DATE</b> MO DA YR		<b>34. BEGINNING FARMER/RANCHER</b> (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder    COPY 1 - Finance Office    COPY 2 - Applicant/Lender    COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Subject to availability of funds and Letter of Conditions dated 7/18/16

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form.  YES  NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date JULY 18TH, 2016

Sharon McCarthy
COUNCIL PRESIDENT
(Signature of Applicant)

Date \_\_\_\_\_, 20\_\_\_\_

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: \_\_\_\_\_

Date Approved: \_\_\_\_\_

Title: \_\_\_\_\_

38. TO THE APPLICANT: As of this date \_\_\_\_\_, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

**United States Department of Agriculture  
Rural Housing Service**

**COMMUNITY FACILITIES GRANT AGREEMENT**

THIS GRANT AGREEMENT (Agreement) dated \_\_\_\_\_, is a contract for receipt of grant funds under the Community Facility Grant program (7 C.F.R. part 3570, subpart B). These requirements do not supersede the applicable requirements for receipt of Federal funds stated in 7 C.F.R. parts 3015, "Uniform Federal Assistance Regulations," 3016 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," or 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations." Further, 7 C.F.R. part 3570, subpart B, and all relevant regulatory requirements apply to applicants whether contained in here or not.

BETWEEN \_\_\_\_\_ Portage Borough \_\_\_\_\_

a public body, nonprofit corporation, or Indian tribe (Grantee) and the United States of America acting through the Rural Housing Service (RHS), Department of Agriculture, (Grantor)

**WITNESSETH:**

All references herein to "Project" refer to a community facility to serve a rural community generally known as \_\_\_\_\_ Portage Borough Police Vehicle \_\_\_\_\_ The principal amount of the grant is \$ \_\_\_\_\_ 20,700.00 \_\_\_\_\_ (Grant Funds) which is \_\_\_\_\_ 54.96 \_\_\_\_\_ percent of Project costs.

**WHEREAS**

Grantee has determined to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment for a project with a total estimated cost of \$ \_\_\_\_\_ 37,662.00 \_\_\_\_\_ Grantee is able to finance and has committed \$ \_\_\_\_\_ 16,962.00 \_\_\_\_\_ of Project costs.

The Grantor has agreed to give the Grantee the Grant Funds, subject to the terms and conditions established by the Grantor. Provided, however, that any Grant Funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement or the applicable regulation.

As a condition of this Agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those contained in 7 C.F.R. § 3015.205(b), which are incorporated into this agreement by reference, and such other statutory provisions as are specifically contained herein.

**NOW, THEREFORE, in consideration of said grant;**

Grantee agrees that Grantee will:

A. Cause said Project to be constructed within the total sums available to it, including Grant Funds, in accordance with any architectural or engineering reports, and any necessary modifications, prepared by Grantee and approved by Grantor;

B. Provide periodic reports as required by Grantor and permit periodic inspection of the Project by a representative of the Grantor. For grant-only Projects, Form SF-269, "Financial Status Report," and a project performance report will be required on a quarterly basis (due 15 working days after each of each calendar quarter). A final project performance report will be required with the last "Financial Status Report." The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. The project performance reports shall include, but not limited to, the following:

1. A comparison of actual accomplishments to the objectives established for that period;
2. Reasons why established objectives were not met;
3. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation; and
4. Objectives and timetables established for the next reporting period.

C. Manage, operate, and maintain the facility, including this Project if less than the whole of said facility, continuously in an efficient and economical manner;

D. Not use grant funds to replace any financial support previously provided or assured from any other source. The Grantee agrees that the Grantee's level of expenditure for the Project shall be maintained and not reduced as a result of Grant Funds;

E. Make the public facility or services available to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental disability at reasonable rates, including assessments, taxes, or fees. Grantee may make modifications as long as they are reasonable and nondiscriminatory;

F. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, that agreement applies equally to the grant and another identical agreement need not be executed in connection with this grant;

G. Upon any default under its representations or agreements contained in this instrument, Grantee, at the option and demand of Grantor, will immediately repay to Grantor the Grant Funds with any legally permitted interest from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Agreement may be enforced by Grantor, at its option and without regard to prior waivers of previous defaults by Grantee, by judicial proceedings to require specific performance of the terms of this Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Agreement and the laws and regulations under which this grant is made;

H. Use the real property including land, improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed;

1. Title to real property shall vest in the Grantee subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain Grantor's approval to use the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed, as provided in paragraphs 1 and 2 above, the Grantee shall request disposition instructions from the Grantor. The Grantor will observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal government in an amount computed by applying the Federal percentage of participation in the cost of the original Project to the fair market value of the property;

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor and pay the Federal government an amount computed by applying the Federal percentage of participation in the cost of the original Project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return;

(c) The Grantee may be directed to transfer title to the property to the Federal government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or Project to the current fair market value of the property;

**This Grant Agreement covers the following described real property (use continuation sheets as necessary).**

I. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with Grant Funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment as defined below:

1. Use of equipment.

(a) The Grantee shall use the equipment in the Project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other federally sponsored activities, if any, in the following order of priority:

(i) Activities sponsored by the Grantor.

(ii) Activities sponsored by other Federal agencies.



(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the property as provided in paragraph 1 (a) and (b) above, the equipment may be sold or used for other activities in accordance with the following standards:

(a) Equipment with a current fair market value of less than \$5,000. The Grantee may use the property for other activities without reimbursement to the Federal government or sell the property and retain the proceeds.

(b) Equipment with a current fair market value of \$5,000 or more. The Grantee may retain the property for other uses provided that compensation is made to the Grantor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original Project to the current fair market value of the property. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the Grantor.

(c) The Grantor shall determine whether the equipment can be used to meet RHS or its successor agency's requirements. If no such requirements exist, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor shall issue instructions to the Grantee no later than 120 days after the Grantee's request and the following procedures shall govern:

(i) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share 10 percent of the proceeds or \$500, whichever is less, for the Grantee's selling and handling expenses.

(ii) If the Grantee is instructed to ship the property elsewhere, the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant Project or program to the current fair market value of the equipment plus any reasonable shipping or interim storage costs incurred.

(iii) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall include:

(a) Property records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the Project for which the equipment was acquired; location, use, and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return;

**This Grant Agreement covers the following described equipment (use continuation sheets as necessary).**

2017 Police Interceptor and Accessories  
Vin#

**J. Provide Financial Management Systems which will include:**

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property, and other assets. Grantees shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

**K. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts;**

**L. Provide either an audit report, annual financial statements, or other documentation prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations, and this Agreement;**

**M. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or an instrumentality of a State shall not be held accountable for interest earned on Grant Funds pending their disbursement;**

N. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item H and I; and

O. Not duplicate other Project purposes for which monies have been received, are committed, or are applied to from other sources (public or private).

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$20,700.00 which it will advance to Grantee to meet not to exceed 54.96 percent of the Project development costs in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the Project and coordinating the plan with local official comprehensive plans for essential community facilities and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the Project will not produce beneficial results commensurate with the further expenditure of funds.

IN WITNESS WHEREOF, Grantee has this day authorized and caused this Agreement to be executed

By Sharon McCarthy  
COUNCIL PRESIDENT

and attested with its corporate seal affixed (if applicable) by

\_\_\_\_\_

Attest:

Board Secretary

By Michelle Clark

(Title) \_\_\_\_\_

UNITED STATES OF AMERICA  
RURAL HOUSING SERVICE

By

Michael L. Ward  
(Name)

Community Facilities Program Director  
(Title)

A RESOLUTION OF THE BOROUGH COUNCIL  
OF THE Portage Borough  
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING  
A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS  
Portage Borough Police Vehicle Purchase  
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Portage Borough  
*(Public Body)*  
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of  
15,800.00

pursuant to the provisions of HOME RULE CHARTER; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.



CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as \_\_\_\_\_ of the Portage Borough \_\_\_\_\_  
 hereby certify that the \_\_\_\_\_ of such Association is composed of  
 \_\_\_\_\_ members, of whom \_\_\_\_\_, constituting a quorum, were present at a meeting thereof duly called and  
 held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_; and that the foregoing resolution was adopted at such meeting  
 by the vote shown above. I further certify that as of \_\_\_\_\_, the date of closing of the loan from the Government, said resolution  
 remains in effect and has not been rescinded or amended in any way.

Dated, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 Title \_\_\_\_\_

DON'T DO  
 UNTIL LOAN  
 CLOSING.