



NEW ISSUE BOOK-ENTRY ONLY

OFFICIAL STATEMENT

Ratings: Standard and Poor's Rated "AA" (Stable outlook)

AGM Insured

Underlying Rating "A+/Stable"

See "RATING" and "MUNICIPAL NOTE INSURANCE" herein.

In the opinion of Note Counsel, under existing law and assuming continuing compliance by the City with certain covenants intended to assure continuing compliance with the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations thereunder, interest on the Series B Notes (including any original issue discount properly allocable to the owner of a Series B Note) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. For the purpose of rendering such opinion, Note Counsel has assumed compliance by the City with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series B Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes.

\$13,005,000

CITY OF MEADVILLE

(Crawford County, Pennsylvania)

\$760,000 General Obligation Notes, TAXABLE Series A of 2017

\$12,245,000 General Obligation Notes, TAX-EXEMPT Series B of 2017

Dated: Date of Delivery

Due: October 1, as shown below

Interest Payable: April 1 and October 1

First Interest Payment: October 1, 2017

The City of Meadville, Crawford County, Pennsylvania (the "City") will issue its General Obligation Notes, Series of 2017 in the aggregate principal amount of \$13,005,000 consisting of \$760,000 aggregate principal amount of General Obligation Notes, TAXABLE Series A of 2017 (the "Series A Notes") and \$12,245,000 aggregate principal amount of General Obligation Notes, TAX-EXEMPT Series B of 2017 (the "Series B Notes" and together with the Series A Notes, the "Notes") as fully registered notes. The Notes will be issued in fully registered form (without coupons) in the denomination of \$5,000 or any whole multiple thereof and, when issued, and will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes. Beneficial ownership interests in the Notes will be recorded in book-entry only form in denominations of \$5,000, or any integral multiple thereof. Principal of and interest on the Notes are payable directly to CEDE & CO. for redistribution to DTC Participants and in turn to Beneficial Owners as described herein. Regularly scheduled interest on the Notes is payable April 1 and October 1 of each year, commencing October 1, 2017. Purchasers will not receive physical delivery of certificates representing their ownership interests in the Notes purchased. For so long as any purchaser is the Beneficial Owner of a Note, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

REDEMPTION: The Notes are subject to optional and mandatory redemption prior to maturity as more fully set forth herein. (See "REDEMPTION" herein.)

PURPOSE: The proceeds of the sale of the Series A Notes will be used to: (1) advance refund a portion of the City's General Obligation Notes Series A of 2014 (the "2014 A Notes") and (2) pay the costs of issuing the Series A Notes. The proceeds of the Series B Notes will be used to (1) currently refund all of the City's General Obligation Bonds, Series of 2012 (the "Series of 2012 Bonds"); (2) currently refund all of the City's General Obligation Bonds, Series A of 2012 Bonds (the Series A of 2012 Bonds"); and (3) pay the costs of issuing the Series B Notes.

SECURITY: THE NOTES ARE GENERAL OBLIGATION NOTES OF THE CITY, AND THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY HAVE BEEN PLEDGED FOR THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE NOTES, WHEN DUE. THE CITY HAS ESTABLISHED WITH THE SINKING FUND DEPOSITORY A SINKING FUND INTO WHICH MONIES SUFFICIENT FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY AND INTEREST ON THE NOTES WILL BE DEPOSITED NOT LATER THAN THE DATE FIXED FOR THE DISBURSEMENT THEREOF. THE NOTES ARE PAYABLE FROM THE GENERAL REVENUES OF THE CITY, WHICH ON THE DATE OF ISSUANCE INCLUDE, *INTER ALIA*, THE REVENUES DERIVED FROM UNLIMITED *AD VALOREM* TAXES WHICH MAY BE LEVIED ON ALL TAXABLE REAL ESTATE WITHIN THE CITY.

The scheduled payment of principal of and interest on the Notes when due will be guaranteed under a municipal note insurance policy to be issued concurrently with the delivery of the Notes by **ASSURED GUARANTY MUNICIPAL CORP.**



MATURITIES, AMOUNTS, RATES AND YIELDS/PRICES

(See Inside Front Cover)

The Notes are offered, subject to prior sale, withdrawal or modification, when, as and if issued by the City and received by the Underwriter and subject to the approving legal opinion of Bruce E. Dice & Associates of Pittsburgh, P.C. Pennsylvania, Note Counsel. Said opinion will be furnished upon delivery of the Notes. Certain legal matters will also be passed upon for the City by Shafer Law Firm, Meadville, Pennsylvania, Solicitor for the City. The Notes are expected to be delivered in New York, New York on or about September 6, 2017.

BOENNING & SCATTERGOOD INC.

Date: August 3, 2017

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Notes or the advisability of investing in the Notes. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “**MUNICIPAL NOTE INSURANCE**” and “Appendix C - **Specimen of Municipal Note Insurance Policy**”.

\$13,005,000
CITY OF MEADVILLE
(Crawford County, Pennsylvania)
\$760,000 General Obligation Notes, TAXABLE Series A of 2017
\$12,245,000 General Obligation Notes, TAX-EXEMPT Series B of 2017

MATURITY SCHEDULE

SERIES A NOTES

| <u>Year</u> | <u>Principal Amount</u> | <u>Coupon</u> | <u>Yield</u> | <u>Price</u> | <u>CUSIP 583257</u> |
|-------------|-----------------------------|---------------|--------------|--------------|-------------------------|
| 10/01/2017 | \$580,000 | 1.600% | 1.600% | 100.000 | SN1 |
| 10/01/2018 | \$180,000 | 1.700% | 1.700% | 100.000 | SP6 |

⁽¹⁾ The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the City or the Underwriter and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of noteholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the City or the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

\$13,005,000
CITY OF MEADVILLE
(Crawford County, Pennsylvania)
\$760,000 General Obligation Notes, TAXABLE Series A of 2017
\$12,245,000 General Obligation Notes, TAX-EXEMPT Series B of 2017

SERIES B NOTES

| <u>Year</u> | <u>Principal Amount</u> | <u>Coupon</u> | <u>Yield</u> | <u>Price</u> | <u>CUSIP 583257</u> |
|-------------|-----------------------------|---------------|--------------|--------------|-------------------------|
| 10/01/2017 | \$300,000 | 2.000% | 0.800% | 100.082 | SQ4 |
| 10/01/2018 | \$290,000 | 2.000% | 1.000% | 101.060 | SR2 |
| 10/01/2019 | \$165,000 | 2.000% | 1.200% | 101.629 | SS0 |
| 10/01/2020 | \$150,000 | 2.000% | 1.350% | 101.947 | ST8 |
| 10/01/2021 | \$150,000 | 2.000% | 1.500% | 101.966 | SU5 |
| 10/01/2022 | \$155,000 | 2.000% | 1.650% | 101.694 | SV3 |
| 10/01/2023 | \$160,000 | 2.000% | 1.850% | 100.856 | SW1 |
| 10/01/2024 | \$170,000 | 2.000% | 2.100% | 99.345 | SX9 |
| 10/01/2025 | \$175,000 | 2.000% | 2.200% | 98.527 | SY7 |
| 10/01/2026 | \$175,000 | 2.200% | 2.350% | 98.780 | SZ4 |
| 10/01/2027 | \$180,000 | 2.400% | 2.550% | 98.674 | TA8 |

\$1,860,000 3.000% Term Bond due October 1, 2032 at 98.092 to yield 3.160% - TB6
\$3,330,000 3.250% Term Bond due October 1, 2035 at 98.384 to yield 3.370% - TC4
\$4,985,000 3.375% Term Bond due October 1, 2039 at 98.541 to yield 3.470% - TD2

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**CITY OF MEADVILLE
CRAWFORD COUNTY, PENNSYLVANIA**

CITY ADDRESS

894 Diamond Park
Meadville, Pennsylvania 16335
Phone number: 814.724.6000
Fax number: 814.333.3353
Web-Site: www.cityofmeadville.org

CITY COUNCIL

| <u>Councilmember</u> | <u>Office</u> | <u>Year Term of Office Expires</u> |
|-----------------------------|----------------------|---|
| Leroy Stearns | Mayor.. | January 1, 2018 |
| Sean P. Donahue | Deputy Mayor | January 1, 2018 |
| John Battaglia | Council Member | January 1, 2020 |
| Nancy Mangilo-Bittner | Council Member | January 1, 2020 |
| Robert Langley | Council Member | January 1, 2018 |

OTHER ELECTED OFFICIALS

| | <u>Office</u> | <u>Year Term of Office Expires</u> |
|---------------------------------|----------------------|---|
| M. Michelle Sampson | City Treasurer..... | January 1, 2020 |
| Rosemarie Martinez Groves | City Controller..... | January 1, 2020 |

CITY ADMINISTRATION

CITY MANAGER

Andrew J. Walker

DIRECTOR OF FINANCE

Timothy C. Groves

CITY CLERK

Andrew J. Walker

DEPUTY CITY CLERK

Janet Niedemeyer

SOLICITOR

Shafer Law Firm
Meadville, Pennsylvania

NOTE COUNSEL

Bruce E. Dice & Associates, P.C.
Pittsburgh, Pennsylvania

PAYING AGENT

Zions Bank
a Division of ZB National Association
Pittsburgh, Pennsylvania

DISSEMINATION AGENT

Digital Assurance Certification LLC (DAC)
Orlando, Florida

UNDERWRITER

Boenning & Scattergood Inc.
Pittsburgh, Pennsylvania

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, any such other information or representations may not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement has been approved by the City and the information set forth herein has been obtained from the City and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters or, as to information from other sources, by the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof or the earliest date of which said information is given.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PUBLIC OFFERING PRICES STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS WITHOUT PRIOR NOTICE.

THE ORDER AND PLACEMENT OF THE MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE NOTES OR THE RESOLUTION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE SECURITIES REFERRED TO HEREIN, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES AT ANY TIME IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

Neither the City's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted information.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the City include, among others, changes in economic conditions, mandates from other governments and various other events, conditions and circumstances, many of which are beyond the control of the City. Such forward-looking statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the City's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The City does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, the City does not intend to update or otherwise revise the forecasted financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the City does not intend to update or revise the forecasted financial information to reflect changes in general economic or industry conditions. Additional information relating to the principal assumptions used in preparing the projections is set forth herein.

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The Table of Contents does not list all of the subjects in this Official Statement, and in all instances reference should be made to the complete Official Statement to determine the subjects set forth herein. No significance should be attached to the particular order in which subjects are set forth herein.

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. No person is authorized to detach this **SUMMARY STATEMENT** from this Official Statement or otherwise use it without the entire Official Statement.

| | |
|--|---|
| Issuer | City of Meadville, Crawford County, Pennsylvania (the "City"). |
| The Notes..... | <p>General Obligation Notes, TAXABLE Series A of 2017 (the "Series A Notes"), in the aggregate principal amount of \$760,000. The Series A Notes are initially dated the Date of Delivery, and will mature as shown in the NOTE MATURITY SCHEDULES shown on the inside of the Cover Pages of this Official Statement. Interest on the Series A Notes will begin to accrue on the Date of Delivery, and is payable initially on October 1, 2017, and on each April 1 and October 1 thereafter. (See "THE NOTES" herein.)</p> <p>General Obligation Notes, TAX-EXEMPT Series B of 2017 (the "Series B Notes" and together with the Series A Notes, the "Notes"), in the aggregate principal amount of \$12,245,000. The Series B Notes are initially dated the Date of Delivery, and will mature as shown in the NOTE MATURITY SCHEDULES shown on the inside of the Cover Pages of this Official Statement. Interest on the Series B Notes will begin to accrue on the Date of Delivery, and is payable initially on October 1, 2017, and on each April 1 and October 1 thereafter. (See "THE NOTES" herein.)</p> |
| Redemption Provisions..... | The Series B Notes are subject to mandatory and optional redemption prior to their stated dates of maturity. The Series A Notes are not subject to mandatory or optional redemption prior to their stated dates of maturity. (See " REDEMPTION OF NOTES " herein.) |
| Form of Notes..... | Book-entry form only. |
| Application of Proceeds | The proceeds of the sale of the Series A Notes will be used to: (1) advance refund a portion of the City's General Obligation Notes, Series A of 2014 (the "2014 A Notes"); and (2) pay the costs of issuing the Series A Notes. The proceeds of the Series B Notes will be used to (1) currently refund all of City's General Obligation Bonds, Series of 2012 Bonds (the "Series of 2012 Bonds"); (2) currently refund all of the City's General Obligation Bonds, Series A of 2012 Bonds (the "Series A of 2012 Bonds"); and (3) pay the costs of issuing the Series B Notes. (See " PURPOSE OF THE NOTE ISSUE, " and " SOURCES AND USES OF FUNDS " herein.) |
| Security for the Notes..... | The Notes are general obligations of the City, payable from local taxes, state subsidy and other general revenues. The City has covenanted in the Ordinance authorizing the Notes adopted by City Council on July 19, 2017 (the "Ordinance") that it will budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Notes for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its legally available revenues or funds the principal of every Note and the interest thereon on the dates, at the place and in the manner stated in the Notes, and for such budgeting, appropriation and payment the City has irrevocably pledged its full faith, credit and available taxing power, which taxing power including the power to levy ad valorem taxes on all taxable real property within the City, within the limits presented by law. (See " TAXING POWER AND LIMITS " and " SECURITY FOR THE NOTES " herein.) |
| Credit Enhancement | The scheduled payment of principal of and interest on the Notes when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Notes by Assured Guaranty Municipal Corp. (See " MUNICIPAL NOTE INSURANCE " herein.) |
| Note Rating..... | The Notes are expected to receive a credit rating of "AA" (Stable outlook) from S&P Global Ratings a business unit of Standard & Poor's Financial Services LLC, ("S&P") with the understanding that the above-described municipal Note insurance policy will be issued at the time of settlement of the Notes. S&P has also assigned its underlying rating of "A+/Stable" to the Notes (based upon the City's financial condition). (See " RATING " herein.) |
| Continuing Disclosure Undertaking | The City has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities and Exchange Act of 1934, as amended and interpreted (the "Rule"). (See " CONTINUING DISCLOSURE UNDERTAKING " and " COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS " herein.) |

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OFFICIAL STATEMENT
Relating to

\$13,005,000
CITY OF MEADVILLE
(Crawford County, Pennsylvania)
\$760,000 General Obligation Notes, TAXABLE Series A of 2017
\$12,245,000 General Obligation Notes, TAX-EXEMPT Series B of 2017

INTRODUCTION

This Official Statement, including the cover page, inside cover page and the appendices attached hereto, is furnished by the City in connection with the issuance of its General Obligation Notes, Series of 2017 in the aggregate principal amount of \$13,005,000 consisting of \$760,000 aggregate principal amount of General Obligation Notes, TAXABLE Series A of 2017 (the "Series A Notes") and \$12,245,000 aggregate principal amount of General Obligation Notes, TAX-EXEMPT Series B of 2017 (the "Series B Notes", and together with the Series A Notes, the "Notes"). The Notes will bear interest at the rates listed on the inside cover hereof from Date of Delivery, payable semiannually on April 1 and October 1 of each year, commencing October 1, 2017. The Notes are issuable only as fully registered Notes without coupons, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. See "The Notes – Book Entry Only System" herein. So long as the Notes or any portion thereof are registered in the name of DTC or its nominee, payments thereon shall be made to DTC or its nominee. (See "**Book-Entry Only System**" herein.) At all other times, the principal of and interest on the Notes shall be payable at the designated office of Zions Bank, a Division of ZB, National Association as Paying Agent (the "Paying Agent"), in such coin or currency of the United States of America as at the time and place of payment is legal tender for public and private debts, provided that interest may be paid by check drawn upon the Paying Agent and mailed to the persons in whose names the Notes are registered at the close of business on the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date (the "Regular Record Date") at the address shown on the registration records for the Notes (the "Note Register") kept by the Paying Agent. Persons designated in the Note Register as owning Notes are hereinafter referred to as "Registered Note Owners."

AUTHORITY FOR ISSUANCE

The Notes are being issued pursuant to an ordinance of the City enacted by its City Council (the "City Council") on July 19, 2017, together with all amendments thereto, the "Ordinance"), and pursuant to the Local Government Unit Debt of the Commonwealth of Pennsylvania, Act of December 19, 1996, 53 PA.Cons. Stat. Chs 80-82, as amended, (the "Debt Act"). The Notes are general obligations of the City and are secured by the full faith, credit and taxing power of the City. The City has covenanted to pay, as and when due, the principal of and interest on the Notes, to include in its annual budget such amount as is then due and to appropriate such amounts for such payment. Proceedings with respect to the issuance of the Notes are required to be approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania pursuant to the Debt Act prior to issuance. The Notes will qualify as Notes supported, *inter alia*, by *ad valorem* taxation on real property. See the section titled "**SECURITY FOR THE NOTES**." Copies of the Ordinance may be inspected at the Business Office of the City, 894 Diamond Park, Meadville, Pennsylvania 16335.

PURPOSE OF THE NOTE ISSUE

The proceeds of the sale of the Series A Notes will be used to: (1) advance refund a portion of the City's General Obligation Notes, Series A of 2014 Notes (the "2014 A Notes"); and (2) pay the costs of issuing the Series A Notes. The proceeds of the Series B Notes will be used to (1) currently refund all of the City's General Obligation Bonds, Series of 2012 Bonds (the "2012 Bonds"); (2) currently refund all of the City's General Obligation Bonds, Series A of 2012 Bonds (the 2012 A Bonds"); and (3) pay the costs of issuing the Series B Notes

The Refunding Program

Series A Notes

A portion of the proceeds of the Series A Notes will be used to advance refund a portion of the City's outstanding General Obligation Bonds, Series A of 2014 (the "2014 A Refunded Notes"). Such funds will be irrevocably deposited with Zions Bank, a Division of ZB, Pittsburgh, Pennsylvania (the "Escrow Agent") under the terms of an Escrow Deposit Agreement, dated as of the Date of Delivery (the "Escrow Deposit Agreement"), between the Escrow Agent and the District, and applied towards the purchase of Government Obligations.

The Government Obligations will mature at such times and in such amounts to provide funds from maturing principal, interest income and any cash balances, sufficient for (a) the payment of \$700,000 of principal of the 2014 A Refunded Notes maturing on October 1, 2028 (b) the payment of the interest on the 2014 A Refunded Notes referred to in clause (a) when such interest shall become due, (c) the redemption on April 1, 2020 of 2014 A Refunded Notes referred to in Clause (a)

Series B Notes

A portion of the proceeds of the Series B Notes will be used to: 1) currently refund all of the Series of 2012 Bonds on October 1, 2017; 2) currently refund all of the Series A of 2012 Bonds on October 1, 2017; and 3) and currently refund all of the Series A of 2013 Bonds on October 1, 2017.

Verification

Upon delivery of the Notes, Causey, Demgen & Moore, Inc., Denver, Colorado, a firm of independent public accountants, will deliver reports on the mathematical accuracy of certain computations contained in schedules provided to them by the Underwriter supporting the adequacy of the maturing principal of and interest on the Government Obligations held by the Escrow Agent to pay, as applicable, all of the principal of and interest on the 2014 A Refunded Notes as such principal and interest becomes due and payable and to pay the redemption price of the 2014 A Refunded Notes on the redemption date. Accordingly, Note Counsel, in part will rely on the verification reports in rendering its opinion that the 2017 Notes are not "arbitrage bonds" within the meaning of Sections 103 and 148 of the Internal Revenue Code of 1986, as amended.

COMPUTATION OF THE NOTE ISSUE

| Sources | Series A | Series B | Total |
|----------------------------------|---------------------|------------------------|------------------------|
| Note Proceeds | \$760,000.00 | \$12,245,000.00 | \$13,005,000.00 |
| Original Issue (Discount) | - | (154,373.16) | (154,373.15) |
| Total | \$760,000.00 | \$12,090,626.85 | \$12,85,626.85 |
| Uses | | | |
| Call Requirements – 2014A | \$739,751.62 | \$ - | \$739,751.62 |
| Call Requirements – 2012 | - | 7,827,253.75 | 7,827,253.75 |
| Call Requirements – 2012A | - | 4,044,073.13 | 4,044,073.13 |
| Costs of Issuance ⁽¹⁾ | 11,809.29 | 202,984.05 | 214,793.34 |
| Construction Fund | 8,439.09 | 16,315.92 | 24,755.01 |
| Total | \$760,000.00 | \$12,090,626.85 | \$12,850,626.85 |

⁽¹⁾ Includes, but not limited to, underwriter's discount, insurance premium, legal, printing, rating, paying agent, and other miscellaneous fees.

THE NOTES

Description

The Notes will be dated Date of Delivery (the "Dated Date"). The Notes will bear interest at the rates set forth inside the front cover page hereof payable on April 1 and October 1 (each an "Interest Payment Date"), commencing October 1, 2017, and are issuable in denominations of \$5,000 or any whole multiple thereof. The Note mature on the dates and in the amounts set forth inside the front cover page hereof.

Each Note shall be dated as of the date of its authentication and shall bear interest (computed on the basis of a 360 day year comprised of twelve months of 30 days) from the Interest Payment Date next preceding the date of authentication of such Note, unless: (a) such Note is authenticated as of an Interest Payment Date, in which event such Note shall bear interest from said Interest Payment Date; or (b) such Note is authenticated prior to October 1, 2017, in which event such Note shall bear interest from its Dated Date; or (c) such Note is authenticated after the fifteenth (15th) day (whether or not a business day) of the month next preceding each interest payment date and before the next succeeding Interest Payment Date, in which event such Note shall bear interest from the next succeeding Interest Payment Date; or (d) as shown by the records of the Paying Agent, interest on such Note shall be in default, in which event such Note shall bear interest from the date on which interest was last paid on such Note.

In the event of any default in payment of interest due on an Interest Payment Date, such defaulted interest shall be payable to the persons in whose names the Notes are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent on behalf of the City to the registered owners of the Notes not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Notes are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of, premium, if any, or interest on the Notes occurs on a day which is not a Business Day (a "Business Day" is any day other than a Saturday, Sunday or a day on which financial institutions in the Commonwealth of Pennsylvania (the "Commonwealth") are authorized by law to be closed), the interest and/or principal due on such date shall be payable on the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

So long as the Notes or any portion thereof are registered in the name of DTC or its nominee, payments thereon shall be made to DTC or its nominee. (See “**Book-Entry Only System**” herein.) At all other times, the principal of and interest on the Notes shall be payable at the designated office of the Paying Agent in such coin or currency of the United States of America as at the time and place of payment is legal tender for public and private debts, provided that interest may be paid by check drawn upon the Paying Agent and mailed to the persons in whose names the Notes are registered at the close of business on the Regular Record Date at the address shown on the Note Register kept by the Paying Agent.

Registration, Transfer and Exchange of Notes

The Paying Agent is responsible for maintaining the books of the City pertaining to the registration of ownership of each Note. The ownership of Notes may be transferred upon the registration books upon delivery to the Paying Agent or its designee, of a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Paying Agent or its designee, duly executed by the registered holder of the Notes to be transferred or his duly authorized attorney-in-fact or legal representative, subject to such reasonable regulations as the City or the Paying Agent or its designee may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. No transfer of any Note will be effective until entered on the registration books.

Neither the City nor the Paying Agent or its designee shall be required (a) to register the transfer of or to exchange any Notes then considered for redemption, during a period beginning at the close of business on the fifteenth day next preceding any date of selection of Notes to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed, (b) to register the transfer of or to exchange any portion of any Note selected for redemption in whole or in part until after the redemption date, or (c) to register the transfer of or to exchange any Note during the period beginning at the close of business on the fifteenth day preceding the date of maturity on the Note and ending at the close of business on the date of maturity.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The City (herein sometimes referred to as the “Issuer”) and the Underwriter do not guaranty the accuracy or completeness of such information and such information is not to be construed as a representation of the City or the Underwriter.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or in such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for the Notes of each maturity will be issued in principal amount equal to the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship

with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard & Poor's rating, "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. ***Beneficial Owners will not receive certificates representing their ownership interests in the Notes except in the event that use of the book-entry system for the Notes is discontinued.***

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices of Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes (or all Notes of a particular maturity) are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue (or maturity) to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as the Notes are held by DTC under a book-entry system, payments of the principal of and interest on the Notes and, if applicable, any premium payable upon redemption thereof, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of and interest on Notes and, if applicable, any premium payable upon redemption thereof to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and

disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue its services as a securities depository for the Notes at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Notes are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

The City and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Notes paid to DTC or its nominee, as the registered owner of the Notes, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

REDEMPTION

Optional Redemption – Series A

The Series A Notes are not subject to option redemption.

Mandatory Redemption – Series A

The Series A Notes are not subject to mandatory redemption.

Optional Redemption – Series B

The Series B Notes maturing on or after October 1, 2025 are subject to redemption prior to maturity on or after October 1, 2024 at the option of the City, as a whole at any time or in part from time to time in the inverse order of maturity and by lot within a maturity at a redemption price of 100% of the principal amount together with interest accrued to the date fixed for redemption.

Mandatory Redemption – Series B

The Series A Notes stated to mature on October 1, 2032, 2035 and 2039 are subject to mandatory redemption prior to maturity, by lot, at 100% of the principal amount thereof, plus accrued interest to the redemption date, on October 1 of the following years in the following aggregate principal amounts:

Notes due October 1

| 2032 | Principal Amount | 2035 | Principal Amount | 2039 | Principal Amount |
|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| <u>Redemption Date</u> | <u>to be Redeemed</u> | <u>Redemption Date</u> | <u>to be Redeemed</u> | <u>Redemption Date</u> | <u>to be Redeemed</u> |
| 2028 | \$5,000 | 2033 | \$1,075,000 | 2036 | \$1,185,000 |
| 2029 | \$80,000 | 2034 | \$1,110,000 | 2037 | \$1,225,000 |
| 2030 | \$90,000 | 2035* | \$1,145,000 | 2038 | \$1,265,000 |
| 2031 | \$640,000 | | | 2039* | \$1,310,000 |
| 2032* | \$1,045,000 | | | | |

*Stated Maturity

Notice of Redemption

Notice of any redemption will be given by mailing a notice by first class mail, postage prepaid, or by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, not less than 30 nor more than 60 days prior to the date therein fixed for such redemption to the registered owners of Notes to be redeemed at their addresses then appearing in the Note Register. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to anyone Note will affect the validity of the proceedings for the redemption of any other Notes for which proper notice shall have been given. If the City duly gives such notice of redemption and, by the opening of business on the date fixed for such redemption, deposits for such purpose, into the Sinking Fund (hereinafter defined), funds sufficient for the payment of the redemption price of the Notes so called for redemption, including accrued interest thereon to the date fixed for redemption, interest on such Notes will forever cease to accrue on such date fixed for redemption. Such notice may state that it is, and thereby be made, conditional upon such deposit timely made; and in such event such notice will be of no effect if such deposit is not timely made. The Notes may be called pursuant to a conditional call notice.

Manner of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Notes, however, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the City, the Paying Agent and DTC and, if less than all Notes of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Notes to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See “**BOOK-ENTRY ONLY SYSTEM**” herein for further information regarding redemption of Notes registered in the name of Cede & Co.*

If a Note is of a denomination larger than \$5,000, a portion of such Note may be redeemed. For the purposes of redemption, a Note shall be treated as representing the number of Notes that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Note being subject to redemption. In the case of partial redemption of a Note, payment of the redemption price shall be made only upon surrender of such Note in exchange for a Note or Notes, as appropriate, of authorized denominations of the same series, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

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

SECURITY FOR THE NOTES

The Notes are general obligations of the City and are payable from its tax and other general revenues including *ad valorem* taxes levied without limit as to rate or amount on all taxable real property located in the City. The City has covenanted in the Ordinance that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount required to pay debt service on the Notes and to make any other required sinking fund payments for each such year. The City further covenants in the Ordinance that, from the Sinking Fund (defined below) for the Notes established therein, or from any other of its revenues or funds, it will pay or cause to be paid the principal of every Note and the interest thereon at the dates and place and in the manner stated in the Notes. For such budgeting, appropriation and payment, the City has, in the Ordinance, irrevocably pledged its full faith, credit and taxing power.

Sinking Fund

A sinking fund designated "Sinking Fund—General Obligation Notes, Series of 2017", (the "Sinking Fund"), will be held by the Paying Agent segregated from all other funds of the City. The City will deposit in the Sinking Fund no later than the date when principal of and/or interest on the Notes is to become due a sufficient sum so that on each such payment date the Sinking Fund will contain, together with any other available funds in it, sufficient money to pay all principal of and/or interest on the Notes then due.

The Sinking Fund will be invested, to the extent practicable, by the Paying Agent in securities or deposits authorized by the Debt Act, upon direction of the City, all as provided in the Debt Act. Such deposits and securities shall be in the name of the City, but subject to withdrawal or collection only by the Paying Agent. Such deposits and securities, together with the interest earned thereon, will be a part of the Sinking Fund.

TAXING POWER

Under the Optional Third Class City Code of the Commonwealth, the City may levy the following taxes:

An annual tax on all taxable real estate, not to exceed 25 mills for general city purposes (plus an additional 5 mills with court approval). The Council of the City may levy different rates of taxation on all real estate classified as land, exclusive of buildings thereon, and on all real estate classified as building on land. However, the general purpose of 25 mills maximum levy cannot be exceeded without court permission. The following additional taxes may be levied.

Unlimited millage for debt service.

1. Unlimited millage for debt service, *(subject to the limitations noted above)*.
2. \$5.00 residence tax for general purposes on all inhabitants above 18 years of age.
3. 1/10th of one mill for shade trees.
4. Unlimited millage for parks and recreation.
5. 10 mills for support of a bureau for purposes of administering charity and support for poor. ⁽¹⁾

(1) The City does not presently levy this tax.

Under an act of the Pennsylvania General Assembly, approved December 31, 1965, P.L. 1257, effective January 1, 1966 (the "Local Tax Enabling Act"), additional taxes may be levied by cities of the 2nd Class, cities of the 2nd Class A, cities of the 3rd Class, boroughs, towns, townships of the first class, townships of the second class, and school districts of the second, third and fourth classes (subject to division among political subdivisions authorized to levy similar taxes on the same person, subject, business, transactions or privilege), subject to the following limitations:

Tax on Occupations – no rate limit set by the Local Tax Enabling Act if a millage or percentage of the assessed valuation of occupations is used as a base.

| | |
|---|---------|
| <u>Limit</u> | |
| Per capita tax | \$10.00 |
| Wages, salaries, commissions and other earned income of individuals | 1% |
| Retail sales involving transfer of title or possession of tangible personal property ⁽¹⁾ | 2% |
| Sales involving the transfer of title of real property | ½ of 1% |
| Flat rate emergency and municipal services tax | \$52.00 |
| Admissions (except Motion Picture Theatres) ⁽²⁾ | 10% |

The aggregate amount of taxes under the Local Tax Enabling Act shall not, in the case of any political subdivision, exceed an amount equal to the product of 12 mills on the latest total market value of real estate as determined by the board for the assessment laws which determined market values of real estate within the political subdivision, or, if no such board has determined such values, then the values as certified by the State Tax Equalization Board of the Commonwealth of Pennsylvania shall be used.

- (1) The City does not presently levy this tax and is not authorized to levy it as long as the State continues to levy a tax on the sale at retail of tangible personal property.
- (2) The City does not presently levy this tax.

Limitation on Mercantile and Business Privilege Taxes

In November 1988, the Pennsylvania General Assembly enacted S.B. 442, known as "The Local Tax Reform Act" (Act No. 1988-145, approved December 13, 1988, codified at 72 P.S. §4750.101 et seq. (The "Tax Act"). The general purposes of the Tax Act were to reduce local dependency on ad valorem real estate taxes by providing income tax alternatives, and to eliminate "nuisance" taxes. As a result of provisions within the Tax Act for the levying of real estate taxes at non-uniform rates between residential/farm and business properties, its full implementation was conditioned on voter approval of an amendment to the Pennsylvania Constitution. On May 16, 1989, the voters of Pennsylvania defeated this amendment. Accordingly, most observers concluded that the entire Tax Act was null and void in its entirety.

However, in *Borough of West Chester v. Taxpayer of the Borough of West Chester*, 129 Pa. Comm. 545, 566 A.2d 373 (1989), taxpayers challenged the validity of a newly levied tax on gross business receipts on the grounds that new, or increased rates of, mercantile and business taxes based upon the gross receipts of businesses, had been abolished by §533 of the Tax Act. In ruling in favor of the taxpayers, the Commonwealth Court found that §533 explicitly states that it applies after November 30, 1988, notwithstanding any other provision of the Tax Act – including the provisions that required the constitutional amendment. The Commonwealth Court has confirmed its reasoning in two subsequent cases. See, *Penn Traffic Company v. City of Dubois*, 626 A.2d 1257 (1993) *appeal denied*, 637 A.2d 294, *Burrell School District v. City of Lower Burrell*, 147 Pa. Comm. 471, 608 A.2d 605 (1992), *appeal denied*, 533 Pa. 602, 617 A.2d 275 (1992). Notwithstanding these decisions, the Commonwealth Court has since held that new or increased business and mercantile taxes imposed at a *flat rate* are not prohibited by the Tax Act. *Smith and McMaster, P.C. v. Newton Borough*, 669 A.2d 452 (1995).

Therefore, pursuant to §533 of the Tax Act, as interpreted by the Commonwealth Court, only mercantile and business privilege taxes (based on gross receipts) at rates which had been levied on or before November 30, 1988 are preserved. No new or increased taxes of this type may be levied.

Act 511 Overall Tax Limits

Cities may collect Act 511 taxes with a combined total amount equal to the product obtained by multiplying the latest total market value of real estate by 12 mills.

Act 511 taxes are subject to sharing half with the school district coterminous with the City with certain exceptions.

Act 511 Exemptions

Act 511 permits exemption from all or part of the liability for Occupational Privilege and Per Capita taxes of persons earning less than \$5,000 annually and for Emergency and Municipal Services taxes of persons whose annual income is less than \$12,000.

CALCULATION OF DEBT LIMITATIONS UNDER THE DEBT ACT

The following is a calculation of the existing debt and borrowing capacity of the City pursuant to the Debt Act, assuming delivery of the Notes.

[THIS SECTION LEFT INTENTIONALLY BLANK]

BONDED INDEBTEDNESS
(As of Date of Delivery – Includes this Issue)

| | <u>Gross Outstanding</u> |
|--|-------------------------------------|
| Direct Debt | |
| GOB, Series A of 2017 (this issue) | \$760,000.00 |
| GOB, Series B of 2017 (this issue) | 12,245,000.00 |
| GOB, Series A of 2015 | 5,675,000.00 |
| GOB, Series B of 2015 | 3,195,000.00 |
| GON, Series A of 2014 | 5,040,000.00 |
| GON, Series B of 2014 | 1,105,000.00 |
| GON, Series C of 2014 | 1,725,000.00 |
| GOB, Series C of 2013 | 4,840,000.00 |
| GOB, Series D of 2013 | 8,175,000.00 |
| GOB, Series B of 2013 | 1,565,000.00 |
| GOB, Series A of 2013 | 3,565,000.00 |
| GOB, Series A of 2012 | 3,980,000.00 |
| GOB, Series B of 2012 | 3,090,000.00 |
| GOB, Series of 2012 | 7,725,000.00 |
| GOB, Series of 2010 | <u>3,810,000.00</u> |
| Gross Direct Debt | \$53,490,000.00 |
| Minus Self Liquidating portion | \$(29,255,000.00) |
| Net Direct Debt | \$24,235,000.00 |
| Overlapping Debt | |
| Crawford Central | \$21,334,000.00 |
| County of Crawford | \$342,068.00 |
| Total Overlapping Debt | \$22,676,068.00 |
| Total Direct and Overlapping Debt | \$46,911,068.00 |

* Preliminary, subject to change.

DEBT RATIOS

| | |
|--|---------------------|
| Direct Debt to: | |
| Market Value | 14.80% |
| Assessed Value | 34.07% |
| Per Capita | \$3,995.37 |
| Direct and Overlapping Debt to: | |
| Market Value | 12.98% |
| Assessed Value | 29.88% |
| Per Capita | \$3,503.96 |
| Crawford County Assessed Value (2016) | \$1,045,367,114 |
| City of Meadville: Assessed Value (2016) | \$157,004,120 |
| City of Meadville: Market Value (2016) | \$361,528,923 |
| Population (2010) | 13,388 |

Source: City of Meadville, U.S. Census Bureau and the Pennsylvania State Tax Equalization Board

THE CITY

Form of Government

The City operates under the Third Class City Code Council-Manager form of Government under the Optional Charter Plan provisions of said statute. Each Council Member, the Mayor, the Controller and the Treasurer are elected at a regular municipal election. The City Manager is appointed by the City Council.

All department heads, officers, subordinates and assistants are appointed by the City Manager.

The following is a list of various departments and their respective responsibilities.

Office of the City Manager – Oversees the general operation of the City, also Market and Recreation Authorities in which the City provides operational and administrative support.

Finance Department – Maintains necessary information of all revenues and expenses. Billing and receiving of Real Estate Taxes, Per Capita Taxes, Refuse and Sewer fees, Permits Fees, Earned Income Taxes and Emergency Municipal Services Tax.

Department of Public Works – The Public Works Department is responsible for the operation of the parks, traffic engineering, streets department, engineering and the municipal garage.

Department of Police – The Police Department provides services for the protection of persons and property and the preservation of order in the City.

Department of Fire – The Fire Department maintains fire prevention, protection and firefighting services in the City.

City Employment and Labor Relations

As of June 9, 2017 the City has 78 employees represented by unions in three collective bargaining units, excluding part-time seasonal employees. The union that represents approximately 21 police officers is the Fraternal Order of Police, whose contract expires December 31, 2018. The American Federation of State, County and Municipal Employees, whose contract expires December 31, 2018, represents approximately 26 public works employees. The union that represents approximately 12 firefighters is the International Association of Firefighters. Its contract expires December 31, 2015 (currently in Arbitration). The City also has approximately 21 non-represented employees.

Source: City Officials.

City Pension Plans

The City maintains three defined benefit pension plans. The first, the Employees' Pension Plan, covers 47 active employees of the City. Certain employees covered by this plan are represented by AFSCME Local 2643, others are unrepresented.

The second defined benefit pension plan, the Police Pension Plan, currently covers 21 active employees of the City. All participants in this plan with the exception of the Chief of Police and Assistant Chief of Police are represented by FOP Local 97.

The third, the Paid Firemen's Pension Plan, covers 12 active employees of the City. All participants in this plan with the exception of the Fire Chief are represented by IAFF Local 515.

The total contribution for all three plans for fiscal year 2016 was \$881,859. As of October 1, 2016 the City is current in its minimum municipal obligations.

The City also has created a defined contribution plan that covers any new employees in the FOP (1-1-2015) and AFSCME (1-1-2015) unions and also any non-represented employees (6-1-2014). The city is currently waiting for an arbitration award with the IAFF.

Sources: City Officials

Future Financing

As of the date of this Official Statement, the City anticipates issuing an additional 3 million in debt over the next year.

RIGHTS AND REMEDIES OF NOTEHOLDERS

Pursuant to the Debt Act, amounts deposited in a sinking fund (as defined in the Debt Act), and all investments thereof and proceeds of such investments, become subject to a security interest for holders of the Notes for which such sinking fund is established until such moneys or investments have been properly disbursed or sold. The Sinking Fund is such a sinking fund, established for the Notes.

The remedies available to registered owners upon any failure to pay principal or interest when due include those prescribed by the Debt Act. If such failure should continue for 30 days, any registered owner will (subject to certain priorities) have the right to bring suit for the amount due in the Court of Common Pleas for Crawford County, Pennsylvania. If the City defaults in the payment of principal or interest and such default continues for 30 days, or if the City fails to comply with any provision of the Notes or of the Ordinance, the registered owners of 25% in aggregate principal amount of the Notes may appoint a trustee to represent the registered owners. Such trustee may, and upon written request of the Registered Owners of 25% in aggregate principal amount of the Notes and being furnished with satisfactory indemnity must, take one or more of the following actions, which will preclude similar action by individual registered owners: (i) bring suit to enforce all rights of the registered owners, (ii) bring suit on the Notes, (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all taxable real estate and other property subject to ad valorem taxation in the City (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes), and (iv) by suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the registered owners all as set forth more fully in the Debt Act.

Enforcement of a claim for payment of principal of or interest on the Notes may be subject to the provisions of the federal bankruptcy laws and to the provisions of other statutes enacted by the Congress or the General Assembly of the Commonwealth of Pennsylvania and judicial decisions by courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

MUNICIPAL NOTE INSURANCE

Note Insurance Policy

Concurrently with the issuance of the Notes, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Note Insurance Policy for the Notes (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Notes when due as set forth in the form of the Policy included as Appendix C to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of Notes insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 26, 2017, S&P issued a research update report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 14, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Capitalization of AGM

At March 31, 2017:

- The policyholders' surplus of AGM was approximately \$2,204 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,263 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,349 million. Such amount includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of Assured Guaranty (Europe) Ltd. were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed by AGL with the SEC on February 24, 2017); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (filed by AGL with the SEC on May 5, 2017).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Notes shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "MUNICIPAL NOTE INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Notes or the advisability of investing in the Notes. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "MUNICIPAL NOTE INSURANCE".

NO LITIGATION CERTIFICATE

The City will deliver a certificate at closing on the Notes, certifying that, other than as set forth herein under "LEGAL MATTERS", no legal proceedings are pending which may affect the City's ability to perform its obligation to the holders of the Notes and that no litigation is now pending to restrain or enjoin the sale, execution, issuance or delivery of the Notes, or in any way contesting the validity of the Notes or the proceedings of the City taken with respect to the authorization, sale or issuance of the Notes, or the pledge or application of any money, investment income or securities provided for the payment or issuance of the Notes. See "LEGAL MATTERS" herein.

TAX MATTERS

Pennsylvania Tax Exemption

In the opinion of Note Counsel, under existing law, the Notes are exempt from Pennsylvania personal property taxes and the interest on the Notes are exempt from Pennsylvania personal income tax and corporate net income tax.

Federal Tax Exemption

As of the date of closing, Note Counsel will issue an opinion to the effect that under existing law, the interest on the Series B Notes (including any original issue discount properly allocable to the owner of a Series B Note) is excluded from gross income for federal income tax purposes. Furthermore, interest on the Series B Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on such corporations. For the purpose of rendering the opinion set forth in this paragraph, Note Counsel has assumed compliance by the City with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Series B Notes in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Series B Notes to be included in gross income retroactive to the date of issuance of the Series B Notes. Note Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Original Issue Discount

In the opinion of Note Counsel, under existing law, the original issue discount in the selling price of any Series B Note sold at an original issue discount (an "OID Note"), to the extent properly allocable to each owner of such OID Note, is excluded from gross income for federal income tax purposes with respect to such holder. The original issue discount is the excess of the stated redemption price or principal due at maturity of such OID Note over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such OID Notes were sold.

Under Section 1288 of the Code, original issue discount on tax-exempt Series B Notes accrues on a compound basis. The amount of original issue discount that accrues to an owner of an OID Note during any accrual period generally equals (i) the issue price of such OID Note plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such OID Note (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Note during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes and will increase the owner's tax basis in such OID Note. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Note would be treated as gain from the sale or exchange of such OID Note. Owners of OID Notes should consult their tax advisors as to the determination for federal income tax purposes of original issue discount accrued or accreted upon purchase, sale or redemption of such OID Notes.

Original Issue Premium

An amount equal to the excess of the purchase price of the Notes over its stated redemption price or principal due at maturity constitutes a premium on such Notes. Those maturities of the Notes sold at such a premium are referred to herein as "OIP Notes." A purchaser of an OIP Note must amortize any premium over such OIP Note's term using constant yield principles, based on the OIP Note's yield to maturity. As premium is amortized, the purchaser's basis in such OIP Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such OIP Note prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Note at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors

with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Notes.

Other Tax Matters

Except as expressly stated above, Note Counsel will express no opinion regarding any other state or federal income tax consequences of acquiring, carrying, owning or disposing of the Notes. Owners of the Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Notes, which may include original issue discount, original issue premium, purchase at a market discount or premium, taxation upon sale, redemption or other disposition and various withholding requirements and which may apply to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Notes.

Information Reporting

Prospective purchasers should be aware that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. This reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations. The Paying Agent on behalf of the City will report annually (or more frequently if required) to owners of record and to the Internal Revenue Service in respect of interest paid on the Notes.

Backup Withholding

Payments of interest on the Notes may under certain circumstances, be subject to "backup withholding" at a rate equal to the fourth lowest rate of tax applicable under Section 1(c) of the Code, the rates applicable to unmarried individuals (currently at 31%). This withholding generally applies if the owner (i) fails to furnish the Paying Agent such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes to the Paying Agent an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the Paying Agent or such owner's securities broker with a certified statement, signed under penalties of perjury, that the TIN is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Notes should consult their own tax advisors as to their qualification for exemption for backup withholding and the procedures for obtaining the exemption."

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL TAX LAW WHICH MAY HAVE AN EFFECT OF INDIVIDUALS AND CORPORATIONS HOLDING THE NOTES OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE EFFECT OF HOLDING THE NOTES OR RECEIVING INTEREST THEREON ON THEIR AFFAIRS, INCLUDING, BUT NOT LIMITED TO, THE EFFECT OF STATE AND LOCAL TAX LAWS.

LEGAL MATTERS

Pending Legal Proceedings

At closing, the Solicitor will certify that there is presently no pending litigation which would materially and adversely affect the validity of the Notes or which question the proceedings for issuance of the same.

Negotiability

The Notes are investment securities under Article 8 of the Pennsylvania Uniform Commercial Code and are negotiable instruments to the extent provided therein.

Legal Opinions

The issuance and delivery of the Notes are subject to the approving legal opinion of Law Offices of Bruce E. Dice & Associates P.C., Pittsburgh, Pennsylvania, Note Counsel. Certain legal matters will be passed upon by Shafer Law Firm, Meadville, Pennsylvania, Solicitor to the City.

Note Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Note Counsel as of the date thereof. Note Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Note Counsel's attention, or to reflect any changes in law that may thereafter occur become effective. Moreover, Note Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Note Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

APPROVALS

Prior to settlement of the Notes, approval for the City to issue the Notes and incur the non-electoral indebtedness evidenced thereby will have been obtained from the Department of Community and Economic Development of the Commonwealth of Pennsylvania pursuant to the Debt Act.

LEGAL INVESTMENT STATUS

Under the Probate, Estate and Fiduciaries Code of the Commonwealth of Pennsylvania (the "Fiduciaries Code"), the Notes are legal investments for fiduciaries and personal representatives (as defined in the Fiduciaries Code) in the Commonwealth of Pennsylvania.

NEGOTIABILITY

Under the Debt Act, subject to the provisions for registration contained in the Notes and in the Ordinance, which are outlined herein, the Notes have all the qualities of negotiable instruments under the Uniform Commercial Code of the Commonwealth of Pennsylvania relating to negotiable instruments.

RATING

S&P Global Ratings is expected to assign its rating of "AA" (Stable outlook) to the Notes, with the understanding that, upon delivery of the Notes, a municipal Note insurance policy will be issued by AGM insuring the payment, when due, of the principal of and interest on the Notes. S&P Global Ratings has also assigned an underlying rating of "A+/Stable" to the Notes. An explanation of the significance of such rating may be obtained only from the rating agency furnishing the same. There is no assurance that any such rating will be in effect for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Notes.

UNDERWRITING

Boenning & Scattergood Inc., (the "Underwriter") has agreed, subject to certain conditions, to purchase the Notes from the City at a purchase price of \$12,740,084.35 (consisting of the par amount of the Notes of \$13,005,000, less an Underwriter's Discount of \$110,542.50 minus net Original Issue Discount of \$154,373.15). The Underwriter's obligation is subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Notes if any such Notes are purchased. The Notes may be offered and sold to certain dealers (including dealers depositing such Notes into investment trusts) at prices lower than the public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE UNDERTAKING

The City covenants to provide, pursuant to Rule 15c2-12(b) (the "Rule") promulgated by the Securities and Exchange Commission, for the benefit of the holders of the Notes certain financial and operating data on an annual basis in accordance herewith. Under the terms of the Rule, the City (being an "obligated person" within the meaning of the Rule) agrees:

(i) to provide at least annually to the Municipal Securities Rulemaking Board (the "MSRB"), the following annual financial information and operating data with respect to the City for each of its fiscal years, beginning with the fiscal year ending December 31, 2017, within 270 days following the end of such fiscal year:

- the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units and audited in accordance with generally accepted auditing standards;
- a summary of the current years budget

(ii) in a timely manner not in excess of ten business days after the occurrence of the event, to file with the MSRB, notice of the occurrence of any of the following events with respect to the Notes: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Notes, or other material events affecting the tax-exempt status of the Notes; (7) modifications to rights of holders of the Notes, if material; (8) Note calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(iii) to provide, in a timely manner, to the MSRB, notice of the failure of the City to provide the information set forth in subparagraph (i) above on or before the date specified above.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the City does not commit to provide any such notice of the occurrence of any events except those specifically listed above.

The City reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the City no longer remains an “obligated person” with respect to the Notes within the meaning of the Rule. The City acknowledges that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the holders or beneficial owners of the Notes and shall be enforceable by the holders or beneficial owners of such Notes; provided that the Noteholders’ right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement for the City’s obligations hereunder and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Notes.

The City may modify from time to time the specific types of information provided or the format of the presentation of such information, as a result of a change in legal requirements or change in the nature of the City; provided that any such modification will be done in a manner consistent with the Rule including amendments thereto and will not, in the opinion of nationally recognized Note counsel, violate the Rule, as amended.

Any filing under this Section may be made solely by transmitting such filing to the MSRB through its Electronic Municipal Market Access (EMMA) system for municipal securities disclosures.

COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS

The City has entered into prior undertakings to provide information pursuant to Continuing Disclosure Agreements for several outstanding Note issues. The requirements of the outstanding Note issues require the City to submit information annually, with the shortest submission period being 180 days following the close of each fiscal year of the City, which occurs on June 30th.

The City’s filing history of its annual financial statements, budget and operating data during the past five (5) years is outlined in the table below:

| Fiscal Year Ending | Filing Deadline⁽¹⁾ | Financial Statements | | Budget | | Operating Data | |
|---------------------------|--------------------------------------|-----------------------------|------------------------------|--------------------|------------------------------|-----------------------|------------------------------|
| | | Filing Date | EMMA ID⁽²⁾ | Filing Date | EMMA ID⁽²⁾ | Filing Date | EMMA ID⁽²⁾ |
| 12/31/2009 | 6/29/2010 | 09/24/2014 | EP664675 | Not Required | N/A | 09/22/2014 | EP664675 |
| 12/31/2010 | 6/29/2011 | 09/19/2014 | EP664121 | Not Required | N/A | 09/19/2014 | EP664126 |
| 12/31/2011 | 6/29/2012 | 05/02/2015 | EA586199 | Not Required | N/A | 09/19/2014 | EP664128 |
| 12/31/2012 | 6/29/2013 | 11/08/2013 | EP623915 | Not Required | N/A | 09/19/2014 | EP664130 |
| 12/31/2013 | 6/29/2014 | 10/01/2014 | EP665975 | Not Required | N/A | 09/19/2014 | EP664131 |
| 12/31/2014 | 6/29/2015 | 09/25/2015 | EP693497 | 09/24/2015 | ES597480 | 09/24/2015 | ES597825 |
| 12/31/2015 | 6/29/2016 | 01/22/2016 | ES782224 | 09/12/2016 | ES659877 | 09/27/2016 | ES664717 |
| 12/31/2016 | 6/29/2017 | Not available | Not available | 07/20/2017 | EP796827 | 06/23/2017 | ER834331 |

Notes

⁽¹⁾ For these purposes, assumes the shortest filing deadline of the City’s previous Continuing Disclosure Agreements

⁽²⁾ Submission ID is the EMMA Submission ID for each filing. To access a filing, insert the Submission ID to the end of the web address below:

<http://emma.msrb.org/ContinuingDisclosureView/ConsultingDisclosureDetails.aspx?submissionId~>

Some of the City's Note issues that have been outstanding during the past five (5) years have been insured by various Note insurance companies that have received rating downgrades and upgrades by S&P and/or Moody's. This information was publicly available from widely accepted information sources at the time of their respective downgrades or upgrades. For informational purposes, the City has uploaded a summary of these rating changes relating to certain Note insurance companies on May 4, 2015. During the past five (5) years, the City's underlying rating had various rating changes that were not uploaded to EMMA in a timely manner. For informational purposes, the City uploaded a summary of these rating changes on May 4, 2015.

As outlined in the table above, the City failed to provide certain annual financial information and operating data in a timely manner during the past five (5) years, however the City subsequently filed all the required annual financial information along with a "Failure to Provide" notice to the MSRB's Emma System on June 1, 2015 for its fiscal year ending December 31, 2014. The City will continue to adhere to procedures that were put in place to provide timely ongoing disclosure of annual financial information and notice of material events affecting its securities.

The City has engaged Digital Assurance Certification, LLC ("DAC") as its Dissemination Agent for the purpose of complying with Rule 15c2-12.

OTHER

The summaries and descriptions of the provisions of the Debt Act, the Notes, Security for the Notes, Rights and Remedies of Noteholders, Approvals, Tax Matters, and the other legal matters and procedures hereinbefore set forth are made subject to all the detailed provisions thereof, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions. Upon initial delivery of the Notes, the City and its Solicitor will certify that the Official Statement does not, to their knowledge, contain any untrue statement of a material fact or omit any statement of any material fact required to be stated therein, pertaining to the City or this Note Issue.

For the purpose of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, the Preliminary Official Statement in respect of the Notes is in a form deemed final by the City as of its date, but is subject to revision, amendment and completion in a final Official Statement.

CITY OF MEADVILLE

By: Leroy Stearns
Mayor

By: Rosemarie Martinez Groves
City Controller

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APPENDIX A

Summary of Financial Statements

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CITY OF MEADVILLE
BALANCE SHEET - GOVERNMENTAL FUNDS
FOR YEARS ENDING DECEMBER 31, 2011, 2012, 2013, 2014 AND 2015

| ASSETS | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------------|----------------------------|----------------------------|---------------------------|----------------------------|
| Cash and cash equivalents | \$ 7,840,425 | \$ 10,150,024 | \$ 7,598,506 | \$ 7,090,809 | \$ 9,049,529 |
| Due from other funds | 2,417,795 | 2,369,626 | 2,133,789 | 1,504,006 | 1,395,350 |
| Due from other governments | 931,570 | 524,570 | 470,619 | 643,922 | 636,424 |
| Notes receivable | 13,503,053 | 15,963,391 | 160,990 | 140,519 | 117,698 |
| Accounts receivable | 286,673 | 475,926 | 347,390 | 348,235 | 369,403 |
| Accrued interest receivable | 120,851 | 0 | 0 | 0 | 0 |
| Prepaid expenses/expenditures | 4,280 | 94,540 | 4,414 | 4,801 | 95,753 |
| TOTAL ASSETS | \$ 25,104,647 | \$ 29,578,077 | \$ 10,715,708 | \$ 9,732,292 | \$11,664,157 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Due to other governments | \$ 539,383 | \$ 1,124,520 | \$ 301,471 | \$ 358,974 | \$ 128,876 |
| Accounts payable | 180,931 | 276,098 | 232,470 | 233,491 | 286,317 |
| Accrued interest | 13,961 | 0 | 0 | 0 | 0 |
| Contracts payable | 0 | 0 | 0 | 0 | 0 |
| Accrued salaries and benefits | 69,475 | 70,004 | 96,832 | 109,064 | 121,176 |
| Unearned income | 0 | 0 | 0 | 129,808 | 0 |
| Due to other funds | 1,681,299 | 2,574,632 | 1,757,560 | 942,292 | 885,280 |
| TOTAL LIABILITIES | \$ 2,485,049 | \$ 4,045,254 | \$ 2,388,333 | \$ 1,773,629 | \$ 1,421,649 |
| FUND BALANCES | | | | | |
| Nonspendable | 7,078 | 94,540 | 4,414 | 4,801 | 95,573 |
| Assigned | 5,342,810 | 3,451,028 | 4,678,783 | 4,831,277 | 5,096,009 |
| Restricted for: | | | | 79 | 114,678 |
| Special Revenue Fund | 15,008,870 | 16,474,632 | 2,305,093 | 0 | 0 |
| Capital Projects Fund | 0 | 4,676,233 | 461,103 | 0 | 0 |
| Debt Service Fund | 1,420,972 | 0 | 0 | 0 | 0 |
| Committed | 0 | 0 | 0 | 2,101,395 | 3,590,250 |
| Unassigned | 839,865 | 836,390 | 877,982 | 1,021,111 | 1,345,818 |
| TOTAL FUND BALANCES | \$ 22,619,595 | \$ 25,532,823 | \$ 8,327,375 | \$ 7,958,663 | \$10,242,328 |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$25,104,644</u> | <u>\$29,578,077</u> | <u>\$10,715,718</u> | <u>\$9,732,292</u> | <u>\$11,664,157</u> |

Source: The City of Meadville Financial Statements for years ending December 31, 2011, 2012, 2013, 2014 and 2015

CITY OF MEADVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS
FOR YEARS ENDING DECEMBER 31, 2011, 2012, 2013, 2014 AND 2015

| REVENUES | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes and other | \$ 7,955,610 | \$ 8,336,567 | \$ 9,223,872 | \$ 9,430,275 | \$ 9,817,911 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 |
| Commonwealth of Pennsylvania | 1,569,282 | 664,440 | 724,849 | 754,796 | 962,624 |
| Federal Grant | 718,441 | 450,211 | 544,456 | 822,954 | 162,133 |
| TOTAL REVENUES | \$ 10,243,333 | \$ 9,451,218 | \$ 10,493,177 | \$ 11,008,025 | \$ 10,942,668 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | \$ 1,588,247 | \$ 1,832,179 | \$ 1,398,636 | \$ 1,266,306 | \$ 1,592,788 |
| Public safety | 3,735,879 | 3,802,400 | 4,113,998 | 4,236,847 | 4,306,447 |
| Sanitation | 646,755 | 663,777 | 670,645 | 671,677 | 799,021 |
| Highways and streets | 1,532,987 | 1,513,281 | 2,018,348 | 2,144,472 | 2,120,578 |
| Culture and recreation | 5,863 | 7,535 | 13,435 | 4,798 | 10,268 |
| Capital outlay | 2,111,681 | 1,832,179 | 1,852,685 | 1,218,609 | 1,649,524 |
| Debt service | | | | | |
| Principal | 1,765,000 | 1,880,000 | 2,615,000 | 2,935,000 | 1,875,000 |
| Interest and fiscal charges | 1,576,775 | 1,507,994 | 1,672,082 | 1,874,830 | 1,570,064 |
| TOTAL EXPENDITURES | \$ 12,963,187 | \$ 13,039,345 | \$ 14,354,829 | \$ 14,352,539 | \$ 13,923,690 |
| Revenues Over (Under) | | | | | |
| Expenditures | (2,719,854) | (6,543,556) | (3,861,652) | (3,344,514) | (2,981,022) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond proceeds | 0 | 5,682,765 | 121,050 | 108,925 | 2,095,714 |
| Capitalized interest | 0 | 0 | 0 | 0 | 0 |
| Transfer out to other governmental units | (353,875) | (196,640) | (249,705) | 2,863,041 | 0 |
| Transfers in from other governmental units | 1,355,512 | 4,211,075 | 2,157,923 | 0 | 2,677,883 |
| Sale of capital assets | 0 | 15,000 | 0 | 0 | 0 |
| Operating transfers in | 110,454 | 2,542,601 | 2,199,853 | 2,276,603 | 2,659,600 |
| Operating transfers out | (1,611,946) | (2,820,007) | (1,769,078) | (2,272,767) | (2,168,330) |
| TOTAL OTHER FINANCING SOURCES | \$ (499,855) | \$ 9,434,794 | \$ 2,460,043 | \$ 2,975,802 | \$ 5,264,867 |
| Excess (Deficiency) of Revenues | | | | | |
| Over (Under) Expenditures | (3,219,709) | 2,899,267 | (1,401,609) | (368,712) | 2,283,845 |
| Beginning Fund Balance | \$ 25,839,304 | \$ 22,633,556 | \$ 9,728,984 | \$ 8,327,375 | \$ 7,958,663 |
| Ending Fund Balance | \$ 22,619,595 | \$ 25,532,823 | \$ 8,327,375 | \$ 7,958,663 | \$ 10,242,508 |

Source: The City of Meadville Financial Statements for years ending December 31, 2011, 2012, 2013, 2014 and 2015

**CITY OF MEADVILLE
General Fund
Revenue Budget Summary
Projection Report 2016**

| Description | 2016 Actual Revenues | 2017 Budget |
|-----------------------------|-------------------------------------|------------------------|
| Begin Balance – Carry Over | \$1,293,077 | \$150,000 |
| Begin Balance – Restricted | 55,861 | 56,141 |
| Total Begin Balance | \$1,348,938 | \$206,141 |
| Revenues: | | |
| Taxes | \$4,966,551 | \$5,040,820 |
| Licenses & Permits | | |
| Fines & Forfeits | 57,045 | 58,575 |
| Interest & Rents | 234,281 | 238,200 |
| Grants & Gifts | 662,657 | 700,435 |
| Departmental Earnings | 2,796,558 | 2,808,098 |
| Other | 416,879 | 390,658 |
| Transfers In | <u>0</u> | <u>53,472</u> |
| Total Operating Revenues | \$9,258,466 | \$9,435,258 |
| Total Cash Available | <u>\$10,607,404</u> | <u>\$9,641,399</u> |
| Expenditures: | | |
| Police | \$2,715,465 | \$2,998,521 |
| Fire | 1,725,274 | 1,616,251 |
| Management & Development | 304,109 | 277,879 |
| Finance | 485,338 | 460,265 |
| Treasurer | 120,257 | 120,210 |
| City Clerk | 94,864 | 104,197 |
| City Council | 91,888 | 96,804 |
| City Solicitor | 134,034 | 96,200 |
| Public Works | 1,402,282 | 1,554,777 |
| General Government | <u>2,151,810</u> | <u>2,250,153</u> |
| Total Expenditures | \$9,225,321 | \$9,585,258 |
| Operating Rev Less Expenses | 33,145 | 0 |
| Fund Balance | <u>\$1,382,083</u> | <u>\$941,372</u> |

Source: City of Meadville Financials

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APPENDIX B

Description and Economics of the Area

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DESCRIPTION OF THE AREA

The City

Meadville, the largest city in Crawford County, was first settled in 1788. The city lies in northwestern Pennsylvania approximately 40 miles south of Lake Erie, 89 miles east of Cleveland, Ohio, 95 miles north of Pittsburgh and approximately 130 miles west of Buffalo, New York.

Interstate 79 and U.S. Routes 322, 19 and 6 run through or near the City of Meadville (the "City") and provide direct access to the cities of Erie, Pittsburgh and Cleveland. Air transportation is provided by Crawford County Regional Airport. Rail freight service is provided to all points through the Western New York and Pennsylvania Railroad which interchanges with the Norfolk Southern and Allegheny and Eastern Railroads.

Employment

The City has a varied employment base with no large percentage of the labor force relying on any particular industry. Within the City, most employment is provided in the fields of health care, insurance, education and in light manufacturing industries.

The principal employers within the City in 2017 are as follows:

| <u>Employer</u> | <u>Type of Business</u> | <u>Current Number of Employees</u> |
|----------------------------------|--|---|
| Meadville Medical Center | Hospital | 1,181 |
| Allegheny College | Higher Education | 1,320 |
| Wesbury | Retirement Community | 391 |
| C & J Industries | Light Industrial | 323 |
| Crawford Central School District | Public Education | 269 |
| Crawford County Courthouse | Government | 266 |
| Commonwealth of PA | Department of Environmental Protection | 251 |
| Channelock | Light Industrial | 248 |
| ARC of Crawford County, Inc. | Special Needs Assistance | 240 |
| PRISM Plastics LLC | Tool & Die | 147 |

Source: City Officials

Population Composition –2000 and 2010

| | <u>2000</u> | <u>2010</u> | <u>2000-2010 % Change</u> |
|-------------------|--------------------|--------------------|----------------------------------|
| City of Meadville | 13,685 | 13,388 | -2.17% |
| Crawford County | 91,292 | 88,765 | -2.77% |
| Pennsylvania | 12,281,054 | 12,702,379 | 3.43% |

Source: www.paworkstats.state.pa.us

Family and Household Income - 2010

| | <u>Household Income Median</u> | <u>Family Income Median</u> |
|-------------------|---------------------------------------|------------------------------------|
| City of Meadville | \$50,000 | \$39,406 |
| Crawford County | \$41,199 | \$53,752 |
| Pennsylvania | \$28,052 | \$63,283 |

Source: www.paworkstats.state.pa.us

Housing Units – 2010

| <u>Rent</u> | <u>Number</u> | <u>Owner Occupied Median Value</u> | <u>Renter Occupied Median</u> |
|-------------------|---------------|------------------------------------|-------------------------------|
| City of Meadville | 6,414 | \$95,100 | \$394 |
| Crawford County | 44,726 | \$103,700 | \$422 |
| Pennsylvania | 5,579,394 | \$164,800 | \$633 |

Source: www.paworkstats.state.pa.us

Population, Poverty and Education – 2010

| | <u>Population</u> | | <u>Poverty Level</u> | <u>Education 25 Years and Over</u> | | |
|-------------------|----------------------|--------------------------------|----------------------|------------------------------------|-----------------------------|-------------------------|
| | <u>Total Persons</u> | <u>Total Family Households</u> | <u>Persons Below</u> | <u>Families Below</u> | <u>High School Graduate</u> | <u>College Graduate</u> |
| City of Meadville | 13,388 | 2,838 | 27.8% | 23.7% | 24.9% | 12.9% |
| Crawford County | 88,765 | 34,965 | 12.8% | 8.7% | 37.8% | 38.0% |
| Pennsylvania | 12,702,379 | 3,208,388 | 11.0% | 7.8% | 30.7% | 44.7% |

Sources include: www.paworkstats.state.pa.us

Recent Trends in Labor Force, Employment and Unemployment*

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017⁽¹⁾</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|
| Crawford County | | | | | | | |
| Civilian Labor Force (000) | 42.9 | 43.1 | 42.9 | 41.1 | 41.1 | 41.0 | 41.3 |
| Employment (000) | 39.6 | 39.9 | 39.9 | 38.8 | 39.0 | 38.5 | 39.1 |
| Unemployment (000) | 3.4 | 3.3 | 3.1 | 2.4 | 2.1 | 2.5 | 2.2 |
| Unemployment Rate | 7.8% | 7.6% | 7.1% | 5.7% | 5.2% | 6.0% | 5.4% |
| Pennsylvania | | | | | | | |
| Civilian Labor Force (000) | 6,353.0 | 6,466.0 | 6,460.0 | 6,378.0 | 6,426.0 | 6,472.0 | 6,477.0 |
| Employment (000) | 5,854.0 | 5,954 | 5,982.0 | 6,009.0 | 6,085.0 | 6,120.0 | 6,141.0 |
| Unemployment (000) | 499.0 | 513.0 | 478.0 | 370.0 | 341.0 | 352.0 | 336.0 |
| Unemployment Rate | 7.9% | 7.9% | 7.4% | 5.8% | 5.3% | 5.4% | 5.2% |
| United States | | | | | | | |
| Civilian Labor Force (000) | 153,937 | 154,975 | 155,389 | 155,922 | 157,130 | N/A | 159,979 |
| Employment (000) | 140,614 | 142,469 | 143,929 | 146,305 | 148,834 | | 153,407 |
| Unemployment (000) | 13,323 | 12,506 | 11,460 | 9,616 | 8,296 | | 6,572 |
| Unemployment Rate | 8.7% | 8.1% | 7.4% | 6.2% | 5.3% | | 4.1% |

⁽¹⁾ As of May 2017

Source: PA Department of Labor & Industry Center for Workforce Information Analysis
<http://www.palmids.state.pa.us>

Real Estate Tax Collection Procedures

City property taxes are levied as of January 1 and billed on or about March 1 of each fiscal year. Taxes are payable at a 2% discount before the April tax date (on or about April 20) and at face before two months thereafter, after which, unpaid taxes become delinquent with an addition of a 10% penalty. Unpaid taxes are filed with the Crawford County Tax Claim Bureau in January of the next calendar year. According to past practice under applicable law, properties lienied for unpaid taxes may be sold at a treasurer's sale, only after the taxes are delinquent for two years.

County property taxes are levied as of January 1 and billed by the City on or about March 1 of each year. Taxes are payable at a 3% discount before the April tax date (on or about April 20) and at face before two months thereafter, after which, unpaid taxes become delinquent, with an addition of a 10% penalty. Unpaid taxes are filed with the Crawford County Tax Claim Bureau in January.

School property taxes, based upon a fiscal year of July 1 through June 30, are levied as of January 1 and billed by the City in early August of each year. Taxes are payable at a 2% discount within thirty days of mailing and at face within sixty days thereafter, after which unpaid taxes become delinquent, with an addition of a 10% penalty. Unpaid taxes are filed with the Crawford County Tax Claim Bureau in January.

TEN LARGEST REAL ESTATE TAXPAYERS

The City's ten largest real property taxpayers together with the 2017 assessed valuation of their taxable property located within the City are shown below.

| <u>Property</u> | <u>Type of Business</u> | <u>Assessed Valuation</u> |
|--|-------------------------|---------------------------|
| Redevelopment Authority | Government Authority | \$3,201,445 |
| Wesbury United Methodist Community | Senior Care Housing | 3,155,669 |
| Travaglini Enterprises Inc. | Property Management | 2,000,700 |
| Tri County Developers | Retail Stores | 1,949,918 |
| Vantage Real Estate Investment Co. | Real Estate Investments | 1,768,541 |
| Meadville Medical Center | Medical/Hospital | 1,312,414 |
| Liberty Street Medical Arts Condo | Medical | 1,298,900 |
| Crawford Central School District | Public School District | 1,190,019 |
| Meadville Housing Corporation | Housing-Government | 1,100,769 |
| City of Meadville | Local Government | 936,508 |
| Total | | \$17,914,883 |
| 2017 Taxable Assessment (does not include TIF) | | \$3,453,258 |
| % of City's Fiscal 2017 Total Assessed Value | | 19.42% |

Source: City Officials.

TREND IN ASSESSED VALUATION

The assessed valuation and market values in the City for the last nine years are shown below:

| <u>Year</u> | <u>Market Value</u> | <u>Assessed Valuation</u> | <u>Percentage</u> |
|-------------|---------------------|---------------------------|-------------------|
| 2008 | 333,194,000 | 159,350,194 | 47.83% |
| 2009 | 342,311,000 | 164,604,374 | 48.09% |
| 2010 | 352,722,801 | 160,000,155 | 45.36% |
| 2011 | 354,924,896 | 162,831,685 | 45.88% |
| 2012 | 350,309,239 | 157,884,938 | 45.07% |
| 2013 | 348,066,653 | 156,926,669 | 45.09% |
| 2014 | 352,056,620 | 156,795,065 | 44.54% |
| 2015 | 352,532,765 | 156,981,934 | 44.53% |
| 2016 | 361,528,923 | 157,004,120 | 43.43% |

Sources: www.steb.state.pa.us

CITY OF MEADVILLE ASSESSMENT BY LAND USE

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Residential | \$103,799,697 | \$102,913,202 | \$102,646,147 | \$102,557,432 | \$102,755,551 |
| Lots | 3,169,890 | 3,134,919 | 3,110,992 | 3,134,157 | 3,234,279 |
| Industrial | 9,011,357 | 9,011,357 | 9,011,357 | 8,969,831 | 8,770,751 |
| Commercial | 41,782,547 | 41,801,566 | 41,868,619 | 42,151,577 | 42,093,366 |
| Agriculture | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 |
| Land | 54,319 | 54,319 | 140,845 | 140,845 | 140,845 |
| Mineral | 0 | 0 | 0 | 0 | 0 |
| Trailers | 62,428 | 6,606 | 12,405 | 23,392 | 4,628 |
| TOTAL | \$157,884,938 | \$156,926,669 | \$156,795,065 | \$156,981,934 | \$157,004,120 |

**COMPARISON OF REAL ESTATE ASSESSED VALUATION
MILLAGE AND TAX COLLECTIONS**

| Year- End Dec. 31 | Assessed Valuation | Millage | Adjusted Levy | Current Collections Amount ⁽¹⁾ | Percent Current Collections to Current Levy | Prior | Total Collections Amount ⁽²⁾ | Percent Current & Delinquent Collections to Current Levy |
|----------------------------------|-------------------------------|----------------|--------------------------|--|--|--------------|--|---|
| 2002 | \$158,273,210 | 17.32 | \$2,741,292 | \$2,549,656 | 93.01% | 158,261 | \$2,707,917 | 98.78% |
| 2003 | 157,967,010 | 18.75 | 2,961,888 | 2,771,593 | 93.58% | 157,618 | 2,929,211 | 98.90% |
| 2004 | 159,224,715 | 18.75 | 2,985,469 | 2,790,761 | 93.48% | 163,393 | 2,954,154 | 98.95% |
| 2005 | 161,475,355 | 18.12 | 2,974,472 | 2,769,580 | 93.11% | 198,122 | 2,967,702 | 99.77% |
| 2006 | 160,814,971 | 19.42 | 3,123,027 | 2,897,808 | 92.79% | 179,210 | 3,077,018 | 98.53% |
| 2007 | 160,897,832 | 19.42 | 3,124,638 | 2,908,768 | 93.09% | 215,209 | 3,123,977 | 99.98% |
| 2008 | 159,317,560 | 19.42 | 3,093,948 | 2,864,616 | 92.59% | 172,879 | 3,037,495 | 98.18% |
| 2009 | 160,817,498 | 20.92 | 3,364,302 | 3,042,481 | 90.43% | 213,800 | 3,256,276 | 96.79% |
| 2010 | 157,910,856 | 20.92 | 3,303,495 | 3,030,499 | 91.74% | 207,818 | 3,238,317 | 98.03% |
| 2011 | 157,653,209 | 20.92 | 3,298,105 | 3,014,618 | 91.40% | 236,680 | 3,251,298 | 98.58% |
| 2012 | 157,333,511 | 20.92 | 3,291,417 | 3,056,565 | 92.86% | 251,089 | 3,307,654 | 100.49% |
| 2013 | 156,155,710 | 20.42 | 3,188,700 | 3,004,698 | 94.23% | 279,935 | 3,284,633 | 103.01% |
| 2014 | 156,444,407 | 20.42 | 3,195,804 | 2,993,312 | 93.66% | 258,013 | 3,251,325 | 101.74% |
| 2015 | 156,317,599 | 21.92 | 3,392,626 | 3,242,600 | 95.58% | 279,564 | 3,522,164 | 108.62% |
| 2016 | 156,102,018 | 21.92 | 3,389,283 | 3,196,772 | 94.32% | 261,582 | 3,458,354 | 108.18% |

⁽¹⁾ Includes discounts allowed and penalties and interest collected through May 1 of the following year.

⁽²⁾ Includes prior years' lien taxes collected.

Source: City Officials.

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APPENDIX C

Specimen of Municipal Note Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100