

ORDINANCE NO. 12

First Reading: November 21, 1980
 Second Reading: November 28, 1980
 Enacted: November 28, 1980

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE COUNTY OF LACKAWANNA FOR THE PURPOSE OF PROVIDING FUNDS FOR A PROJECT CONSISTING OF FUNDING UNFUNDED DEBT OF THE COUNTY AND OF PROVIDING FOR CERTAIN CAPITAL IMPROVEMENTS: DETERMINING THE AMOUNT OF DEBT TO BE INCURRED IN RESPECT OF SAID PROJECT AS \$3,290,000; PROVIDING FOR THE EVIDENCING OF SUCH DEBT IN RESPECT OF SUCH PROJECT BY GENERAL OBLIGATION BONDS; DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 1980, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$3,290,000; DECLARING THE REALISTIC ESTIMATED LIFE OF SAID PROJECT; AUTHORIZING and DIRECTING THE PREPARATION, CERTIFICATION AND FILING WITH THE DEPARTMENT OF COMMUNITY AFFAIRS OF THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE REQUIRED BY SECTION 410 OF THE LOCAL GOVERNMENT UNIT DEBT ACT; PROVIDING FOR THE DATE, DESIGNATION, DENOMINATION, REGISTRATION, PLACE OF PAYMENT, NUMBERS, MATURITY AMOUNTS AND DATES, RATES OF INTEREST AND OTHER TERMS IN RESPECT OF SAID BONDS; ADOPTING A FORM OF BOND AND COUPON: AUTHORIZING THE PROPER OFFICERS TO EXECUTE AND THE FISCAL AGENT TO AUTHENTICATE SAID BONDS: ESTABLISHING REDEMPTION FEATURES: ASSUMING AND AGREEING TO PAY CERTAIN TAXES IF AND AS LEVIED ON THE PRINCIPAL OR INTEREST OF SAID BONDS: COVENANTING TO PAY THE DEBT SERVICE ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY FOR THE PAYMENT THEREOF; ESTABLISHING A SINKING FUND IN RESPECT OF SUCH BONDS; PROVIDING FOR A SINKING FUND DEPOSITARY, REGISTRAR, PAYING AGENT AND FISCAL AGENT; RESTRICTING INVESTMENT OF THE PROCEEDS OF SAID BONDS; ACCEPTING THE PROPOSAL OF FELKINGS & Co. FOR THE PURCHASE OF THE BONDS, REPEALING INCONSISTENT ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE OF SUCH ORDINANCE; AND SETTING FORTH THE FORM OF BOND, COUPON AND CERTIFICATE OF AUTHENTICATION AND DEBT SERVICE SCHEDULE.

WHEREAS, the Board of County Commissioners (the "Board") of the County of Lackawanna (the "County") deems it in the best interest of the County that the County undertake a project (the "Project") consisting of funding the unfunded debt of the County and funding a portion of the County's Capital Budget for 1981 including certain capital improvements, and the purchase of office equipment and vehicles, as set forth in Schedule "A" attached herein; and

WHEREAS, the Board filed a petition in the Court of Common Pleas of Lackawanna County, No. 954, 1980 Term requesting permission to fund a portion of the unfunded debt of the County in the amount of \$2,563,000 plus the costs of issuance of the Bonds for a total of \$2,675,000; and

WHEREAS, by Order dated October 24, 1980, the Court of Common Pleas approved the Petition of the Board and granted authority to fund the County's unfunded debt by the issuance of general obligation bonds in the aggregate principal amount of \$2,675,000 maturing at the times and in the amounts specified in said order; and

WHEREAS, in accordance with the Debt Act, the Board intends to adopt a capital budget based on realistic estimates obtained from registered architects, engineers, or other persons qualified by experience, of the cost of the capital improvements stated therein, has reviewed such estimates and has determined that the total estimated cost of that portion of the Project to be provided by the County is \$615,000;

WHEREAS, the Board proposes to undertake a financing in respect of the Project in accordance with the Local Government Unit Debt Act (the "Debt Act"), being No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, as amended and reenacted by Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania; and

WHEREAS, in accordance with the Debt Act, the Board has determined that the total estimated cost of the Project is \$3,290,000;

NOW, THEREFORE, the Board of County Commissioners of the County of Lackawanna, Pennsylvania, hereby ORDAINS and ENACTS that:

Section 1. The description of the Project set forth in the recitals hereto is hereby incorporated by reference and is hereby approved as if here recited at length. The Board hereby designates the Project as a project for the financing of which it desires to incur debt of the County and hereby declares the realistic estimated useful life of the capital budget portions of the Project to be thirty years.

Section 2. For the purpose of providing funds for and toward the payment of the costs (as such term is used in the Debt Act) of the Project, the incurring of \$3,290,000 of non electoral debt by the County is hereby authorized. Such debt shall be evidenced by the issuance of general obligation bonds of the County in the aggregate principal amount of \$3,290,000 (the Bonds), all of such Bonds to be sold and delivered as hereinafter provided.

Section 3. The County Controller and the Administrative Director, or any duly appointed successor to either thereof, as the case may be, are hereby authorized and directed to prepare, certify and file with the Department of Community Affairs, in accordance with the Debt Act, a certified copy of the debt statement required by Section 410 of said Act, and the County Controller and the Administrative Director, or, in the alternative, an independent certified public accountant, are hereby authorized and directed to prepare and execute a certificate stating the County's borrowing base, as such term is defined in the Debt Act, for submission to the Department of Community Affairs.

Section 4. The Bonds shall be designated as the County's "General Obligation Bonds, Series of 1980," shall be issued in the denomination of \$5000 each, shall be in coupon form, registrable as to principal only, shall be dated as of the date of issue, and shall bear interest from such date, payable at the principal corporate trust office of the Paying Agent (as determined by Section 12 hereof) on June 1 and December 1 in each year, commencing June 1, 1981, at the rate or rates of interest specified in Section 5 hereof.

Section 5. The Bonds shall be numbered, shall mature on December 1 of the years and in the amounts and shall bear interest all as follows:

<u>LC inclusive</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Maturity Date December 1</u>
1-95	6.625%	\$475,000	1981
96-225	6.875%	650,000	1982
226-362	7.00%	685,000	1983
363-506	7.125%	720,000	1984
507-658	7.375%	760,000	1985

Section 6. The form of Bonds and of the coupons shall be substantially as provided by Section 17 hereof. The Bonds shall be executed by the facsimile signature of the Chairman of the Board of County Commissioners, the County Controller, and the County Treasurer, and shall have a facsimile of the corporate seal of the County of Lackawanna printed thereon, duly attested by the Administrative Director (or any duly appointed successor for such purposes) of the Board of County Commissioners. The Bonds shall be manually authenticated by the Fiscal Agent provided by Section 11 hereof. The Chairman and the Administrative Director are further authorized and directed to deliver the Bonds to the Purchaser of the Bonds upon the terms and conditions hereinafter provided for such delivery and to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issuance and sale of the Bonds, all in accordance with this Ordinance and the Debt Act.

Section 7. The Bonds shall be subject to redemption prior to maturity at the principal amount thereof, plus interest accrued to the redemption date, at the option of the Board of County Commissioners, as a whole on December 1, 1983, or on any date thereafter, or in part, by lot, on December 1, 1983, or on any interest payment date thereafter.

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Any redemption under the preceding provisions shall be made upon notice of redemption published once a week for two successive weeks (the first publication to be at least thirty days before the redemption date) in a newspaper of general circulation within the County. If the Board shall have duly published notice of redemption and shall have provided funds for the payment of the principal of the Bonds so called for redemption, interest on such Bonds shall cease to accrue after said redemption date.

When a notice of redemption is first published as provided above, the County shall mail a similar notice at least 30 days prior to the redemption date to all registered owners of Bonds to be redeemed at their registered addresses, to any holders of unregistered Bonds who have filed their names and addresses with the Paying Agent for the purpose of receiving such notices, and also to Standard and Poor's Corporation, Moody's Investors Service and The Daily Bond Buyer, or their respective successors, if any, but failure to mail any such notice or any defect in the mailed notice or in the mailing thereof shall not affect the validity of the redemption. Such notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use) but shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in the notice and that reliance may be placed only on the identification numbers printed on the Bonds prefixed "LC".

Section 8. The principal of and interest on the Bonds shall be payable without deduction of, and the County assumes and agrees to pay, any tax which the County or the Treasurer thereof may be required to pay thereon or retain therefrom under or by virtue of any present or future law of the Commonwealth of Pennsylvania, except gift, succession or inheritance taxes.

Section 9. The County hereby covenants with the holders from time to time of the Bonds and coupons outstanding pursuant to this Ordinance that it (i) shall include the amount of the debt service as specified in the Debt Service Schedule contained in Section 17 hereof, the amounts stated therein being hereby incorporated in this covenant by reference, and any taxes payable pursuant to Section 8 hereof on said Bonds for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amount from its general revenues for the payment of such debt service and taxes covenanted to be paid and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established pursuant to Section 10 hereof, or any other of its revenues or funds, the principal of every Bond and the interest thereon at the dates and places and in the manner stated therein and coupons thereto appertaining, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment the County does hereby pledge its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant shall be specifically enforceable.

Section 10. There is hereby established a Sinking Fund to be known as "Sinking Fund, County of Lackawanna General Obligation Bonds, Series of 1980, into which the County covenants to deposit and into which the Treasurer is hereby authorized and directed to deposit, on or before each June 1 and December 1 in the years 1981 through 1985, inclusive (each of such dates being hereinafter called a "Payment Date") an amount sufficient to pay the (i) interest due on Bonds on that Payment Date, and (ii) the principal of any Bonds maturing on that Payment Date and not previously redeemed.

All sums in the Sinking Fund shall be applied exclusively to the payment of said principal and interest covenanted to be paid by Section 9 hereof and the taxes covenanted to be paid by Section 8 hereof on the Bonds as the same shall from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the sinking fund, such balance to be applied in reduction of future required deposits or to the redemption of Bonds before maturity as provided in Section 7 hereof, subject, however, to withdrawal for investment or deposit at interest as authorized by law, which investments or deposits and interest thereon shall be held exclusively for the purposes of the Sinking Fund aforesaid. Said Sinking Fund shall be kept in a separate account at the principal corporate trust office of the Sinking Fund Depository provided for in Section 11 hereof, until such time as the Board by Resolution shall provide for a similar

separate account in another Pennsylvania bank or bank and trust company. The said Sinking Fund Depository, without further authorization than as herein contained, shall pay from the moneys in the Sinking Fund, the interest on and the principal of the Bonds, and the taxes covenanted to be paid thereon, if any, as and when the same shall become due.

Section 11. The Administrative Director is hereby authorized and directed to contract with First State Bank for its services as sinking fund depository (the "sinking Fund Depository"), registrar (the "Registrar"), paying agent (the "Paying Agent") and fiscal agent (the "Fiscal Agent") said Bank being appointed to such positions in respect of the County's Obligation Bonds, Series of 1980.

Section 12. The County hereby covenants with the holder from time to time of the Bonds that it will make no use of the proceeds of the Bonds which, if such use had been reasonably expected on the date of issue of such Bonds, would have caused such Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954 and the regulations thereunder and that it will comply with the requirements of said Section and the regulations throughout the term of the Bonds.

Neither the Treasurer nor any other official of the County shall make any investment inconsistent with the foregoing covenants.

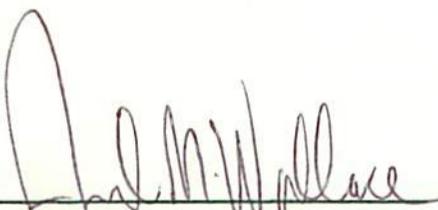
Section 13. The Bonds shall be sold at negotiated sale upon receipt of an acceptable proposal for the purchase thereof, which proposal for the purchase thereof, which proposal shall be in compliance with provisions of the Debt Act.

Section 14. The proposal, presented to the Board at a public meeting on the date of this Ordinance, of Elkins & Co. (the "Purchaser"), such proposal being dated such date and being in conformity with the requirement of Section 13 of this Ordinance for the purchase at negotiated sale of the County's \$3,290,000 General Obligation Bonds, Series of 1980 at a price of \$3,240,650 is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Administrative Director is hereby directed to notify the Purchaser of such action and to file a copy of said proposal with the records of the County. The officers of the County are hereby authorized to deliver the Bonds to the Purchaser upon receipt of the aforesaid purchase price and upon compliance with all conditions precedent to such delivery required by the Debt Act, this Ordinance and said proposal.

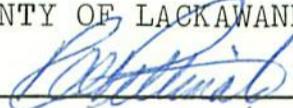
Section 15. All prior ordinances or parts thereof inconsistent herewith are hereby repealed.

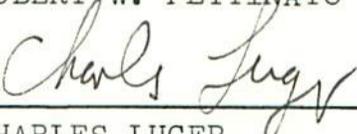
Section 16. This Ordinance shall become effective 10 days after enactment thereof.

Section 17. The respective forms of the Bond, and the interest coupon appertaining thereto, the Fiscal Agent's Certificate of Authentication and the Debt Service Schedule shall be substantially as follows, the terms and conditions set forth in such forms being hereby incorporated by reference and adopted as if fully recited at length herein and said forms are hereby approved.


 ADMINISTRATIVE DIRECTOR
 ANDREW M. WALLACE

COUNTY OF LACKAWANNA


 ROBERT W. PETTINATO


 CHARLES LUGER


 CHESTER LASOTA