

ORDINANCE NO. 22

First Reading: May 24, 1983

Finally Enacted June 8, 1983

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE COUNTY OF LACKAWANNA FOR THE PURPOSE OF PROVIDING FUNDS FOR A PROJECT CONSISTING OF RENOVATION OF AND IMPROVEMENTS TO THE MILL STREET BRIDGE IN DUNMORE, LACKAWANNA COUNTY; DETERMINING THE AMOUNT OF DEBT TO BE INCURRED IN RESPECT OF SAID PROJECT AS \$250,000; PROVIDING FOR THE EVIDENCING OF SUCH DEBT IN RESPECT OF SUCH PROJECT BY A GENERAL OBLIGATION NOTE; DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 1983, IN THE PRINCIPAL AMOUNT OF \$250,000; 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 REQUIRED BY SECTION 410 OF THE LOCAL GOVERNMENT UNIT DEBT ACT, THE COUNTY'S BORROWING BASE CERTIFICATE; PROVIDING FOR THE DATE, DESIGNATION, DENOMINATION, REGISTRATION, PLACE OF PAYMENT, MATURITY AMOUNT AND DATE, RATE OF INTEREST AND OTHER TERMS IN RESPECT OF SAID NOTE; ADOPTING A FORM OF NOTE; AUTHORIZING THE PROPER OFFICERS TO EXECUTE SAID NOTE; AUTHORIZING PAYMENT OF COSTS LISTED IN A CLOSING STATEMENT; ESTABLISHING REDEMPTION FEATURES; ASSUMING AND AGREEING TO PAY CERTAIN TAXES IF AND AS LEVIED ON THE PRINCIPAL OR INTEREST OF SAID NOTE; COVENANTING TO PAY THE DEBT SERVICE ON THE NOTE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY FOR THE PAYMENT THEREOF; ESTABLISHING SINKING FUNDS IN RESPECT OF SUCH NOTE; PROVIDING FOR A SINKING FUND DEPOSITARY, REGISTRAR, FISCAL AGENT AND PAYING AGENT; RESTRICTING INVESTMENT OF THE PROCEEDS OF SAID NOTE; FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST INTEREST OF THE COUNTY' ACCEPTING A PROPOSAL FOR THE PURCH SE OF THE NOTE; SETTING FORTH THE FORM OF NOTE, FISCAL AGENT'S CERTIFCATE OF AUTHENTICATION, AND DEBT SERVICE SCHEDULE; AND REPEALING INCON-SISTENT ORDINANCES.

WHEREAS, the Board of County Commissioners 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 the renovation and improvement of the Mill Street Bridge in Dunmore, Lackawanna County; and

WHEREAS, the Board of County Commissioners proposes to undertake a financing in respect of the Project in accordance with the Local Government Unit Debt Act (the "Debt Act"), being Act 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 of County Commissioners has determined that the total estimated cost of the Project is \$_____; and

WHEREAS, the financing of the Project will require a borrowing of \$250,000, such calculation and costs being more full set forth in the Schedule of Estimated Project Costs contained in Section 18 hereof;

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 of County Commissioners hereby designates the Project as a project for the financing of which it desires to incur debt of the County.

SECTION 2: The useful life of the Project is hereby declared to be 40 years.

SECTION 3. 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 \$250,000 of non-electoral debt by the County is hereby authorized. Such debt shall be evidenced by the issuance of a general obligation note of the County in the aggregate principal amount of \$250,000, such note to be sold and delivered as hereinafter provided.

SECTION 4. The County Controller and the Administrative Director of the County, or any duly appointed successor, 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 5. The Note shall be designated as the County's "General Obligation Note, Series of 1983," shall be issued in the denomination of \$250,000, shall be in fully registered form, shall be dated the date of issue, and shall bear interest from such date, payable at the principal corporate trust office of the Paying Agent on the 15th day of each month, commencing July 15, 1983, at the rate of interest specified in Section 6 hereof.

SECTION 6. The Note shall be payable in five annual installments of \$50,000 each, payable on each July 15, commencing July 15, 1984, shall mature finally on July 15, 1988 and shall bear interest at the rate of 85% of the prime rate in effect from time to time at Northeastern Bank of Pennsylvania for its commercial customers such rate not to exceed 17%.

SECTION 7. The form of Note shall be substantially as provided by Section 18 hereof. The Note shall be executed by at least two Commissioners and shall have the corporate seal of the County of Lackawanna affixed thereto, duly attested by the Administrative Director (or any duly appointed successor for such purpose) of the Board of Commissioners. The Note shall be manually authenticated by the Fiscal Agent provided by Section 13 hereof. The Chairman of the Board of County Commissioners and the Administrative Director (or any duly appointed successor for such purpose) are further authorized and directed to deliver the Note to the purchaser of the Note 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 Note, all in accordance with this Ordinance and the Debt Act.

SECTION 8. The contents of the Closing Statement listing costs incurred with respect to the issuance of the Note and other Projects costs presented to this meeting are hereby approved and the Chairman of the Board of County Commissioners and any other Commissioner and the Administrative Director are hereby authorized to execute such Closing Statement, provided only that where the amounts on such Closing Statement are indicated as estimates, the actual payment made at Closing with respect to that item shall not exceed the estimated amount.

SECTION 9. The Note shall be subject to prepayment prior to maturity at the principal amount thereof, plus interest accrued to the prepayment date, at the option of the Board of County Commissioners in whole or in part at any time, as provided in the form of Note

which is set forth in Section 18 hereof, to which reference is made for a complete statement of applicable prepayment provisions.

SECTION 10. The principal of and interest on the Note shall be payable without deduction of, and the County assumes and agrees to pay, any tax or taxes 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 11. The County hereby covenants with the holders from time to time of the Note outstanding pursuant to this Ordinance that it (i) shall include the amount of the debt service (as specified, subject to appropriate adjustment in the event of the optional prepayment of the Note prior to maturity, in the Debt Service Schedule contained in Section 18 hereof, the amounts therein being hereby incorporated in this covenant by reference) and any taxes payable pursuant to Section 10 hereof on said Note 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 12 hereof, or any other of its revenues or funds, the principal of the Note and the interest thereon at the dates and places and in the manner stated therein, 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 12. There is hereby established a Sinking Fund to be known as "Sinking Fund, County of Lackawanna General Obligation Note, Series of 1983", into which the County covenants to deposit and into which the Treasurer is hereby authorized and directed to deposit, on or before the 15th day of each month commencing July 15, 1983 (each of such dates being hereinafter called a "Payment Date"), an amount sufficient to pay the principal and interest due on that Payment Date and to deposit, on or before each July 15, commencing July 15, 1984, an amount sufficient to pay the principal due on that date, all as provided in the Debt Service Schedule contained in Section 18 hereof. All sums in the Sinking Fund shall be applied exclusively to the payment of said principal and interest covenanted to be paid by Section 11 hereof and the taxes covenanted to be paid by Section 10 hereof on the Note as the same shall from time to time become due and payable and the balance of said money 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 prepayment of the Note before maturity as provided in Section 9 hereof subject, however, to withdrawal for investment or deposit at rates of 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 office of the Sinking Fund Depository provided for in Section 13 hereof, until such time as the Board of County Commissioners by Resolution shall provide for a similar separate account in another bank, trust company or bank and trust company located and lawfully conducting a banking or trust business in the Commonwealth of Pennsylvania. The said Sinking Fund Depository, without further authorization than is herein contained, shall pay from the moneys in the Sinking Fund the interest on and the principal of the Note and the taxes covenanted to be paid thereon, if any, as and when the same shall become due.

SECTION 13. The Administrative Director is hereby authorized and directed to contract with Northeastern Bank of Pennsylvania, Scranton, Pennsylvania for its services as sinking fund depository (the "Sinking Fund Depository"), registrar (the "Registrar"), said Bank being hereby appointed to such positions in respect of the County's General Obligation Note, Series of 1983.

SECTION 14. The County hereby covenants with the holders from time to time of the Note that it will make no use of the proceeds of the Note which, if such use had been reasonably expected on the date of issue of such Note, would have caused such Note to be an "arbitrage bond" 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 Note. Neither the Treasurer nor any other official of the County shall make any investment inconsistent with the foregoing covenants.

SECTION 15. The Board of County Commissioners hereby finds that a private sale of the Note by negotiation is in the best financial interest of the County. The Note shall be sold at negotiated sale upon receipt of an acceptable proposal for the purchase thereof, which proposal shall be in compliance with the provisions of the Debt Act.

SECTION 16. The proposal by Northeastern Bank of Pennsylvania (the "Purchaser"), has been presented to the Board of County Commissioners at a public meeting on the date of the first reading of this Ordinance. Such proposal, being dated such date and being in conformity with the requirement of Section 15 of this Ordinance for the purchase at negotiated sale of the County's \$250,000 General Obligation Note, Series of 1983, at a price of \$250,000, is hereby accepted and the Note is 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 Note 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, the Ordinance and said proposal.

SECTION 17. All prior ordinances or parts thereof inconsistent herewith are hereby repealed.

SECTION 18. The respective forms of the Note, the Fiscal Agent's Certificate of Authentication, the Debt Service Schedule and Schedule of Estimated Project Costs 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:

(FORM OF NOTE)

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF LACKAWANNA

GENERAL OBLIGATION NOTE, SERIES OF 1983

The County of Lackawanna, Pennsylvania (the "County"), for value received, promises to pay to the order of Northeastern Bank of Pennsylvania (the "Bank"), upon surrender hereof, on July 15, 1988, unless this Note shall have been previously called for prepayment, the principal sum of Two Hundred Fifty Thousand Dollars (\$250,000) and to pay interest thereon from the date hereof until maturity at the rate of 85% per annum of the Bank's prime rate in effect from time to time for its commercial customers, such rate not to exceed 17% as follows:

Interest only shall be paid monthly beginning on the fifteenth day of July, 1983 and on the fifteenth day of each month thereafter on such amount as shall be outstanding under this Note.

Principal shall be paid on July 15 of each year commencing July 15, 1984 in installments of \$50,000 each. On July 15, 1988 the entire amount of principal outstanding shall be payable in full together with the interest then due thereon at the aforementioned rate. Should this Note be presented for payment at maturity and payment not be made in accordance with the terms hereof, the principal sum hereof shall

thereafter (without prejudice to the right of the holder thereof to pursue any other remedy available at law or equity) bear interest until paid at the rate of interest hereinabove stated.

Principal and interest will be payable in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts at the principal corporate trust office of Northeastern Bank of Pennsylvania, Scranton, Pennsylvania, without deduct on of, and the County assumes and agrees to pay, any tax or taxes which the County or the Treasurer thereof may be required to pay thereon or retain therefrom under any present or future law of the Commonwealth of Pennsylvania except gift, succession or inheritance taxes.

The Note is one of a series, designated as the County's General Obligation Note, Series of 1983, which series has been approved by the Department of Community Affairs of the Commonwealth of Pennsylvania, in the principal amount of \$250,000 (the "Note") issued in accordance with the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, as amended and re-enacted by Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania, and by virtue of an Ordinance of the Board of County Commissioners of the County of Lackawanna duly enacted (the "Ordinance") and the sworn statement of the duly authorized officers of the County filed with the Department of Community Affairs.

The Note shall be subject to prepayment prior to maturity at the principal amount thereof, plus interest accrued to the prepayment date, at the option of the Board of County Commissioners in whole or in part at any time. Any prepayment shall be made only upon notice of prepayment mailed postage prepaid to the registered owner of the Note at least three (3) days prior to the prepayment date. If the Board of County Commissioners shall have duly mailed such notice of prepayment and shall have provided funds for the payment of the principal of the Note so called for prepayment and the interest thereon to the prepayment date, interest on the Note shall cease to accrue after said prepayment date.

It is hereby certified that all acts, conditions and things required to be done, happen or be performed precedent to and in the issuance of this Note or in the creation of the debt of which this is evidence, have been done, happened and been performed in regular and due form and manner as required by law, and that the debt represented by this Note together with all other debt of the County, is not in excess of any constitutional or statutory limitation, and for the prompt payment of all the obligations of this Note the full faith, credit and taxing power of the County of Lackawanna are hereby irrevocably pledged.

No transfer of this Note shall be valid unless made at the principal corporate trust office of Northeastern Bank of Pennsylvania, Scranton, Pennsylvania.

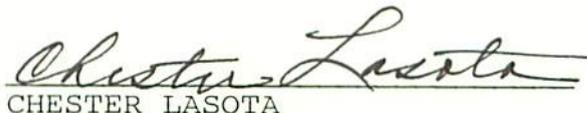
LACKAWANNA COUNTY:



CHARLES LUGER



ROBERT W. PETTINATO



CHESTER LASOTA

ATTEST:



ANDREW M. WALLACE
ADMINISTRATIVE DIRECTOR