

COUNTY OF LACKAWANNA, PENNSYLVANIA

ORDINANCE NO. #34

Enacted May 29, 1985

AUTHORIZING AND DIRECTING THE INCURRING OF NONELECTORAL DEBT OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA (THE "COUNTY") IN THE AMOUNT OF ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$1,950,00) THROUGH THE ISSUANCE OF GENERAL OBLIGATION NOTES, SERIES OF 1985, OF THE COUNTY IN SUCH AGGREGATE PRINCIPAL AMOUNT (THE "NOTES"), FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS (1) THE FOLLOWING CAPITAL PROJECTS: THE COUNTY'S SHARE OF A PROJECT CONSISTING OF THE EXTENSION OF THE RUNWAY AT THE WILKES BARRE/SCRANTON INTERNATIONAL AIRPORT, SUCH PROJECT HAVING BEEN UNDERTAKEN JOINTLY WITH THE COUNTY OF LUZERNE; CONSTRUCTION AND RENOVATION OF VARIOUS ROADS AND HIGHWAYS LOCATED IN LACKAWANNA COUNTY; INSTALLATION OF AIR CONDITIONING AT THE MID-VALLEY HOSPITAL, BLAKELY, LACKAWANNA COUNTY; THE MAKING OF RENOVATIONS AND IMPROVEMENTS TO A LIBRARY BUILDING OWNED BY THE COUNTY AND LOCATED IN SCRANTON, LACKAWANNA COUNTY; THE FINANCING OF THE UNFUNDED PORTION OF THE COUNTY'S CAPITAL BUDGET FOR THE YEAR, 1985, WHICH HAS BEEN SELECTED BY COUNTY ORDINANCE FOR CURRENT FUNDING: (2) THE PAYMENT OF INTEREST ON A PORTION OF SUCH NOTES TO ONE YEAR AFTER COMPLETION OF CONSTRUCTION ON THE SAID AIRPORT RUNWAY PROJECT: AND (3) THE PAYMENT OF THE COSTS AND EXPENSES RELATED TO THE ISSUANCE OF SUCH NOTES FIXING THE NUMBER, DATE, INTEREST RATES, MATURITIES, AND REDEMPTION FEATURES OF SUCH NOTES AND APPROVING THE FORM THEREOF; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO EXECUTE THE NOTES; COVENANTING TO PAY DEBT SERVICE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY FOR THE PAYMENT THEREOF; ESTABLISHING A SINKING FUND IN RESPECT OF THE NOTES AND APPROPRIATING PAYMENTS INTO SUCH SINKING FUND; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO CONTRACT WITH PENN SECURITY BANK & TRUST COMPANY FOR THE PURCHASE OF THE NOTES AT PRIVATE SALE AND AWARDED THE NOTES THERETO; AUTHORIZING THE FILING OF A DEBT STATEMENT WITH THE DEPARTMENT OF COMMUNITY AFFAIRS; AUTHORIZING OTHER NECESSARY ACTION; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the Board of the County Commissioners (the "Board") of the County of Lackawanna, Pennsylvania, deems it in the best interest of the County that the County undertake certain capital projects (the "Projects") consisting of the following: the County's share of a project consisting of the extension of the runway at the Wilkes Barre/Scranton International Airport, such project having been undertaken by the County jointly with the County of Luzerne; construction and renovation of various roads and highways located in Lackawanna County; installation of air conditioning at the Mid-Valley Hospital, Blakely, Lackawanna County; the making of renovations and improvements to a library building owned by the County and located in Scranton, Lackawanna county; and the financing of the unfunded portion of the County's capital budget for the year 1985 which has been selected by County ordinance for current filing.

WHEREAS, Lackawanna County and Luzerne County are joint owners of the Wilkes Barre/Scranton International Airport, located partially in Lackawanna County and partially in Luzerne County, Pennsylvania, and pursuant to an agreement dated April 16, 1968, the two Counties jointly operate the Airport. The Counties have agreed to undertake jointly a project (the "Runaway Project") consisting of the extension of the airport runway to a length of approximately 7,500 feet. The counties anticipate and/or have received grants from the U.S. Federal Aviation Administration (the "FAA") and the Pennsylvania Department of Transportation ("PennDOT") in partial funding for the cost of the Runway Project. On January 29, 1985,

Luzerne County issued its general obligation notes (the "Luzerne Notes") in the amount of \$4,920,000. to fund the deficit expected to occur prior to the receipt of all grant funds anticipated from the FAA and PennDOT. Recognizing that the cost of the Runway Project, including costs associated with the issuance of the Luzerne Notes, would exceed the revenues derived from FAA and PennDOT grant funds, and the interest income on the investment of the proceeds of the Luzerne Notes and the investment of the sinking fund established for the payment of the Luzerne Notes, Luzerne County and Lackawanna County entered into an Inter County Guaranty and Assumption Agreement (the "Inter County Agreement"). Pursuant to this Agreement each County agreed to be responsible, inter alia, for 50% of the payment of costs of the Runway Project in excess of receipt from the FAA and PennDOT grant funds, interest income on the investment of the proceeds of the Luzerne Notes and the investment of the Sinking Fund established for the payment of the Luzerne Notes. Pursuant to the Inter County Agreement, Lackawanna County also guaranteed 50% of Luzerne County's obligation for payment of principal of and interest on the Luzerne Notes. Lackawanna County has determined that its share of the unfunded costs of the Runway Project will equal \$267,509. per year for the years, 1985, 1986 and 1987, or a total of \$802,527. Lackawanna County has determined to fund its share of the unfunded Runway Project costs through the issuance of the Notes authorized herein.

WHEREAS, the County has acquired a building located at 520 Vine Street, Scranton, Lackawanna County, and intends to perform renovations on such building at an aggregate cost of \$640,000. such building to be used as a library by the County (the "Library Project"). The County has determined to fund \$200,000. of the cost of such renovations through the issuance of the Notes authorized herein.

WHEREAS, the County intends to purchase and install air conditioning at the Mid-Valley Hospital, Blakely, Lackawanna County, such hospital being owned by the County. The County has determined that the cost of such purchase and installation of air conditioning will be \$4,000 per year for the years, 1985, 1986 and 1987, or a total of \$12,000. (the "Hospital Project"). The County has determined to fund the cost of such purchase and installation through the issuance of the Note authorized herein.

WHEREAS, the County has determined to undertake construction and renovation of various roads and highways located in Lackawanna County. The County has determined that the cost of such construction and renovation will be \$60,000. in 1985 and \$150,000. in 1986, or a total of \$210,000. (the "Road Project"). The County has determined to fund the cost of such road repairs through the issuance of the Notes authorized herein.

WHEREAS, the County has determined to finance the unfunded portion of the County's capital budget for the year 1985, in the amount of \$1,071,017, which has been selected by County Ordinance for current funding, through the issuance of the Notes authorized herein. Projects included in the Capital budget for 1985 include: the County's 1985 contribution for the Runway Project; vehicles, including automobiles, a tractor and a dumptruck; office equipment, including copying machines, typewriters and a receipt register; furniture and carpeting

for County Offices; maintenance equipment, including a roto roter and a snowblower; the Library Project; computer equipment; and the portions of the Hospital Project and the Road Project.

WHEREAS, the County has determined to fund, through the issuance of the Notes, the payment of interest on the portion of the Notes allocable to the Runway Project to one year after the completion of construction on the Runway Project and the payment of the costs and expenses related to the issuance of the Notes.

WHEREAS, the Board has heretofore obtained realistic estimates of the costs of the Projects in accordance with Section 106 of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act of July 12, 1972, No. 185, re-enacted, amended and revised by the Act of April 28, 1978, No. 52 (the "Act"), and the total estimated cost of the Projects, including the payment of interest on a portion of the Notes to one year after the completion of construction on the Runway Project and the payment of the costs and expenses related to the issuance of the Notes, exceeds \$1,950,000.

WHEREAS, the Board proposes to finance the Projects by an increase in the nonelectoral debt of the County through the issuance of its General Obligation Notes, Series of 1985, of the County in the aggregate principal amount of \$1,950,000 in accordance with the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF LACKAWANNA, COMMONWEALTH OF PENNSYLVANIA, AS FOLLOWS:

Section 1. The Board hereby authorizes and directs the incurring of nonelectoral debt of the County in the amount of \$1,950,000 through the issuance of general obligation notes of the County in the aggregate principal amount of \$1,950,000 to be known as the County of Lackawanna, General Obligation Notes, Series of 1985, for the purpose of providing funds for and towards the costs of the Projects, to pay the interest for a portion of the Notes to completion of construction on the Runway Project and to pay the costs of issuance of the Notes.

Section 2. The Board hereby designates the Projects as the capital projects which it desires to combine for purposes of financing and for which it desires to incur the nonelectoral debt authorized hereunder. The descriptions of the Projects set forth in the recitals of this Ordinance are hereby approved and incorporated herein by reference.

Section 3. The realistic estimated useful lives of the Runway Project, the Library Project, the Hospital Project, and the Road Project are each five (5) years and upwards, prior to which time all the Notes providing funding for such Projects shall mature.

Pursuant to Section 602(a)(2) of the Act, the aggregate useful life of the projects to be funded as part of the County's 1985 Capital Budget is thirty (30) years. The Notes providing funds for such project will mature within five (5) years of the date of issuance.

Section 4. The County Commissioners, or any one of them or the Constroller or Administrative Director of the County are hereby authorized and directed to prepare, execute, certify verify under oath or affirmation, and file with the Department of Community Affairs of the Commonwealth, in accordance with the Act, a certified copy of the Debt Statement of the County, with an appended Borrowing Base Certificate, executed by any

one of the foregoing County officers, as required by Section 410 of the Act.

Section 5. The Notes shall be executed by at least two (2) County Commissioners, the County Controller, and the County Treasurer, and shall have the corporate seal of the County affixed thereto, duly attested by the Administrative Director of the County, and said officers are hereby authorized and directed to deliver the Notes to Penn Security Bank & Trust Company (the "Purchaser") upon receipt of the purchase price and to take any other necessary action relating to the Notes, but only upon receipt of approval of the Department of Community Affairs pursuant to the provisions of the Act, for which approval the aforesaid officers are hereby authorized and directed to apply.

Section 6. The action of the Administrative Director in negotiating the private sale of the Notes and in requesting the purchaser to submit a proposal is hereby approved, ratified and confirmed.

Section 7. The form of the Notes shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF LACKAWANNA
GENERAL OBLIGATION NOTE, SERIES OF 1985

NO.

\$390,000.

The County of Lackawanna, Pennsylvania, (the "County") for value received, promises to pay to _____, upon surrender hereon, on _____, 19__, unless this Note shall have been previously called for prepayment, the principal sum of THREE HUNDRED NINETY THOUSAND DOLLARS (\$390,000.) and to pay interest there from the date hereof until maturity at an annual rate of _____%, payable semi-annually.

Principal and interest will be payable in such coin or currency of the United States of America as, at the respective time of payment, shall be legal tender for the payment of public and private debts at the principal office of _____ Bank, _____ Pennsylvania, 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 any present or future law of the Commonwealth of Pennsylvania except gift, succession and inheritance taxes, and other taxes not levied or assessed directly on the notes or the income therefrom.

This Note is one of a series of five (5) Notes of like date and tenor, but differing as to maturity, numbered from 1 to 5 inclusive, in the aggregate principal amount of \$1,950,000 issued in accordance with the local Government Unit Debt Act., Act of July 12, 1972, No. 1875, re-enacted, amended and revised by the Act of April 28, 1978, No. 52, and by virtue of an Ordinance (the "Ordinance") of Board of County Commissioners of the County of Lackawanna duly filed, together with all other proceedings in respect of the Notes, with the Pennsylvania Department of Community Affairs.

This Note is prepayable, without premium at any time pursuant to the provisions of the Ordinance.

In the Ordinance, the County has covenanted with the holders from time to time of the Notes that it shall include the amount of debt services on the Notes for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service and shall duly and punctually 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 Note according to the true intent and meaning thereof, and for such budgeting appropriation and payment, the County of Lackawanna has pledged its full faith, credit and taxing power. The Ordinance provides that this covenant is specifically enforceable.

No transfer of this Note shall be valid unless made at the aforesaid office of the aforesaid Paying Agent by the registered owner in person or by his duly authorized attorney and such transfer duly noted hereon, and on the County's Note registry books, by said Paying Agent.

It is hereby certified that all acts, conditions and things required to be or to be done, occur 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, occurred and have 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.

IN WITNESS WHEREOF, the County has caused this Note to be executed and delivered in its name and behalf.

LACKAWANNA COUNTY:

Attest: *[Signature]*
Administrative
Director

By: *[Signature]*

(SEAL)

BOARD OF COMMISSIONERS

Controller

Treasurer

Approved as to Form:
[Signature]
County Solicitor

Section 8. The Notes shall be numbered, bear interest, payable semi-annually from the date of issuance, until maturity or redemption at the rates per annum, and shall mature in the amounts and on June 24th of the years as follows:

<u>Note Numbers (Inclusive)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Year</u>
1	\$390,000	6.30%	1986
2	390,000	6.50%	1987
3	390,000	6.70%	1988
4	390,000	6.80%	1989
5	390,000	7.10%	1990

Section 9. The Notes are subject to prepayment, without penalty, at any time prior to maturity.

Section 10. The Notes shall be executed by each of the County Commissioners of the County, or any two of them, and by the County Controller and the County Treasurer, and shall have the corporate seal of the County affixed thereto and duly attested by the signature of the Administrative Director of the County, and said officers are hereby authorized and directed to execute the Notes in such manner, and to cause the same to be delivered in accordance with the terms of this Ordinance and the terms of the proposal referred to in Section 11 hereof. The County Commissioners, the County Controller, the County Treasurer and the Administrative Director, or any of them are further authorized and directed 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 Notes, all in accordance with this Ordinance, including without further authorization, causing funds from the proceeds of the Notes to be paid at Closing for the costs of issuance of the Notes as set forth in a Closing Statement signed by any one of the foregoing County Officials.

Section 11. Pursuant to Section 407 of the Act, the County hereby accepts the negotiated proposal of, and awards the Notes to, Penn Security Bank & Trust Company, terms set forth in the Proposal Letter dated May 28, 1985, between the County and said Bank. The proper officers of the County are hereby authorized and directed to execute and deliver the Proposal Letter on behalf of the County.

Section 12. The County hereby covenants with the holders from time to time of the Notes that the County shall include the amount of the debt service in respect of the Notes for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of the interest on the Notes at the dates and places and in the manner stated in the Notes 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. This covenant shall be specifically enforceable.

Section 13. The County hereby appoints Penn Security Bank & Trust Company, Scranton, Pennsylvania, as the Sinking Fund Depository and Paying Agent for the Notes. The proper officers of the County are hereby authorized and directed to contract with said bank for its services as such Depository and Paying Agent.

Section 14. The Paying Agent is hereby authorized and directed to authenticate the Notes and to deliver them upon the order of any one of the County Commissioners or the Administrative Director of the County, but only upon the written receipt of County of the proceeds of sale of the Notes.

Section 15. There is hereby established a sinking fund to be held by the Sinking Fund Depository and known as "County of Lackawanna General Obligation Notes-Series of 1985-Sinking Fund" (the "Sinking Fund"). The County covenants that it shall deposit into the Sinking Fund, on the business day immediately preceding June 24th and December 24th of each year, commencing December 24, 1985, an amount which, together with any other funds already on deposit in said Fund, will be sufficient to provide for the payment of interest and principal becoming due on the Notes on the next succeeding June 24th or December 24th. The moneys deposited in the Sinking Fund shall be applied exclusively to the payment of the principal and interest covenanted to be paid upon the Notes and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid. In each of the following County fiscal years, beginning on the 1st day of January, 1985, the following amounts are annually hereby appropriated to the Sinking Fund for the payment of the principal of and interest on the Notes:

1985	\$ 65,130.00	1988	\$457,275.00
1986	\$507,975.00	1989	\$430,950.00
1987	\$483,015.00	1990	\$403,845.00

Section 16. The County Commissioners, or any one of them or the Controller or Administrative Director of the County, are hereby authorized and directed to certify to and file with the Department of Community Affairs, in accordance with Section 411 of the Act, a complete and accurate copy of the proceedings undertaken in connection with the increase of debt authorized hereunder including a certified copy of the Debt Statement hereinabove referred to, and to pay the filing fees necessary in connection therewith, and to execute such other documents and take such other actions as may be necessary to appropriate to apply for and receive approval from such Department under Article VIII of the Act.

Section 17. The County hereby covenants with the holders from time to time of the Notes that it will not make or permit any use of the proceeds of the Notes which, if such used had been reasonably expected on the date of issue of such Notes, would have caused such Notes to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954 as amended, and the regulations and rulings thereunder, and that it will comply with the requirements of said section and regulations throughout the term of the Notes. No official of the County shall make or permit any investment inconsistent with the foregoing covenants. The proper officers of the County are hereby authorized and directed to execute and deliver a certificate setting forth their reasonable expectation regarding the use of "proceeds" of the Notes (as that term is defined in Section 103(c) of the Internal Revenue Code of 1954, as amended and the regulations and rulings thereunder), and the facts and estimates upon which such expectations are based.

Section 18. The proper officers of the County are authorized and directed to execute the necessary certificates, receipts, affidavits and all such other documents as may be necessary or convenient to make settlement, including the preparation and filing with the Department of Community Affairs of any statements required by Article II of the Act which are necessary to qualify

all or any portion of the debt of the County that is subject to exclusion as self-liquidating or subsidized debt and to do all other acts necessary or convenient to make settlement, or as may be required in connection with the issuance, sale and delivery of the Notes.

Section 19. All ordinances and resolutions or parts of ordinances and resolutions insofar as they are inconsistent herewith are hereby repealed and rescinded.

Section 20. This Ordinance shall become effective ten (10) days after final adoption.

ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF LACKAWANNA this 9th day of May, 1985.

COUNTY OF LACKAWANNA

By: Ray A. Allucigi

County Commissioners of the
County of Lackawanna

(SEAL)

Attest: Deed O. Howard
Administrative Director