

ORDINANCE #57

FIRST READING - June 14, 1988
 SECOND READING - September 13, 1988

AUTHORIZING AND DIRECTING THE INCURRING OF NONELECTORAL DEBT OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA (THE "COUNTY") IN THE AMOUNT OF ONE MILLION TWO HUNDRED TWENTY-SEVEN THOUSAND EIGHTEEN (\$1,227,018) DOLLARS THROUGH THE ISSUANCE OF GENERAL OBLIGATION NOTES, SERIES OF 1988, OF THE COUNTY IN SUCH AGGREGATE PRINCIPAL AMOUNT (THE "NOTES"), FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS (1) THE FOLLOWING CAPITAL PROJECTS: CONSTRUCTION AND RENOVATION OF VARIOUS ROADS, SIDEWALKS AND BRIDGES LOCATED IN LACKAWANNA COUNTY; PURCHASE OF A NEW WORK RELEASE CENTER IN LACKAWANNA COUNTY; ROOF REPAIRS; MASONARY PROJECT AT THE LACKAWANNA COUNTY JAIL; RENOVATIONS TO THE WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT AND POOL REPAIRS AT VARIOUS COUNTY PARKS WITHIN LACKAWANNA COUNTY; AND REPAIRING THE ROOF TO THE LACKAWANNA COUNTY COURTHOUSE; CONSTRUCTION AND RENOVATIONS TO THE COUNTY MODEL MINE; THE FINANCING OF THE UNFUNDED PORTION OF THE COUNTY'S CAPITAL BUDGET FOR THE YEAR 1988, WHICH HAS BEEN SELECTED BY COUNTY ORDINANCE FOR CURRENT FUNDING; (2) THE PAYMENT OF INTEREST ON SUCH NOTES; 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 A LOCAL BANK FOR ITS SERVICES AS SINKING FUND DEPOSITARY AND PAYING AGENT; ACCEPTING THE PROPOSAL OF THE BANK FOR THE PURCHASE OF THE NOTES AT PRIVATE SALE AND AWARDING 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 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; construction and renovation of various roads, sidewalks and bridges located in Lackawanna County; purchase of a new work release center in Lackawanna County; the making of roof repairs, repairs to pools at various county parks; the undertaking of a masonry project at the Lackawanna County Jail and the making of various renovations to the Wilkes-Barre/Scranton International Airport; construction and renovations to the County Model Mine; and the financing of the unfunded portion of the County's capital budget for the year 1988 which has been selected by County ordinance for current funding.

WHEREAS, the County has determined to undertake construction and renovation of various roads, sidewalks and bridges located in Lackawanna County; the making of roof repairs, repairs to pools at various county parks; the undertaking of a masonry project at the Lackawanna County Jail and the making of various renovations to the Wilkes-Barre/Scranton International Airport; construction and renovations to the County Model Mine. The County has determined that the cost of such construction and renovation will be Nine Hundred Forty Thousand (\$940,000) Dollars (the "Road Project"). The County has determined to fund the cost of such projects 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 1988, in the amount of \$287,018, 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 1988 include: vehicles, office equipment, furniture, building repairs and carpeting for County offices; and the portions of the Road Project.

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 and the payment of the costs and expenses related to the issuance of the Notes, exceeds \$1,227,108.

WHEREAS, the Board proposes to finance the Projects by an increase in the non-electoral debt of the County through the issuance of its General Obligation Notes, Series of 1988, of the County in the aggregate principal amount of \$1,227,018 in accordance with the Act.

WHEREAS, the existing net non-electoral debt of the County, as determined under the provisions of Article II of the Act, including the increase of non-electoral debt authorized hereby, does not in the aggregate exceed the limitations of the Act.

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

SECTION 1. The Board hereby authorizes and directs the incurring of non-electoral debt of the County in the amount of \$1,227,018 through the issuance of general obligation notes of the County in the aggregate principal amount of \$1,227,018, to be known as the County of Lackawanna, General Obligation Notes, Series of 1988, for the purpose of providing funds for

and towards the costs of the Projects, to pay the interest on a portion of the notes 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 life of the Road Project is 10 years and upwards, prior to which time all the Notes providing funding for such Project 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 1988 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 Controller 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 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 the Third National Bank (the "Purchaser") upon receipt of the purchase price and to take any other necessary action relating to the notes, but only upon receipt of the 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 Commissioners of Lackawanna County, pursuant to Section 403 of the Local Government Unit Debt Act, as amended, do hereby find that it is in the best financial interest of the County to have a private sale by negotiation of the County's General Obligation Notes, Series of 1988, in the aggregate principal sum of \$1,227,018 in denominations of \$940,000 and \$287,018, to provide funds for and towards; (1) the following projects: construction and renovation of various roads, sidewalks and bridges located in Lackawanna County, purchase of a new work release center in Lackawanna County, the making of roof repairs, repairs to pools at various County parks, the undertaking of a masonry project at the Lackawanna County Jail and the making of various renovations to the Wilkes-Barre/Scranton International Airport; construction and renovations to the County Model Mine; the financing of the unfunded portion of the County's Capital Budget for the year 1988, which has been selected by County's Ordinance for current funding; (2) the payment of interests on such notes; and (3) the payment of costs and expenses related to the issuance of such notes. 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 Commissioners of Lackawanna County do hereby find that it is in the best financial interest of the County to award the County's General Obligation Notes, Series of 1988, in the aggregate principal sum of \$1,227,018 in denominations of \$940,000 and \$287,018, to the Third National Bank.

SECTION 8. The Commissioners of Lackawanna County hereby authorize Gerald Stanvitch, Administrative Director, to designate the County's General Obligation Bonds, Series of 1988, as being Qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), for the purposes of complying with certain provisions of the Code, in the event it is determined that the debt of the County and its subordinate issuers, incurred or expected to be incurred during the calendar year 1988, will not exceed \$10,000,000. The foregoing designation may be set forth in the form of the bond and other documents as determined by Bond Counsel.

SECTION 9. The form of the Notes shall be substantially as follows:

SECTION 10. The Notes shall be numbered, bear interest, payable from the date of issuance, until maturity or redemption at the rates per annum, and shall mature in the amounts and on each of the years, as follows:

<u>NOTE NUMBERS</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITY YEAR</u>
1	\$940,000	9%	1998
2	\$287,018	8%	1993

SECTION 11. The Notes are subject to prepayment, without penalty, at any time prior to maturity.

SECTION 12. The Notes shall be executed by each of the County Commissioners of the County, or any two or 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 13 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 take such 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 13. Pursuant to Section 407 of the Act, the County hereby accepts the negotiated proposal of, and awards the Notes to the Third National Bank, in accordance with the terms set forth in the Proposal Letter dated July 8, 1988 (a copy of which is attached hereto), 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 14. 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 and 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 15. The County hereby appoints a local bank 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 16. 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 17. 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 1988-Sinking Fund" (the "Sinking Fund"). The County covenants that it shall deposit into the Sinking Fund, on the business day immediately preceding each payment date of each year, an amount which, together with any other funds already on deposit in said Fund, will be sufficient to provide for the payment of the interest and principal becoming due on the Notes on the next succeeding payment date. 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, 1989, the following amounts are annually hereby appropriated to the Sinking Fund for the payment of the principal of and interest on the Notes:

1989	\$215,300.60	1993	\$215,300.60	1997	\$144,527.16
1990	\$215,300.60	1994	\$144,527.16	1998	\$144,527.16
1991	\$215,300.60	1995	\$144,527.16		
1992	\$215,300.60	1996	\$144,527.16		

SECTION 18. 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 action as may be necessary or appropriate to apply for and receive approval from such Department under Article VIII of the Act.

SECTION 19. 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 use 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 148 of the Internal Revenue Code of 1986, 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 148 of the Internal Revenue Code of 1986, as amended and the regulations and rulings thereunder), and the facts and estimates upon which such expectations are based.

SECTION 20. 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 from the appropriate debt limit of the County 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 21. All ordinances and resolutions or parts of ordinances and resolutions insofar as they are inconsistent herewith are hereby repealed and rescinded.

SECTION 22. This Ordinance shall become effective ten (10) days after final adoption.

COUNTY OF LACKAWANNA


JOSEPH J. CORCORAN


RAY A. ALBERTICI


JOHN SENIO

ATTEST:


GERALD L. STANVITCH,
ADMINISTRATIVE DIRECTOR