

## ORDINANCE #60

FIRST READING - DECEMBER 23, 1988  
 SECOND READING - JANUARY 14, 1989

AUTHORIZING AND DIRECTING THE INCURRING OF NONELECTORAL DEBT OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA (THE "COUNTY") IN THE AMOUNT OF EIGHT MILLION ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$8,175,000) THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 1989, OF THE COUNTY IN SUCH AGGREGATE PRINCIPAL AMOUNT (THE "BONDS"), FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS (1) THE FOLLOWING CAPITAL PROJECTS: CONSTRUCTION OF THE COUNTY'S STADIUM; THE CONSTRUCTION OF A COUNTY SOLID WASTE MANAGEMENT PLANT; THE PURCHASE OF RAILROAD EQUIPMENT FOR THE STEAMTOWN FACILITY; THE ACQUISITION AND CONSTRUCTION OF VARIOUS CAPITAL ITEMS TO BE LOCATED IN THE COUNTY PARKS; THE CONSTRUCTION AND RENOVATION OF FACILITIES AT THE AIRPORT; THE ACQUISITION OR REFURBISHING OF VARIOUS VEHICLES FOR USE BY THE COUNTY; THE RENOVATION OF THE COUNTY PRISON FACILITY; AND VARIOUS OTHER CAPITAL ITEMS OR IMPROVEMENTS HAVING USEFUL LIFE OF FIVE YEARS OR MORE; AND (2) THE PAYMENT OF THE COSTS AND EXPENSES RELATED TO THE ISSUANCE OF SUCH BONDS; FIXING THE NUMBER, DATE, INTEREST RATES, MATURITIES, AND REDEMPTION FEATURES OF SUCH BONDS AND APPROVING THE FORM THEREOF; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO EXECUTE THE BONDS; 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 BONDS 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 PNC INVESTMENT COMPANY FOR THE PURCHASE OF THE BONDS ON BEHALF OF PNC INVESTMENT COMPANY AND FIRST EASTERN CAPITAL MARKETS GROUP AT PRIVATE SALE AND AWARDED THE BONDS 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 of the County's stadium; the construction of a County solid waste management plant; the purchase of railroad equipment for the Steamtown facility; the acquisition and construction of various capital items to be located in the County parks; the construction and renovation of facilities at the airport; the acquisition or refurbishing of various vehicles for use by the County; the renovation of the County prison facility; and the acquisition or construction of various other capital items or improvements having a useful life of five years or more.

WHEREAS, the County has determined to undertake construction of the County's stadium; the construction of a County solid waste plant; the purchase of railroad equipment for the Steamtown facility; the acquisition and construction of various capital items to be located in the County parks; the construction and renovation of facilities at the airport; the acquisition or refurbishing of various vehicles for use by the County; the renovation of the County prison facility; and the acquisition or construction of various other capital items or improvements having a useful life of five years or more. The County has determined to fund the cost of the projects through the issuance of the Bonds authorized herein.

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 Bonds, exceeds \$8,175,000.

WHEREAS, the Board proposes to finance the Project by an increase in the non-electoral debt of the County through the issuance of its General Obligation Bonds, Series of 1989, of the County in the aggregate principal amount of \$8,175,000 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 COUNTY 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 \$8,175,000 through the issuance of general obligation bonds of the County in the aggregate principal amount of \$8,175,000, to be known as the County of Lackawanna, General Obligation Bonds, Series of 1989, for the purpose of providing funds for and towards the costs of the Projects and to pay the costs of issuance of the Bonds.

**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 Projects are each five or more, and the realistic useful life of the County's stadium, in particular, is longer than the period during which the Bonds are to be outstanding, so that an aggregate principal amount of bonds equal to the separate cost of each item constituting the Projects having a shorter useful life than the period during which the Bonds will be outstanding has been scheduled to mature (or be redeemed) prior to the end of such useful life, and the balance prior to the end of the longest useful life.

**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 Bonds shall be executed by facsimile of at least two County Commissioners, the County Controller and the County Treasurer, and shall have the facsimile 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 Bonds to PNC Investment Company on behalf of PNC Investment Company and First Eastern Capital Markets Group (the "Purchaser") upon receipt of the purchase price and to take any other necessary action relating to the Bonds, 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 Bonds, Series of 1989, in the aggregate principal sum of \$8,175,000 in denominations of \$5,000 or any multiple thereof as provided in the Bonds to provide funds for and towards: (1) the following projects: construction of the County's stadium; the construction of a County solid waste management plant, for the purchase of railroad equipment for the Steamtown facility; the acquisition and construction of various capital items to be located in the County parks; the construction and renovation of facilities at the airport; the acquisition or refurbishing of various vehicles for use by the County; the renovation of the County prison facility; and the acquisition or construction of various other capital items or improvements having a useful life of five years or more; and (2) the payment of costs and expenses related to the issuance of such bonds. The action of the Administrative Director in negotiating the private sale of the Bonds 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 Bonds, Series of 1988, in the aggregate principal sum of \$8,175,000, to PNC Investment Company and First Eastern Capital Markets Group.

**SECTION 8.** The form of the Bonds shall be substantially as attached hereto.

**SECTION 9.** The Bonds shall bear interest, be payable as provided in the Bonds until maturity or redemption at the rates per annum, payable semi-annually on April 1 and October 1 of each year, commencing October 1, 1989, and shall mature on April 1 in the amounts and in each of the years, as follows:

<u>MATURITY YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
April 1, 1990	\$ 205,000	6.10%
April 1, 1991	220,000	6.20
April 1, 1992	230,000	6.25
April 1, 1993	245,000	6.30
April 1, 1994	265,000	6.40
April 1, 1995	280,000	6.50
April 1, 1996	300,000	6.60
April 1, 1997	315,000	6.70
April 1, 1998	340,000	6.80
April 1, 1999	360,000	6.90
April 1, 2000	385,000	7.00
April 1, 2001	415,000	7.10
April 1, 2002	445,000	7.20
April 1, 2003	475,000	7.30
April 1, 2004	510,000	7.40
April 1, 2009	3,185,000	7.60

**SECTION 10.** The Bonds are subject to redemption prior to maturity at a price equal to the principal amount thereof, plus interest accrued to the redemption date, at the option of the Board of County Commissioners, in whole on April 1, 1994, or on any date thereafter, or in part, in inverse order of maturity and within any maturity by lot, on April 1, 1994, or on any interest payment date thereafter. The Bonds maturing on April 1, 2009 shall be subject

to mandatory sinking fund redemption at par on April 1 in the years and amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2005	\$ 545,000
2006	590,000
2007	635,000
2008	680,000
2009	735,000

The Bonds to be redeemed shall be annually selected by lot.

**SECTION 11.** The Bonds shall be executed by the facsimile signatures of the Chairman of the Board of the County Commissioners of the County and by the County Controller and the County Treasurer, and shall have the facsimile corporate seal of the County affixed thereto and duly attested by the facsimile 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 12 hereof. The Chairman, 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 Bonds, all in accordance with this Ordinance, including, without further authorization, causing funds from the proceeds of the Bonds to be paid at Closing for the costs of issuance of the Bonds as set forth in a Closing Statement signed by any one of the foregoing County officials.

The Bonds shall be manually executed by an officer of the Third National Bank & Trust Co., as authenticating agent.

**SECTION 12.** Pursuant to Section 407 of the Act, the County hereby accepts the negotiated proposal of, and awards the Bonds to PNC Investment Company on behalf of PNC Investment Company and First Eastern Capital Markets Group, in accordance with the terms set forth in the form of Bond Purchase Contract dated January 14, 1989, proposed by PNC Investment Company on behalf of PNC Investment Company and First Eastern Capital Markets Group. The proper officers of the County are hereby authorized and directed to execute and deliver the Bond Purchase Contract on behalf of the County.

**SECTION 13.** The County hereby covenants with the holders from time to time of the Bonds that the County shall include the amount of the debt service in respect of the Bonds 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 Bonds at the dates and places and in the manner stated in the Bonds 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 14.** The County hereby appoints the Third National Bank & Trust Co., a local bank, as the Sinking Fund Depository and Fiscal Agent for the Bonds. The proper officers of the County are hereby authorized and directed to contract with said bank for its services as such Depository and Fiscal Agent.

**SECTION 15.** The Fiscal Agent is hereby authorized and directed to authenticate the Bonds 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 Bonds.

**SECTION 16.** There is hereby established a sinking fund to be held by the Sinking Fund Depository and known as "County of Lackawanna General Obligation Bonds - Series of 1989 - 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 the notes 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 Bonds on the next succeeding each 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 Bonds 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 April, 2005, and annually thereafter on each April 1 as shown below, the following amounts are annually hereby appropriated to the Sinking Fund for the payment of the principal of and interest on the Bonds:

<u>YEAR</u>	<u>AMOUNT</u>
2005	\$ 545,000
2006	590,000
2007	635,000
2008	680,000
2009	735,000

SECTION 17. 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 18. The County hereby covenants with the holders from time to time of the Bonds that it will not make or permit any 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 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 Bonds. 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 expectations regarding the use of "proceeds" of the Bonds (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 19. 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 for 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 Bonds.

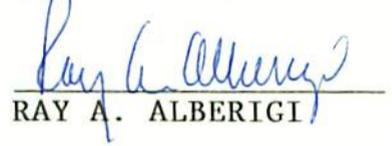
SECTION 20. The proper officers of the County are hereby authorized to complete and submit an application to Municipal Bond Investors Assurance Corporation and to pay for bond insurance obtained as a result as provided in the Bond Purchase Contract.

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. ALBERIGI

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JOHN SENIO

ATTEST:

  
GERALD L. STANVITCH,  
ADMINISTRATIVE DIRECTOR