

**ORDINANCE #91**

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**FIRST READING**         -         August 30, 1994  
**ENACTED**                 -         September 6, 1994  
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**AUTHORIZING THE ISSUANCE OF TAX AND REVENUE ANTICIPATION NOTES, TAXABLE SERIES OF 1994; PROVIDING FOR THE DATE, INTEREST RATE, MATURITY DATE, PAYMENT AND PLACE OF PAYMENT IN RESPECT OF THE NOTES; ACCEPTING THE PROPOSAL ATTACHED HERETO AS EXHIBIT "B" FROM THE FINANCIAL INSTITUTION NAMED THEREIN FOR THE PURCHASE OF THE NOTES; NAMING A SINKING FUND DEPOSITARY/PAYING AGENT; PLEDGING CERTAIN SECURITIES AS COLLATERAL FOR THE NOTES; AUTHORIZING THE SALE AND PURCHASE OF CERTAIN TREASURY OBLIGATIONS; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO EXECUTE AND DELIVER THE NOTES AND CERTAIN OTHER DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE NECESSARY DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AFFAIRS OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH A FORM OF THE NOTES.**

**WHEREAS, County of Lackawanna, Pennsylvania (the "County"), anticipates receiving taxes and other revenues during the fiscal year ending December 31, 1994 which taxes and other revenues are currently uncollected; and**

**WHEREAS, the County has estimated, on a monthly basis, its expected taxes, revenues and expenditures for the fiscal year ending December 31, 1994; and**

**WHEREAS, the County has determined to borrow monies for the purpose of funding, in part, its cash flow needs for the remainder of fiscal year 1994 by issuing notes to be repaid from the anticipated taxes and revenues, all in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as reenacted and amended (the "Debt Act"); and**

**WHEREAS, the County has received an acceptable proposal for the purchase of its Tax and Revenue Anticipation Notes as hereinafter described; and**

**WHEREAS, as required by Section 506 of the Debt Act, officials of the County have heretofore made an estimate of the taxes and revenues to be received during such fiscal year ending December 31, 1994 and, by their execution of a certificate with respect thereto dated this date, have certified to such estimate.**

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED** by the Board of Commissioners of the County of Lackawanna, Pennsylvania, in lawful session duly assembled, as follows:

**Section 1.** For the reasons and purposes recited above, the County hereby exercises its power and authority to borrow money and authorizes the issuance and sale of its Tax and Revenue Anticipation Notes, Taxable Series of 1994 (the "Notes") in the aggregate principal amount set forth in the Proposal (the "Proposal") of Wheat First Butcher Singer (the "Purchaser") attached hereto as Exhibit "B" in anticipation of the receipt of current taxes and revenues during the fiscal year ending December 31, 1994, such Notes to be issued, sold and delivered as hereinafter provided.

**Section 2.** The Chairman of the Board of Commissioners, or any other Commissioner of the County, attested by the Chief Clerk, is hereby authorized and directed, in the name and on behalf of the County, to prepare and file with the Department of Community Affairs of the Commonwealth of Pennsylvania a certified copy of this Ordinance, a certificate setting forth the taxes and revenues remaining to be collected in the fiscal year ending December 31, 1994 and a true copy of the accepted proposal for the purchase of the Notes, all as set forth in and required by Section 508 of the Debt Act. The Chairman of the Board of Commissioners, or any other Commissioner of the County, attested by the Chief Clerk, is also hereby authorized and directed, in the name and on behalf of the County, to prepare and deliver the certificate required by Section 507 of the Debt Act relating to the total amount of the County's Tax and Revenue Anticipation Notes outstanding on the date of delivery of the Notes, and to take any and all other action, and to execute and deliver any and all other documents and instruments, as may be necessary, proper or desirable to effect the issuance and sale of the Notes as contemplated herein. The certification made on the date of adoption of this Ordinance by the aforementioned officials of the County, relating to the amount of taxes and other revenues remaining to be collected by the County in the fiscal year ending December 31, 1994 is hereby ratified and approved.

**Section 3.** The Notes shall be designated "County of Lackawanna, Pennsylvania Tax and Revenue Anticipation Notes, Taxable Series of 1994," shall be in bearer form, without coupons, shall be noncallable prior to maturity, shall be issued as a single Note in the aggregate principal amount of the Notes, shall be dated the date of issuance, shall bear interest at the rate of interest set forth in the Proposal from the date of delivery until maturity, shall mature on the date set forth in the Proposal, and shall be payable as to principal and interest at the place and in the manner and be otherwise in substantially the form set forth in the form of Note attached as Exhibit "A" hereto and the Proposal. The Notes are not subject to redemption prior to maturity.

**Section 4.** The Notes shall be executed by the Chairman of the Board of County Commissioners, or any other Commissioner of the County, shall have the corporate seal of the County affixed thereto, and shall be duly attested by the Chief Clerk of the County or a deputy clerk. The Chairman of the Board of County Commissioners, or any other Commissioner of the County, is further authorized and directed to deliver the Notes to the Purchaser hereinafter named upon the terms and conditions hereinafter provided and to execute and deliver such other documents and

instruments, attested to by the Chief Clerk, and to take such other action as may be necessary or appropriate to effect the issuance and sale of the Notes in accordance with this Ordinance and the Debt Act.

**Section 5.** The Notes shall be general credit obligations of the County, and, together with any other tax and revenue anticipation notes issued, or to be issued, by the County during the County's fiscal year ending on December 31, 1994, shall, upon issuance thereof, be equally and ratably secured by a pledge of, security interest in, and a lien and charge on, the taxes and other revenues to be received by the County during the period when the Notes are outstanding; and the Chairman of the Board of County Commissioners, or any other Commissioner of the County, attested by the Chief Clerk, is hereby authorized and directed to prepare and file, or to have filed, such financing statements as may be necessary to fully perfect such pledge, security interest, lien and charge pursuant to the Pennsylvania Uniform Commercial Code and Section 505 of the Debt Act.

**Section 6.** The formal Proposal of the Purchaser, presented to the Board of County Commissioners on September 6, 1994 is hereby accepted and the Notes are hereby awarded to the Purchaser at a private negotiated sale for an aggregate purchase price equal to the principal amount of the Notes. The terms of the Proposal are incorporated herein by reference with the same effect as if set forth in full at this place. The Chairman of the Board of County Commissioners, or any other Commissioner of the County, attested by the Chief Clerk, is hereby authorized and directed to accept the Proposal, in the name of and on behalf of the County, by executing the County's acceptance on an original copy of the Proposal, to deliver a copy of the same to the Purchaser and to file the original with the records of the County. The Chairman of the Board of County Commissioners, or any other Commissioner of the County, is hereby authorized to deliver each Note to the Purchaser upon receipt of the full principal amount of the purchase price for such Note and upon compliance with all conditions precedent to such delivery as required by the Debt Act, this Ordinance and the Proposal; and such Commissioner, attested by the Chief Clerk, is hereby authorized and directed to prepare, verify and deliver to the Purchaser concurrently with the delivery of the Notes, the certificate required by Section 507 of the Debt Act, a copy of which certificate shall be retained with the records of the County until all tax and revenue anticipation notes issued by the County during the fiscal year ending on December 31, 1994 shall have been paid in full.

**Section 7.** The form of the notes shall be substantially as set forth and attached hereto as Exhibit "A," which form is hereby incorporated by reference and adopted as if fully recited at length herein and said form is hereby approved by this Board of County Commissioners.

**Section 8.** The County hereby establishes a sinking fund for the Notes and designates the paying agent identified in the Proposal as sinking fund depository/paying agent (in such capacity, the "Paying Agent") for the benefit of Noteholders. The County Director of Budget and Finance or other proper officer is hereby authorized and directed to make deposits to the sinking fund to be held for the payment of principal and interest on the Notes no later than the date of final maturity thereof.

Thereafter, the Paying Agent shall, without further authorization or direction from the County or any of its officials, withdraw moneys from the sinking fund and apply such moneys to the payment of principal and interest then due on the Notes. Deposit by the County into the sinking fund of the full amount of such money shall satisfy in full the obligation of the County to pay principal and interest with respect to the Notes.

**Section 9.** (a) As additional security for the holders of the Notes, the County hereby grants a security interest to such holders in and to the securities identified on Schedule B to the Proposal attached as Exhibit "B" hereto (the "Pledged Securities"). The County shall deliver such Pledged Securities to the Paying Agent, titled in the name of the Paying Agent as security for the holders of the Notes, or shall take such other actions as are necessary to perfect such security interest. As set forth above, title to the Pledged Securities shall pass from the County to the Paying Agent. Nothing shall preclude Paying Agent (with the consent of the holders of the Notes) from engaging in repurchase transactions with the Pledged Securities or pledging or hypothecating the Pledged Securities; provided that no such transaction shall relieve Paying Agent from its obligation to release the Pledged Securities to the County upon payment in full of the Notes.

(b) If the County shall default in the payment of the Notes, after one business day's notice to the County, the Paying Agent (acting on behalf of the holders of the Notes) may (i) immediately sell, in a recognized market at such price or prices as the Paying Agent may reasonably deem satisfactory, any or all of the Pledged Securities and apply the proceeds thereof to the aggregate unpaid principal of, and interest on, the Notes and any other amounts owing to the holders of the Notes under the terms hereof or (ii) in its sole discretion elect, in lieu of selling such Pledged Securities, give the County credit for such Pledged Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source against the aggregate unpaid principal of, and interest on, the Notes.

(c) The County shall be liable to the Noteholders for the amount of all reasonable legal or other expenses incurred by the Paying Agent in connection with, or as a consequence of, a default on the Notes, together with interest thereon at the Prime Rate for Money Center banks published in the Wall Street Journal (the "Prime Rate").

(d) From and after the occurrence of an event of default, any unpaid principal of, or interest on, the Notes shall accrue interest at the Prime Rate.

(e) In the event of a default under the Notes, the Paying Agent (acting on behalf of the holders of the Notes) in addition to the rights set forth herein shall have any rights otherwise available under applicable law.

**Section 10.** The County hereby authorizes the purchase of the Pledged Securities with the proceeds of the Notes from the Purchaser at the prices set forth in the Proposal. Further, the County hereby authorizes such Pledged Securities, upon payment in full of the Notes, to be delivered to The Third National Bank and Trust Company of Scranton, as escrow agent for the registered owners of the County's General Obligation Bonds-Series of 1991 under the Escrow Deposit Agreement (the "Escrow Agreement") in substitution for the securities now on deposit under

such Escrow Agreement (the "Original Escrow Securities"). Further, the County hereby authorizes the sale of the Original Escrow Securities to the Purchaser at the prices set forth in the Proposal for delivery upon release thereof from the Escrow Agreement.

**Section 11.** Stevens & Lee, Reading, Pennsylvania, is hereby appointed Bond Counsel in connection with the issuance and sale of the Notes.

**Section 12.** The Controller or Director of Budget and Finance or other proper official of the County is hereby authorized and directed to pay at, or subsequent to, the closing for the issuance of the Notes, all costs and expenses of the issuance incurred by or on behalf of the County or required to be paid by the County, all in accordance with the provisions of the Purchaser's proposal.

**EXHIBIT "A"**

No. TRN

\$ \_\_\_\_\_

**COUNTY OF LACKAWANNA  
COMMONWEALTH OF PENNSYLVANIA**

**\_\_\_\_% TAX AND REVENUE ANTICIPATION NOTE -- TAXABLE SERIES OF 1994**

County of Lackawanna, Commonwealth of Pennsylvania (the "Issuer"), for Value received, hereby promises to pay to the bearer hereof, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on the \_\_\_\_\_ day of \_\_\_\_\_, 1994, together with interest on said sum from the \_\_\_\_\_ day of September, 1994 until maturity in the amount of \_\_\_\_\_/100 cents (computed on the basis of a 360-day year of twelve 30-day months at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum, which will equal \$ \_\_\_\_\_ in interest payable on \_\_\_\_\_, 1994). Both the principal of an interest on this Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States (or by instrument payable in immediately available legal tender as aforesaid), at the principal office of \_\_\_\_\_ (the "Sinking Fund Depository") in \_\_\_\_\_, Pennsylvania.

This Note is one of a series of \_\_\_\_\_ Tax and Revenue Anticipation Notes, Taxable Series of 1994, authorized and issued in the aggregate principal amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (the "Notes") in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act No. 1978-52, approved April 28, 1978 (the "Act"), and pursuant to an ordinance enacted on September \_\_\_\_\_, 1994 by the governing body of the Issuer (the "Ordinance"). Reference is to the Act and the Ordinance for a complete statement of the rights and limitations of rights of holders of the Notes, to all of which the holder hereof by acceptance of this Note assents.

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes and other revenues by the Issuer from the date of original delivery of the Notes to the stated maturity date thereof.

This Note is equally and ratably secured with all other Notes issued under the Ordinance by the pledge of, security interest in and a lien and charge on the taxes and other revenues of the Issuer specified in the Ordinance to be received during the period when the Notes are outstanding. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act. The Notes are general credit obligations of the Issuer. This Note is also secured by the pledge of certain specified securities as more fully provided in the Ordinance.

The Issuer covenants that it will deposit in the sinking fund for the Notes established by the Ordinance with the Sinking Fund Depository the taxes and other revenues collected in amounts which will be sufficient to pay the principal of and interest on all Notes issued pursuant to the Ordinance as and when the same shall become due and payable, and such sinking fund shall be applied exclusively to such purpose.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law.

**EXHIBIT "B"**

**Purchase Proposal**

Butcher & Singer

Schedule A

Escrow Restructuring Analysis Prepared For The County of Lackawanna  
 Tax and Revenue Anticipation Note - Taxable Series of 1994  
 Dated/Settlement Date: 13-Sep-94  
 Maturity Date: 29-Dec-94

Number of Pieces: 1  
 Principal Amount: 11,978,336  
 Paying Agent: Republic Bank of New York 08-Sep-94

Date	Principal Amount	Rate	Days	Interest	Loan Repayment Amount
13-Sep-94	11,978,335.90				
29-Dec-94		4.400%	107.00	156,650.02	12,134,985.92

29-Dec-94 Funds Payable - Repo Maturity: 12,134,985.92

Butcher & Singer

Schedule B

Escrow Restructuring Analysis Prepared For The County of Lackawanna  
 Substitute Escrow Securities Purchased - Series 1994 Escrow Restructuring

Portfolio Purchased With Taxable TRAN Proceeds:  
 Settlement Date: 13-Sep-94

Target Date	STRIP Date	Net Escrow Cash Flows Target	STRIPS Principal	STRIPS Yield	STRIPS Price	Dollar Price
01-Dec-94	15-Nov-94	0	0	4.48750%	0.992410	0.00
01-Jun-95	15-May-95	0	0	5.07250%	0.966880	0.00
01-Dec-95	15-Nov-95	0	0	5.51250%	0.938240	0.00
01-Jun-96	15-May-96	0	0	5.89250%	0.907450	0.00
01-Dec-96	15-Nov-96	943,259	944,000	6.10250%	0.877580	828,435.52
01-Jun-97	15-May-97	404,740	404,000	6.32750%	0.846650	342,046.60
01-Dec-97	15-Nov-97	954,740	955,000	6.47250%	0.817030	780,263.65
01-Jun-98	15-May-98	389,890	390,000	6.60250%	0.787770	307,230.30
01-Dec-98	15-Nov-98	969,890	970,000	6.68250%	0.760140	737,335.80
01-Jun-99	15-May-99	373,650	374,000	6.74750%	0.733400	274,291.60
01-Dec-99	15-Nov-99	983,650	983,000	6.78750%	0.708050	696,013.15
01-Jun-2000	15-May-2000	355,960	356,000	6.86250%	0.681990	242,788.44
01-Dec-2000	15-Nov-2000	1,000,960	1,001,000	6.94250%	0.656230	656,886.23
01-Jun-2001	15-May-2001	336,610	337,000	6.99750%	0.631970	212,973.89
01-Dec-2001	15-Nov-2001	10,791,610	10,791,000	6.99750%	0.631970	6,819,588.27
01-Jun-2002	15-May-2002	0	0	6.99750%	0.589960	0.00
01-Dec-2002	15-Nov-2002	0	0	6.99750%	0.570020	0.00
01-Jun-2003	15-May-2003	0	0	6.99750%	0.550750	0.00
01-Dec-2003	15-Nov-2003	0	0	6.99750%	0.532130	0.00
01-Jun-2004	15-May-2004	0	0	6.99750%	0.514140	0.00
01-Dec-2004	15-Nov-2004	0	0	6.99750%	0.498760	0.00
01-Jun-2005	15-May-2005	0	0	6.99750%	0.479970	0.00
01-Dec-2005	15-Nov-2005	0	0	6.99750%	0.463740	0.00
01-Jun-2006	15-May-2006	0	0	6.99750%	0.448070	0.00
01-Dec-2006	15-Nov-2006	0	0	6.99750%	0.432920	0.00
01-Jun-2007	15-May-2007	0	0	6.99750%	0.418290	0.00
01-Dec-2007	15-Nov-2007	0	0	6.99750%	0.404150	0.00
01-Jun-2008	15-May-2008	0	0	6.99750%	0.390480	0.00
01-Dec-2008	15-Nov-2008	0	0	6.99750%	0.377280	0.00
01-Jun-2009	15-May-2009	0	0	6.99750%	0.364530	0.00
01-Dec-2009	15-Nov-2009	0	0	6.99750%	0.352210	0.00
01-Jun-2010	15-May-2010	0	0	6.99750%	0.340300	0.00
		17,504,958.75	17,505,000.00			11,897,853.45

Cash Profit to County - 9-13-94, Net of Financing Costs (1) \$80,482.45

(1) Estimated Financing Costs Include (a):

Bond Counsel	20,000.00
Structuring Agent (b)	20,000.00
Verification	5,000.00
Expenses	<u>1,000.00</u>
Total	46,000.00

(a) Financing Costs Paid by Taxable Lender

(b) Exclusive of 0.300% fee to WFBS on government securities execution.

Butcher & Singer

Schedule C

Escrow Restructuring Analysis Prepared For The County of Lackawanna

Sale of Existing Escrow Securities

Settlement Date:

29-Dec-94

08-Sep-94

STRIP Date	STRIPS Principal	STRIPS Yield	STRIPS Price	Dollar Price
15-Nov-94	0	4.89250%	1.005920	0.00
15-May-95	0	5.68250%	0.979050	0.00
15-Nov-95	0	5.96250%	0.949730	0.00
15-May-96	0	6.48750%	0.915790	0.00
15-Nov-96	944,000	6.68750%	0.883800	834,307.20
15-May-97	404,000	6.89250%	0.851180	343,876.72
15-Nov-97	955,000	6.98750%	0.820650	783,720.75
15-May-98	390,000	7.09750%	0.790110	308,142.90
15-Nov-98	970,000	7.16750%	0.761030	738,199.10
15-May-99	374,000	7.21250%	0.733300	274,254.20
15-Nov-99	983,000	7.29750%	0.704950	692,965.85
15-May-2000	1,266,000	7.38750%	0.676970	857,044.02
15-Nov-2000	11,219,000	7.37750%	0.653220	7,328,475.18
15-May-2001	0	7.42250%	0.628240	0.00
15-Nov-2001	0	7.42250%	0.628240	0.00
15-May-2002	0	7.42250%	0.584090	0.00
15-Nov-2002	0	7.42250%	0.563180	0.00
15-May-2003	0	7.42250%	0.543030	0.00
15-Nov-2003	0	7.42250%	0.523600	0.00
15-May-2004	0	7.42250%	0.504860	0.00
15-Nov-2004	0	7.42250%	0.486800	0.00
15-May-2005	0	7.42250%	0.469380	0.00
15-Nov-2005	0	7.42250%	0.452580	0.00
15-May-2006	0	7.42250%	0.436380	0.00
15-Nov-2006	0	7.42250%	0.420770	0.00
15-May-2007	0	7.42250%	0.405710	0.00
15-Nov-2007	0	7.42250%	0.391190	0.00
15-May-2008	0	7.42250%	0.377190	0.00
15-Nov-2008	0	7.42250%	0.363700	0.00
15-May-2009	0	7.42250%	0.350680	0.00
15-Nov-2009	0	7.42250%	0.338130	0.00
15-May-2010	0	7.42250%	0.326030	0.00
	<u>17,505,000</u>			<u>12,160,985.92</u>

29-Dec-94 Sale Price of Existing Escrow Securities:

12,160,985.92

COUNTY OF LACKAWANNA

*Joseph J. Corcoran*  
-----  
JOSEPH J. CORCORAN

*Ray A. Alberigi*  
-----  
RAY A. ALBERIGI

*John Senio*  
-----  
JOHN SENIO

ATTEST:

*Gerald L. Stanvitch*  
-----  
GERALD L. STANVITCH,  
ADMINISTRATIVE DIRECTOR

Approved as to form and legality:

*Joseph A. O'Brien*  
-----  
JOSEPH A. O'BRIEN, ESQUIRE  
COUNTY SOLICITOR