

ORDINANCE #157

FIRST READING - December 14, 2004
 SECOND READING - December 28, 2004

AUTHORIZING THE ISSUANCE OF TAX ANTICIPATION NOTES IN AMOUNTS NOT TO EXCEED \$15,000,000 IN AGGREGATE PRINCIPAL AMOUNT OUTSTANDING AT ANY GIVEN TIME; PROVIDING FOR THE DATE, DENOMINATION, INTEREST RATE, MATURITY DATE AND PLACE OF PAYMENT PROVISIONS IN RESPECT OF THE NOTES; ACCEPTING THE PROPOSAL OF A LOCAL LENDING INSTITUTION FOR THE PURCHASE OF THE NOTES; PROVIDING THE SECURITY FOR THE NOTES; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AFFAIRS; ESTABLISHING A SINKING FUND IN RESPECT OF THE NOTES; PROVIDING FOR A SINKING FUND DEPOSITORY AND PAYING AGENT; SETTING FORTH A FORM OF NOTE; REPEALING INCONSISTENT ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the County of Lackawanna (the "County") anticipates receiving, by March 31, 2005, tax revenues, such revenues being as yet unreceived.

WHEREAS, the County has estimated such expected tax revenues and expenditures for the fiscal year 2005 and, on a monthly basis, will experience a cash flow deficit during some portions of such quarter.

WHEREAS, the County has therefore determined to borrow for the purpose of meeting current expenses by issuing Notes to be repaid from said anticipated tax revenues, all in accordance with the Local Government Unite Debt Act (the "Debt Act") being Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as amended and re-enacted by Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania.

WHEREAS, the County has received an acceptable proposal for the purchase of its tax anticipation notes hereinafter described.

WHEREAS, as required by Section 506 of the Debt Act, the authorized officers of the County have heretofore made an estimate of the tax revenues during the period when the said tax anticipation notes will be outstanding and, by their execution of a certificate with respect thereto dated on or before December ??, 2005, (the "Certificate as to Taxes and Revenues") have certified the said estimate.

WHEREAS, Section 501 of the Debt Act provides, with regard to tax and revenue anticipation notes, that "Such power to borrow from time to time shall include but not be limited to, the power to make a single authorization and then issue and sell portions of such amount of authorized notes whenever desired during the fiscal year."

WHEREAS, it is the intent of the County to authorize the issuance and sale of its tax anticipation notes in amounts not to exceed \$15,000,000 in aggregate principal amount outstanding at any given time, such Notes to be completely repaid on or before December 31, 2005.

WHEREAS, such tax anticipation notes shall be borrowed pursuant to and evidenced by Notes, the form which is as substantially specified herein.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of County Commissioners of the County of Lackawanna, Pennsylvania, that:

SECTION 1. For the reasons and purposes recited above, the County hereby authorizes the issuance of its tax anticipation notes in amounts not to exceed \$15,000,000 in aggregate principal amount outstanding at any given time (the "Notes") in anticipation of the receipt of tax revenues, said Notes to be sold and delivered as hereinafter provided.

SECTION 2. At least two of the members of the Board of Commissioners, Chief of Staff, Controller and/or Treasurer of the County, or any duly appointed successor, as the case may be, are hereby authorized and directed to prepare and verify a certified copy of this Ordinance and a true copy of the accepted proposal for the purchase of the Notes, all as required by Section 508 of the Debt Act and to file all of the above, together with an executed copy of the Certificate as to Taxes and Revenues, the contents of which are hereby approved, with the Department of Community Affairs of the Commonwealth of Pennsylvania.

SECTION 3. The Notes shall be designated "Tax Notes, Series A of 2005", shall be borrowed pursuant to and evidenced by Notes and shall be issued in denominations to be agreed upon by the County and the Purchaser (as hereinafter defined), shall be subject to prepayment prior to maturity, shall be payable to the registered owner thereof, shall be dated the date of delivery thereof, shall bear interest on the unpaid principal balance hereof from the date hereof at a rate not to exceed 3% fixed, per annum. Said principal and interest shall be payable on December 31, 2005 at the place in the manner and be otherwise in substantially the same form recited in Section 10 hereof. The interest rate specified above is based on the assumption that interest income from this loan is exempt from federal income taxes and interest expense deductible on loans and deposits incurred to provide funds used by the Bank in making this loan is limited to 80%.

This Ordinance is an Ordinance adopted pursuant to the Home Rule Charter of Lackawanna County and is also intended to qualify as a Resolution pursuant to §508 of the Debt Act.

COUNTY OF LACKAWANNA

ROBERT C. CORDARO

A. J. MUNCHAK

RANDY A. CASTELLANI

ATTEST:

PAUL D. TARAMELLI
CHIEF OF STAFF

Approved as to form and legality:

ELAINE C. GEROULO, ESQUIRE
COUNTY SOLICITOR