

ORDINANCE NO. 41

FIRST READING May 21, 1986
 SECOND READING July 8, 1986

AUTHORIZING AND DIRECTING THE INCURRING OF NONELECTORAL DEBT OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA (THE "COUNTY") IN THE AMOUNT OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) THROUGH THE ISSUANCE OF ITS GENERAL OBLIGATION NOTE, SERIES OF 1986, IN SUCH AGGREGATE PRINCIPAL AMOUNT (THE "NOTE"), FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS (1) THE FOLLOWING CAPITAL PROJECT: THE MAKING OF RENOVATIONS, IMPROVEMENTS AND REPAIRS TO AND THE PURCHASE OF EQUIPMENT FOR THE MID-VALLEY LONG TERM CARE CENTER, BLAKELY, LACKAWANNA COUNTY; AND (2) THE PAYMENT OF THE COSTS AND EXPENSES RELATED TO THE ISSUANCE OF SUCH NOTE: FIXING THE NUMBER, DATE, INTEREST RATE, MATURITY, AND REDEMPTION FEATURES OF SUCH NOTE AND APPROVING THE FORM THEREOF; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO EXECUTE THE NOTE; 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 NOTE AND APPROPRIATING PAYMENTS INTO SUCH SINKING FUND; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO CONTRACT WITH A FINANCIAL INSTITUTION FOR ITS SERVICES AS SINKING FUND DEPOSITARY AND PAYING AGENT; ACCEPTING THE PROPOSAL OF THE THIRD NATIONAL BANK FOR THE PURCHASE OF THE NOTE AT PRIVATE SALE AND AWARDED THE NOTE THERETO: AUTHORIZING THE FILING OF A COUNTY'S GENERAL OBLIGATION NOTE, SERIES OF 1986, OF THE COUNTY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$400,000 IN ACCORDANCE WITH THE ACT.

WHEREAS, the existing net nonelectoral debt of the County, as determined under the provisions of Article III of the Act, including the increase of nonelectoral 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 nonelectoral debt of the County in the amount of \$400,000 through the issuance of the general obligation note of the County in the aggregate principal amount of \$400,000, to be known as the County of Lackawanna, General Obligation Note, Series of 1986, for the purpose of providing funds for and towards the costs of the Mid-Valley Project, and to pay the costs of issuance of the Note.

Section 2. The Board hereby designates the Mid-Valley Project as the capital project for which it desires to incur the nonelectoral debt authorized hereunder. The descriptions of the Mid-Valley Project set forth in the recitals of this Ordinance are hereby approved and incorporated herein by reference.

Section 3. Pursuant to Section 602(a)(2) of the Act, the aggregate useful life of the Mid-Valley Project, which is being funded as part of the County's 1986 Capital Budget is thirty (30) years. The Note 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 Note 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 Note to The Third National Bank and Trust Company of Scranton (the "Purchaser") upon receipt of the purchase price and to take any other necessary action relating to the Note, 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.

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AUTHORIZING AND DIRECTING THE INCURRING OF NONELECTORAL DEBT OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA (THE "COUNTY") IN THE AMOUNT OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) THROUGH THE ISSUANCE OF ITS GENERAL OBLIGATION NOTE, SERIES OF 1986, IN SUCH AGGREGATE PRINCIPAL AMOUNT (THE "NOTE"), FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS (1) THE FOLLOWING CAPITAL PROJECT: THE MAKING OF RENOVATIONS, IMPROVEMENTS AND REPAIRS TO AND THE PURCHASE OF EQUIPMENT FOR THE MID-VALLEY LONG TERM CARE CENTER, BLAKELY, LACKAWANNA COUNTY; AND (2) THE PAYMENT OF THE COSTS AND EXPENSES RELATED TO THE ISSUANCE OF SUCH NOTE; FIXING THE NUMBER, DATE, INTEREST RATE, MATURITY, AND REDEMPTION FEATURES OF SUCH NOTE AND APPROVING THE FORM THEREOF; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO EXECUTE THE NOTE; 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 NOTE AND APPROPRIATING PAYMENTS INTO SUCH SINKING FUND; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO CONTACT WITH A FINANCIAL INSTITUTION FOR ITS SERVICES AS SINKING FUND DEPOSITARY A PAYING AGENT; ACCEPTING THE PROPOSAL OF THE THIRD NATIONAL BANK AND TRUST COMPANY OF SCRANTON FOR THE PURCHASE OF THE NOTE AT PRIVATE SALE AND AWARDING THE NOTE THERETO: AUTHORIZING THE FILING OF A DEBT STATEMENT WITH THE DEPARTMENT OF COMMUNITY AFFAIRS; AUTHORIZING OTHER NECESSARY ACTION; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the County intends to make renovations, improvements and repairs to and to purchase equipment for the Mid Valley Long Term Care Center, Blakely, Lackawanna County, such facility being owned by the County (the "Mid Valley Project"). The County has determined that the cost of such renovations, improvements, repairs, and equipment will be \$400,000 and has determined to fund the cost of such renovations, improvements, repairs and equipment through the issuance of the Note authorized herein.

WHEREAS, the County has determined to finance the unfunded portion of the County's capital budget for the year 1986, in the amount of \$400,000, which has been selected by County ordinance for current funding, through the issuance of the Note authorized herein. The Mid Valley Project is included in the capital budget for 1986 and its \$400,000 costs represents the unfunded portion of such capital budget.

WHEREAS, the Board has heretofore obtained realistic estimates of the costs of the Mid Valley Project 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 such Project and the payment of the costs and expenses related to the issuance of the Note, exceeds \$400,000.

WHEREAS, the Board proposes to finance the Mid Valley Project by an increase in the nonelectoral debt of the County through the issuance of the County's General Obligation Note, Series of 1986, of the County in the aggregate principal amount of \$400,000 in accordance with the Act.

WHEREAS, the existing net nonelectoral debt of the County, as determined under the provisions of Article II of the Act, including the increase of nonelectoral 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 nonelectoral debt of the County in the amount of \$400,000 through the issuance of the general obligation note of the County in the aggregate principal amount of \$400,000, to be known as the County of Lackawanna, General Obligation Note, Series of 1986, for the purpose of providing funds for and towards the costs of the Mid Valley Project, and to pay the costs of issuance of the Note.

Section 2. The Board hereby designates the Mid Valley Project as the capital project for which it desires to incur the nonelectoral debt authorized hereunder. The description of the Mid Valley Project set forth in the recitals of this Ordinance are approved and incorporated herein by reference.

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Section 3. Pursuant to Section 602(a)(2) of the Act, the aggregate useful life of the Mid Valley Project, which is being funded as part of the County's 1986 Capital Budget, is thirty (30) years. The providing funds for such project will mature within five (5) years of date of issuance.

Section 4. The County Commissioners, or any one of them, or the County 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 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 Note 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 Note to the Third National Bank & Trust Company of Scranton (the "Purchaser") upon receipt of the purchase price and to take any other necessary action relating to the Note, 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 action of the Administrative Director in negotiating the private sale of the Note and in requesting the Purchaser to submit a proposal is hereby approved, ratified and confirmed.

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

(FORM OF NOTE)

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF LACKAWANNA

GENERAL OBLIGATION NOTE, SERIES OF 1986

July 8, 1986

\$400,000

The County of Lackawanna, Pennsylvania (the "County") for value received, promises to pay to THE THIRD NATIONAL BANK & TRUST COMPANY, SCRANTON, Scranton, Pennsylvania (the "Bank") upon surrender hereon, on or before July 1981, unless this Note shall have been previously called for prepayment, the principal sum of FOUR HUNDRED THOUSAND DOLLARS (\$400,000) and to pay interest thereon from the date hereof until maturity at an annual rate of equal to eighty percent (80%) of the Bank's Reference Rate, provided, however, that such interest rate shall not exceed twelve percent (12%). The Reference Rate is a changing rate which is used by the Bank as a standard for setting loan rates. The Reference Rate is not necessarily the Bank's lowest loan rate. The Bank will change the Reference Rate based on external market conditions and/or internal financial indicators.

Principal and interest at the aforesaid rates shall be paid in successive consecutive monthly installments, the first such installment to be paid in August 1987 and one such installment to be on the ___ day of ___ month thereafter, as follows:

(a) 59 consecutive monthly installments of principal and interest, the amount of such installment to be subject to adjustment as the Bank's reference rate changes, to amounts which would, at the then current rate charged on this Note, amortize the remaining principal, together with interest, fully over the remaining amortization period of this Note (said remaining amortization period to be computed by subtracting the number of months passed since this Note was issued from the initial amortization period of 60 months); and

(b) a final installment on July ___, 1991, in an amount sufficient to pay, in full, the entire outstanding principal balance, together with all interest due, at the aforementioned rates.

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, ("Paying Agent"), 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, successions and inheritance taxes, and other taxes not levied or assessed directly

on the Notes or the income therefrom.

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This Note is issued in accordance with the Local Government Un Act, Act of July 12, 1972, No. 1875, re-enacted, amended and rev the Act of April 28, 1978, No. 52, and by virtue of an Ordinari "Ordinance") of Board of County Commissioners of the Cou Lackawanna duly filed, together with all other proceedings in res the Notes, with the Pennsylvania Department of Community Affairs This Note is prepayable, without penalty at any time pursuant provisions of the Ordinance.

In the Ordinance, the County has covenanted with the holders fr to time of the Note that it shall include the amount of debt ser the Note for each fiscal year in which such sums are payable budget for the year, shall appropriate such amounts to the pay such debt service and shall duly and punctually pay or cause to the principal of the Note and the interest thereon at the da place and in the manner stated in the Note according to the true and meaning thereof, and for such budgeting, appropriation and p the County of Lackawanna has pledged its full faith, credit and power. The Ordinance provides that this covenant is speci enforceable.

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

It is hereby certified that all acts, conditions and things requ be or to be done, occur or be performed precedent to and in the i of this Note, or in the creation of the debt of which this is e have been done, occurred and have been performed in regular and d and manner as required by law; and that the debt represented l Note, together with all other debt of the County is not in excess constitutional or statutory limitation.

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

Attest: *Donald J. Rosenthal*
Administrative Director

(SEAL)

LACKAWANNA COUNTY

By

Ray A. Murray
Joseph J. Corcoran

BOARD OF COMMISSIONERS

Approved as to Form:

Controller

County Solicitor

Treasurer

Section 8. The Note shall bear interest, be payable annually f date of issuance until maturity or redemption at the rates per and shall mature as described in the form of Note contained in Se hereof.

Section 9. The Note shall be subject to prepayment, without pena any time prior to maturity.

Section 10. The Note shall be executed by each of the Commissioners of the County, or any two of them, and by the Controller and the County Treasurer, and shall have the corpora of the County affixed thereto and duly attested by the signature Administrative Director of the County, and said Officers are authorized and directed to execute the Note in such manner, and t the same to be delivered in accordance with the terms of this Or and the terms of the Proposal referred to in Section 11 hereo County Commissioners, the County Controller, the County Treasu the Administrative Director, or any of them, are further authori directed to execute and deliver such other documents and to ta other action as may be necessary or appropriate in order to eff

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the issuance and sale of the Notes, all in accordance with this Ordinance, including, without further authorization, causing funds from the proceeds of the Note to be paid at Closing for the costs of issuance of the Note 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 award the Note to, THE THIRD NATIONAL BANK & TRUST COMPANY OF SCRANTON, under the terms set forth in the Proposal Letter dated July 8, 1986, 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 Note that the County shall include the amount of the debt service in respect of the Note for each fiscal year in which such sums are payable in its budget for the 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 Note at the dates and places and in the manner stated in the Note according to the true intent and meaning hereof, 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 authorizes the County Treasurer to appoint the Sinking Fund Depository and Paying Agent for the Note. 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 Note and to deliver it 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 Note.

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 Note-Series of 1986-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 specified in the Note, 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 Note on such 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 Note 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 ___ day of August, 1986, the amounts necessary to make such Sinking Fund deposits are annually hereby appropriated to the Sinking Fund for the payment of the principal of and interest on the Note.

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 action as may be necessary or 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 Note that it will not make or permit any use of the proceeds of the Note which, if such use had been reasonably expected on the date of issue of such Note, would have caused such Note to be an "arbitrage bond" 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 Note. 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

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forth their reasonable expectation regarding the use of "proceeds" of the Note (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 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 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 8th day of July, 1986.

COUNTY OF LACKAWANNA

By: Ray A. Allering
Chairman

(SEAL)

COUNTY COMMISSIONERS

Attest: Donald J. Rosenthal
Administrative Director