Easton, Pennsylvania               July 19, 2012

A regular meeting of the Northampton County Council was held on the above date with the following present: John Cusick, President; Margaret L. Ferraro, Vice President; Thomas H. Dietrich; Kenneth M. Kraft; Scott Parsons; Barbara A. Thierry; Robert F. Werner; Frank E. Flisser, Clerk to Council, and Philip D. Lauer, Solicitor to Council. Absent were Bruce A. Gilbert and Lamont G. McClure, Jr.

Prayer

Mr. Cusick led County Council in prayer to open the meeting.

Pledge of Allegiance

Mr. Werner led County Council in the pledge of allegiance.

Approval of the Minutes

Mr. Kraft made the following motion:

Be It Moved By the Northampton County Council that the minutes of the June 21, 2012 meeting shall be approved.

Mrs. Thierry seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Kreidersville Covered Bridge Association

Mr. Cusick stated representatives of the Kreidersville Bridge Association were present to address County Council.

Mr. Robert Filipovits, President, advised they wanted to thank County Council for all the support they have given them over the years. He then showed a video regarding the bridge that was filmed by students of Northampton High School.
Mr. Tom Christopher, Treasurer, stated they have begun to receive checks from the Hotel Tax grant they obtained this year that would be used for construction of access to a parking area. He further stated they have also submitted a grant application this year for additional monies to be used for the parking lot.

Ms. Linda Santucci, Vice President, advised she had been a member of the association for 19 years and for the past seven years she had been working with the high school as they provided a $200 scholarship to a student for an essay on why the bridge should be preserved, noting they received approximately 60 essays.

Confirmation of Appointments

Mr. Cusick stated the Personnel Committee met yesterday to consider the County Executive’s appointment to the Drug and Alcohol Advisory Board.

Mr. Kraft introduced the following resolution:

R. 59C2012  RESOLVED, by the Northampton County Council that the following individual shall be confirmed in his appointment as indicated hereafter:

DRUG AND ALCOHOL ADVISORY BOARD

Appointment:                  Term to Expire: 6/30/14
David M. Bartera
1335 South Boulevard
Bethlehem PA 18017

As there were no questions or comments, Mr. Cusick called for the vote.


The resolution was adopted by a vote of 7-0.
Mr. John Stoffa, County Executive, advised the Swaption was officially terminated on June 22, 2012, at $27,275,000. He further advised he had asked Mr. Doran Hamann, Acting Director of Fiscal Affairs, to continue to monitor it and as of July, the total had risen to $28,668,000.

Mr. Stoffa stated progress continued at the West Easton Treatment Center and the time frame to move in was between August 15, 2012 and August 31, 2012. He further stated an open house and ribbon cutting ceremony would be held in the near future.

Mr. Stoffa advised the Archives Building in Forks Township was being refurbished and they hoped to move into the building by the end of this year.

Mr. Stoffa stated they were continuing to make progress in obtaining a Human Services building.

Mr. Stoffa advised the Law Library should be ready for occupation in two weeks.

Mr. Stoffa stated that tonight County Council would hear a presentation from a representative of the Miracle League of Northampton County and he urged them to strongly consider their request because it was a worthwhile cause that deserved the County’s support.

Mr. Stoffa advised the Northampton County Prison received its Certificate of Compliance and the report showed there were no deficiencies or citations to report. He further advised this was a great achievement and meant it would not have to be inspected next year.

In answer to Mr. Kraft’s question as to when the County’s records could be removed from Iron Mountain once the Archives Building was up and running, Mr. Stoffa stated it should be immediately. He further stated they have been notified the County would be removing their files.
Public Hearing on the Swaption Ordinance

Mr. Cusick advised the following ordinance was introduced by Messrs. Dietrich, Werner and Parsons at the meeting held July 5, 2012:

AN ORDINANCE PROHIBITING THE COUNTY OF NORTHAMPTON FROM ENTERING INTO ANY QUALIFIED INTEREST RATE MANAGEMENT AGREEMENTS, SWAP AGREEMENTS AND/OR SWAPTIONS

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania unanimously passed Act 23 of 2003, which expanded the use of derivatives and for the first time allowed school districts and local governments to enter into Qualified Interest Rate Management Agreements (QIRMAs), which are more commonly known as Swap Agreements and Swaptions; and

WHEREAS, the Auditor General of the Commonwealth of Pennsylvania in a report (Auditor General’s Report) titled, A SPECIAL INVESTIGATION OF THE BETHLEHEM AREA SCHOOL DISTRICT, LEHIGH AND NORTHAMPTON COUNTIES - A Case Study of the Use of Qualified Interest Rate Management Agreements (Swaps) By Local Government Units in Pennsylvania, With Recommendations - November 2009; concluded, in part: A...that QIRMAs are highly risky and impenetrably complex transactions that, quite simply, amount to gambling with public money. Moreover they are susceptible of being marketed deceptively, and they principally benefit investment banks and the multitude of intermediaries who sell them to relatively unsophisticated public officials... and

WHEREAS, the Auditor General’s Report recommends: (1) The use of QIRMAs and other derivatives by Local Government Units (LGUs) and municipal authorities should be prohibited by law; (2) No LGU or municipal authority in this Commonwealth should enter into or utilize such instruments from this day forward; (3) Any LGU or municipal authority in this Commonwealth that is party to an active QIRMA should immediately terminate it and refinance with conventional debt instruments if necessary; (4) LGUs and municipal authorities should hire their financial advisors through a competitive selection process and periodically evaluate the quality, cost and independence of services provided; and
WHEREAS, the County of Northampton entered into and approved a QIRMA on June 17, 2004, by adopting Northampton County resolution No. 34-2004; and

WHEREAS, at the meeting held June 21, 2012, the Northampton County Council adopted resolution No. 48-2012 which terminated the Northampton County QIRMA, at a cost of $27,275,000.00.

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ENACTED by the Northampton County Council that: (1) it does hereby concur with the findings, conclusions and recommendations in the Pennsylvania Auditor General’s Report titled, “A SPECIAL INVESTIGATION OF THE BETHLEHEM AREA SCHOOL DISTRICT, LEHIGH AND NORTHAMPTON COUNTIES - A Case Study of the Use of Qualified Interest Rate Management Agreements (Swaps@ By Local Government Units in Pennsylvania, With Recommendations - November 2009”;

(2) it shall be the stated policy of the County of Northampton that from the effective date of this ordinance forward, the use of Qualified Interest Rate Management Agreements (QIRMAs), which are more commonly known as Swap Agreements and Swaptions, shall be strictly prohibited; (3) the County of Northampton shall not, participate in, utilize, approve or consider any derivative investment schemes similar to Qualified Interest Rate Management Agreements or Swaptions, that may exist in the future.

Effective Date

This Ordinance shall become effective thirty (30) days after the date of enactment.

Public Hearing

Mr. Cusick asked if there was anyone from the public who wished to comment.

Mr. Stephen Barron, Northampton County Controller – stated some damaging information had come out about the fixing of the London Interbank Offered Rates. He further stated he talked to a few people who were following this matter and there was going to be an investigation so he encouraged County Council to see what other people, who were involved in Swaptions or derivative financial instruments, were doing as they were given opportunities to perhaps recoup some of the monies from these banks.
Mr. Barron advised the issue was that rates were held artificially low that caused the County’s Swaption to go ridiculously high. He further advised the County should monitor the issue to see what dates they were given relief for so the County could move forward to see if it could recover some of this money for the taxpayers.

Mr. Cusick asked if there were any County Council members who wished to comment.

Mr. Dietrich stated at the last meeting, Mr. Lauer indicated he was going to provide an opinion on this ordinance.

Mr. Lauer advised County Council could adopt this ordinance, but he did not think it had the authority to prevent future County Councils from taking any action that they considered to be appropriate.

Mr. Dietrich stated he wanted this ordinance to provide an opportunity for other County Council members to take time to reflect on what they were going to be voting on.

Mr. Cusick advised it was his hope that the State legislators banned these types of financial deals because that was where it all began.

As there were no further questions or comments, Mr. Cusick called for the vote.


The ordinance was adopted by a vote of 7-0.

Introduction of the General Obligation Bond Issue (Series of 2012) Ordinance

Mr. Cusick stated the Finance Committee met on July 18, 2012, to review this matter. He further stated according to information received to date, the ordinance would be introduced at this meeting, the public hearing would be held at the August 2, 2012 meeting and the vote would be scheduled for the August 16, 2012 meeting.

Mr. Parsons and Mrs. Thierry introduced the following ordinance:

WHEREAS, pursuant to the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq. (the “Act”), the County of Northampton (the “County”) may incur indebtedness for the purposes of refunding outstanding indebtedness; and

WHEREAS, the Northampton County General Purpose Authority (the “Authority”), previously issued its County Agreement Revenue Bonds, Series of 2001 (the “2001 Bonds”), pursuant to a Trust Indenture dated as of December 1, 2001 (the “2001 Trust Indenture”), between the Authority and TD Bank, National
Association, as successor trustee (the “2001 Trustee”) in the original principal amount of $111,175,000 of which $70,385,000 remains outstanding; and

WHEREAS, the County guaranteed the payment of the debt service on the 2001 Bonds pursuant to a guaranty agreement dated as of December 1, 2001 (the “County Guaranty”) between the Authority and the County; and

WHEREAS, the portion of the 2001 Bonds remaining outstanding was issued to finance the costs of certain capital and economic development projects in and for the County; and

WHEREAS, the County entered into an Interest Rate Management Agreement, including an ISDA Master Agreement and the Schedule and the Credit Support Annex thereto, each dated as of June 28, 2004, and the Confirmation thereunder (Admin: 04DL09033/1752861) dated June 28, 2004 (collectively, the “Swap Agreement”) related to the 2001 Bonds with Merrill Lynch Capital Services, Inc. which was terminated effective June 22, 2012; and

WHEREAS, the County has determined to undertake a refinancing program to achieve debt service savings consisting of the current refunding of all of the outstanding 2001 Bonds as further delineated on the attached Exhibit A (the bonds being so refunded, all of which are nonelectoral debt, are referred to herein as the “2001 Refunded Bonds”); and

WHEREAS, the County has determined to issue its $________ aggregate principal amount General Obligation Bonds, Series A of 2012 (Federally Taxable) (the “2012A Bonds”) and its $________ aggregate principal amount General Obligation Bonds, Series B of 2012 (Tax-Exempt) (the “2012B Bonds,” and together with the 2012A Bonds, the “Bonds”) to provide funds to finance (i) the current refunding of the 2001 Refunded Bonds, (ii) the payment of a termination payment pursuant for the Swap Agreement and (iii) the payment of the costs and expenses of issuing such Bonds (collectively, the “Refinancing Program”); and

WHEREAS, the County has retained VALCO Capital, Ltd., Ligonier, Pennsylvania, as financial consultant in connection with the issuance of the Bonds (the “Financial Consultant”); and

WHEREAS, the County has determined that it is in the best financial interest of the County to sell the Bonds at private negotiated sale, and the County has received a proposal for the purchase of the Bonds (the “Bond Purchase Proposal”) from
WHEREAS, the County Council of the County of Northampton (the “Council”) desires to approve the issuance of the Bonds, approve the Refinancing Program, and accept the Bond Purchase Proposal of the Underwriter.

NOW, THEREFORE, BE IT ENACTED by the County Council of the County of Northampton and IT IS HEREBY ENACTED, as follows:

1. Authorization of the Refinancing Program and Incurrence of Indebtedness; and Purpose of the Refinancing Program. The County hereby authorizes and shall undertake the Refinancing Program, as described in the preambles to this Ordinance. The County shall incur indebtedness pursuant to the Act in the aggregate principal amount of $_________ to finance the costs of the Refinancing Program and the costs and expenses of issuing the Bonds.

It is hereby determined and set forth that the purpose of the Refinancing Program is to reduce the total debt service that would otherwise have been payable on the 2001 Refunded Bonds over the life of the issue as authorized by Section 8241(b)(1) of the Act. Attached hereto as Exhibit B and made a part hereof is the schedule of debt service savings in connection with the Refinancing Program.

It is hereby determined and stated that the useful lives of the projects financed or refinanced with the proceeds of the 2001 Refunded Bonds are in excess of the term of the Bonds related to the Refinancing Program. The 2001 Refunded Bonds financed the costs of various capital improvement projects with useful lives in excess of thirty (30) years (Ordinance enacted July 19, 2001).

2. Authorization of Issuance of the Bonds. The County shall issue, pursuant to the Act and this Ordinance, its (i) General Obligation Bonds, Series A of 2012 (Federally Taxable), in an aggregate principal amount of $_________ in order to finance the payment of a termination payment for the Swap Agreement as a result of the termination of the Swap Agreement by the County and the payment of the costs and expenses of issuing the 2012B Bonds, and (ii) General Obligation Bonds, Series B of 2012 (Tax-Exempt), in the aggregate principal amount of $________, in order to provide funds for and toward the
costs of the Refinancing Program and paying the costs of issuing the 2012A Bonds as authorized and provided in Section 1 hereof.

3. **Type of Indebtedness.** The indebtedness evidenced by the Bonds is nonelectoral debt.

4. **Execution of Debt Statement, Bonds and Other Documents.** The County Executive and Director of Fiscal Affairs, respectively, of the County and their successors are hereby authorized and directed to file the Debt Statement required by Section 8110 of the Act, to execute and deliver the Bonds in the name and on behalf of the County and to take all other action required by the Act or this Ordinance in order to effect the issuance of the Bonds. Said officers or any of them are further authorized to apply to the Pennsylvania Department of Community and Economic Development for approval of the debt herein authorized and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, the Debt Statement, a Borrowing Base Certificate signed by the appropriate officials of the County or by the accountants of the County responsible for auditing its financial affairs, and to take any and all such further action and to execute and deliver such other documents as may be necessary or proper to comply with all requirements of the Act or to carry out the intent and purpose of this Ordinance. Said officers and their successors are further hereby authorized if, in their opinion, it is advisable to do so, to prepare and file such statements and documents as may be required by Section 8024 of the Act in order to qualify all or any portion of the existing indebtedness of the County or of the Bonds as subsidized debt or self-liquidating debt.

5. **Type of Bonds.** The Bonds when issued will be general obligation bonds.

6. **Covenant to Pay Debt Service - Pledge of Taxing Power.** The County hereby covenants with the registered owners of the Bonds outstanding pursuant to this Ordinance as follows: (a) that the County will include in its budget for each fiscal year during the life of the Bonds, the amount of the debt service on the Bonds issued hereunder which will be payable in each such fiscal year so long as any of the Bonds shall remain outstanding; (b) that the County shall appropriate from its general revenues such amounts to the payment of such debt service; (c) that the County shall duly and punctually pay or cause to be paid from the Sinking Fund (as hereinafter defined) or any of its other revenues or funds the principal of every
Bond and the interest thereon at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof; and (d) for such budgeting, appropriation and payment the County hereby pledges its full faith, credit and taxing power. The covenant contained in this Section 6 shall be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenant are those set forth in Exhibits C-1 and C-2 attached hereto and made a part hereof which are hereby incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant.

7. Form of Bonds. The Bonds shall be substantially in the form set forth in Exhibits D and E hereto, with appropriate omissions, insertions and variations.

8. Terms of Bonds. The Bonds of each series shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof and shall be dated the date of issuance thereof or such other date as the County and the Underwriters shall agree. The 2012A Bonds shall be issued in the aggregate principal amount of $_____________ and the 2012B Bonds shall be issued in the aggregate principal amount of $_____________. The Bonds shall bear interest from the date thereof payable semiannually on April 1 and October 1 of each year, commencing April 1, 2013, at the rates and shall mature on October 1 of the years as set forth in the Bond Amortization Schedules attached hereto as Exhibit C and made a part hereof.

The Bonds are being amortized so that the debt service on all outstanding debt of the County following the issuance of the Bonds will be brought more nearly into an overall level annual debt service plan.

The principal of the Bonds shall be payable in lawful money of the United States of America at the corporate trust office of TD Bank, N.A. in Philadelphia, Pennsylvania and Cherry Hill, New Jersey (the “Paying Agent”), which is hereby appointed paying agent and registrar for the Bonds and the sinking fund depository. Interest on the Bonds shall be payable in the manner provided in the form of Bonds set forth in Exhibits E and F hereto.
9. **Redemption of Bonds.**

   (a) **Optional Redemption of 2012A Bonds.** The 2012A Bonds maturing on or after October 1, 20__ shall be subject to redemption prior to maturity, at the option of the County, as a whole or in part from time to time, in any order of maturity or portion of a maturity as selected by the County, on ____________, 20__ or any date thereafter upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire maturity of Bonds is to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

   (b) **Optional Redemption of 2012B Bonds.** The 2012B Bonds maturing on or after October 1, 20__ shall be subject to redemption prior to maturity, at the option of the County, as a whole or in part from time to time, in any order of maturity or portion of a maturity as selected by the County, on ____________, 20__ or any date thereafter upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire maturity of Bonds is to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

   (c) **Mandatory Sinking Fund Redemption – 2012A Bonds.** The 2012A Bonds stated to mature on October 1, 20__ and October 1, 20__ (the “2012A Term Bonds”) are subject to mandatory redemption prior to their stated maturity by lot by the County from monies to be deposited in the 2012A Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The County hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem 2012A Term Bonds at said price from monies deposited in the 2012A Sinking Fund sufficient to effect such redemption (to the extent that 2012A Term Bonds shall not have been previously redeemed or purchased from said monies by the County) on October 1 of the year and in the annual principal amount set forth in the following schedule (or such lesser principal amount as shall at the time represent all 2012A Term Bonds which shall then be outstanding):

   **2012A Mandatory Redemption Schedule**

<table>
<thead>
<tr>
<th>Redemption Date (October 1)</th>
<th>Principal Amount to be Redeemed or Purchased</th>
<th>Maturity From Which Redeemed</th>
</tr>
</thead>
</table>

   $
(d) Mandatory Sinking Fund Redemption – 2012B Bonds. The 2012B Bonds stated to mature on October 1, 20__ and October 1, 20__ (the “2012B Term Bonds”) are subject to mandatory redemption prior to their stated maturity by lot by the County from monies to be deposited in the 2012B Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The County hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem 2012B Term Bonds at said price from monies deposited in the 2012B Sinking Fund sufficient to effect such redemption (to the extent that 2012B Term Bonds shall not have been previously redeemed or purchased from said monies by the County) on October 1 of the year and in the annual principal amount set forth in the following schedule (or such lesser principal amount as shall at the time represent all 2012B Term Bonds which shall then be outstanding):

<table>
<thead>
<tr>
<th>Redemption Date (October 1)</th>
<th>Principal Amount to be Redeemed or Purchased</th>
<th>Maturity From Which Redeemed</th>
</tr>
</thead>
</table>

For the purpose of selection of Bonds of a series for redemption, any Bond of a denomination greater than $5,000 shall be treated as representing such number of separate Bonds, each of the denomination of $5,000, as is obtained by dividing the actual principal amount of such Bond by $5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania or Cherry Hill, New Jersey, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption, and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit of security hereunder, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption,
except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed to the Paying Agent not less than 30 or more than 45 days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the bond register maintained by the Paying Agent. Such notice shall be given in the name of the County, shall identify the Bonds to be redeemed (and, in the case of a partial redemption, of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania or Cherry Hill, New Jersey, and that from the date of redemption interest will cease to accrue. The Paying Agent shall use “CUSIP” numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed “RA-“ and “RB-“ printed on the respective series of Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

With respect to any optional redemption of Bonds, if at the time of mailing such notice of redemption, the County shall not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such, notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such monies are so deposited.

10. **Appointment of Securities Depository.** The Depository Trust Company, New York, New York (“DTC”), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system (“DTC Participants”). The ownership of one fully registered Bond for each maturity of each series of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each Bond will be in the aggregate principal amount of such maturity of each series. The County
shall cause the Bonds to be delivered to DTC for the benefit of the purchaser on or before the date of issuance of the Bonds.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the “Beneficial Owner”) will not receive bond certificates and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant’s interest in the Bonds, which will be confirmed in accordance with DTC’s standard procedures. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the County nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The County is authorized to execute such documents as may be necessary or desirable in connection with DTC’s services as securities depository including a blanket letter of representation obligating the County to give certain notices to DTC and to meet certain requirements relating to Bond payments.

If DTC determines to discontinue providing its services as securities depository with respect to the Bonds at any time, the County Executive of the County is hereby authorized to designate a successor securities depository or to deliver certificates to or upon the order of the registered owners of the Bonds.

11. **Sale of Bonds.** The Bonds shall be sold at private sale by negotiation as hereinafter set forth in Section 14. After due consideration, the Council hereby finds and determines, on the basis of all available information, that a private negotiated sale of the Bonds is in the best financial interest of the County.

12. **Creation of and Deposits in Sinking Fund.** The County covenants that there shall be and there is hereby established and that it shall hereafter maintain two sinking funds designated respectively “Sinking Fund - General Obligation Bonds, Series A of 2012 (Federally Taxable)” for the 2012A Bonds and “Sinking Fund - General Obligation Bonds, Series B of 2012 (Tax-Exempt)” for the 2012B Bonds (collectively, the “Sinking
Funds”) to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the County, but subject to withdrawal only by the Paying Agent.

The County covenants and agrees to deposit in the Sinking Fund for each series no later than each April 1 and October 1 (each, an “Interest Payment Date”) the debt service payable on the Bonds on such dates, which shall not exceed the amounts set forth in Exhibit C hereto.

Pending application to the purpose for which each Sinking Fund is established, County Executive and Director of Fiscal Affairs, respectively, of the County are hereby authorized and directed to cause the monies therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the Act. All income received on such deposits or investments of monies in each Sinking Fund during each applicable period shall be added to such Sinking Fund and shall be credited against the deposit next required to be made in such Sinking Fund.

The Paying Agent is hereby authorized and directed, without further action by the County, to pay from each Sinking Fund the principal of and interest on the Bonds of the related series as the same become due and payable in accordance with the terms thereof and the County hereby covenants that such monies, to the extent required, will be applied to such purpose.

All monies deposited in each Sinking Fund for the payment of the Bonds of the related series which have not been claimed by the registered owners thereof after two years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the County. Nothing contained herein shall relieve the County of its liability to the registered owners of the unpresented Bonds.

13. **No Taxes Assumed.** The County shall not assume the payment of any tax or taxes in consideration of the purchase of the Bonds.

14. **Award and Sale of Bonds.** The County hereby awards and sells the 2012A Bonds and 2012B Bonds to ______________ (the “Underwriter”), at a price of $___________ (representing the face amount of the 2012A Bonds plus he face amount of the 2012B Bonds [plus] a net [reoffering premium] of $___________, less
the underwriter’s discount of $__________) plus accrued interest
and in accordance with the terms and conditions contained or
incorporated in the proposal of the Underwriter dated
___________ __, 2012, which is hereby approved and accepted. A
copy of said proposal shall be attached to this Ordinance and
lodged with the official minutes of this meeting and is hereby
incorporated herein by reference. The proper officers of the
County are hereby authorized and directed to endorse the
acceptance of the County on said proposal and to deliver a copy
thereof to the Underwriter. Delivery of the accepted proposal
to the Underwriter shall constitute conclusive evidence that the
award and sale of the Bonds under this Ordinance have become
final.

15. **Contract with Paying Agent.** The proper officers of
the County are authorized to contract with TD Bank, N.A. in
Philadelphia, Pennsylvania and Cherry Hill, New Jersey, in
connection with the performance of its duties as the Paying
Agent and Sinking Fund Depository on usual and customary terms,
including an agreement to observe and comply with the provisions
of this Ordinance and of the Act.

16. **Redemption of Refunded Bonds.** The County hereby calls
the 2001 Refunded Bonds for redemption on or after October 1,
2012. The County Executive is authorized to set the exact
redemption date, but such date shall be within ninety (90) days
of the issuance date of the Bonds. The County shall deposit
with the 2001 Trustee the amounts required to pay the principal
of and interest on the 2001 Refunded Bonds to the date of
redemption. The officers of the County are hereby authorized and
directed to execute all documents and to take such other action
as may be necessary or advisable to effect the redemption and
payment of the 2001 Refunded Bonds and the termination of the
2001 Trust Indenture, including the investment of moneys prior
to the redemption of the 2001 Refunded Bonds. Upon redemption
of the 2001 Refunded Bonds, any excess moneys shall be transferred
by the 2001 Trustee to the Paying Agent, and the Paying Agent
shall deposit the same in the appropriate Sinking Fund.

17. **Federal Tax Covenants.** The County hereby covenants
not to take or omit to take any action so as to cause interest
on the 2012B Bonds to be no longer excluded from gross income
for purposes of federal income taxation and to otherwise comply
with the requirements of Sections 103 and 141 through 150 of the
Code, and all applicable regulations promulgated with respect
thereto, throughout the term of the 2012B Bonds. The County
further covenants that it will make no investments or other use
of the proceeds of the 2012B Bonds which would cause the 2012B Bonds to be “arbitrage bonds” as defined in Section 148 of the Code. The County further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

18. **Execution and Authentication of Bonds.** The Bonds shall be executed by the County Executive of the County and the Clerk of County Council and each such execution shall be by manual or facsimile signature. If any officer whose signature appears on the Bonds shall cease to hold such office before the actual delivery date of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the Bonds. The Bonds shall be authenticated by the manual signature of an authorized representative of the Paying Agent.

19. **Application of Bond Proceeds.** The balance of the purchase price for the Bonds, and any accrued interest payable by the Underwriter, shall be paid by the Underwriter to the Paying Agent on behalf of the County. Upon receipt of the balance of such purchase price for the Bonds, including interest thereon accrued to the date of delivery, if any, the Paying Agent shall deposit the same in a settlement account. From the settlement account, the Paying Agent shall pay, or establish reserves for payment of, the costs and expenses of the financing and the proper officers of the County are authorized to direct the Paying Agent to pay the issuance costs on behalf of the County as set forth in written directions to the Paying Agent.

Any amounts in the above-described account shall be disbursed from time to time by the Paying Agent pursuant to written instructions from the County Executive of the County and any balance ultimately remaining in such account shall, upon written instructions of the County Executive of the County, be deposited in the general fund of the County.

20. **Approval of Official Statement.** The Preliminary Official Statement for the Bonds dated ______________ __, 2012, is hereby approved and “deemed final” by the County as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12. A final Official Statement to be dated ______________ __, 2012, substantially in the form of the
Preliminary Official Statement presented to this meeting, and also containing the final terms of the Bonds, shall be prepared and delivered to the Underwriter within seven (7) business days from the date hereof, and the County hereby approves the use thereof in connection with the public offering and sale of the Bonds and the execution thereof by the County Executive of the County.

21. **Covenant to Pledge Sufficient Funds.** The County hereby covenants and agrees that, concurrently with the issuance of and payment for the Bonds:

1. The County will have irrevocably pledged with the 2001 Trustee amounts sufficient, together with interest, if any, to be earned thereon, to pay: (1) all interest on the 2001 Refunded Bonds to the dates of maturity or redemption thereof; and (2) the principal of the 2001 Refunded Bonds at the dates of maturity or redemption thereof so that the 2001 Refunded Bonds will no longer be outstanding under the Act; and

2. Such 2001 Trustee will have invested the monies required by any escrow agreement or directions in accordance with the terms thereof.

22. **2001 Project Fund.** There are currently unexpended proceeds of the 2001 Bonds in the Project Fund established under the 2001 Trust Indenture. The County hereby declares that the projects authorized to be financed from such Project Fund are either completed or impracticable and unfeasible and hereby directs the 2001 Trustee to apply all funds held in such Project Fund (and in any other fund or account established under the 2001 Trust Indenture) to the redemption of the 2001 Refunded Bonds.

23. **Continuing Disclosure.** The County hereby authorizes and directs the appropriate officers to execute and deliver a Continuing Disclosure Agreement or a supplement to an existing Continuing Disclosure Agreement of the County (the “Continuing Disclosure Agreement”) if and to the extent required by law. The County further covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder or under the Bonds; however, the Paying Agent, any Participating Underwriters (as defined in the Continuing Disclosure Agreement), or any Bondholder may take such actions
as may be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this Section.

24. **Bond Insurance.** If deemed financially advantageous to the County in connection with the issuance of the Bonds, the officers of the County are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on the Bonds, to pay the premium for such policy from the proceeds of the Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the Bonds issued under this Ordinance may include a statement of the terms of such insurance policy and the Authentication Certificate of the Paying Agent appearing on each Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Paying Agent.

25. **Bond Counsel.** The County hereby confirms the appointment of Cozen O’Connor to act as Bond Counsel to the County with respect to the transactions contemplated by this Ordinance.

26. **Further Action.** The proper officers of the County are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the County.

27. **Act Applicable to Bonds.** This Ordinance is enacted pursuant to, and the Bonds issued hereunder shall be subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.

28. **Contract with Bond Owners.** This Ordinance constitutes a contract with the registered owners of the Bonds outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

29. **Severability.** In case any one or more of the provisions contained in this Ordinance or in any Bond shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said Bonds, and this Ordinance or said Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.
30. **Repealer.** All Ordinance and parts of Ordinance heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

31. **Effective Date.** This Ordinance shall take effect on the earliest date permitted by the Act.

Consideration of the Resolution Titled, “RESOLUTION OF THE COUNTY OF NORTHAMPTON DESIGNATING THE NORTHAMPTON COUNTY GENERAL PURPOSE AUTHORITY AS THE LOCAL SHARE ASSESSMENT LOAN REVIEW COMMITTEE”

Mr. Cusick advised the Economic Development Committee met on July 5, 2012 and reviewed this resolution and recommended presenting it to County Council for adoption.

Mrs. Ferraro introduced the following resolution:

**R. 60-2012**

RESOLUTION OF THE COUNTY OF NORTHAMPTON DESIGNATING THE NORTHAMPTON COUNTY GENERAL PURPOSE AUTHORITY AS THE LOCAL SHARE ASSESSMENT LOAN REVIEW COMMITTEE

**WHEREAS**, the County of Northampton applied for and received a grant from the Commonwealth Financing Authority through the Monroe County Local Share Assessment program to create a Revolving Loan Fund to be used towards the rehabilitation of buildings in the defined downtowns of the boroughs throughout the County; and

**WHEREAS**, the Commonwealth Financing Authority has required the County of Northampton to comply with special conditions in association with this Revolving Loan Fund that includes the establishment of a loan review committee, guidelines of loan approval and annual reporting; and

**WHEREAS**, the Northampton County General Purpose Authority is a broadly representative committee consisting of members qualified to serve as a loan review committee; and

**WHEREAS**, the Northampton County General Purpose Authority is staffed by qualified professional staff support; and
WHEREAS, the Northampton County General Purpose Authority is qualified to develop guidelines for the approval of loans in terms of size, interest rate, eligible activities, matching funds requirements and expected outcomes; and

WHEREAS, the Northampton County General Purpose Authority is qualified to submit an annual report of loan activity to the County of Northampton as a component of the grants required annual year-end report.

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY RESOLVED by the Northampton County Council that:

The County of Northampton designates the Northampton County General Purpose Authority to serve as the County’s Local Share Assessment Loan Review Committee to fulfill the County’s obligations associated with the Commonwealth Financing Authority’s Local Share Assessment grant.

As there were no questions or comments, Mr. Cusick called for the vote.


Consideration of the Appointment of Acting Director of Corrections

Mr. Cusick stated the Personnel Committee met on July 18, 2012, to consider the County Executive’s appointment of Acting Director of Corrections.

Mr. Kraft introduced the following resolution:

R. 61-2012  WHEREAS, Section 906 (a) of the Northampton County Home Rule Charter provides: “Section 906. Heads of Agencies Under the County Executive (a) Appointment. The County Executive shall have the power to appoint the head of any agency immediately under his direction and supervision, who is a member of the exempt service subject to confirmation by the County Council. An appointment shall not be effective unless the County Council by resolution confirms it or fails to reject it within sixty (60) days after the appointment. The appointee shall serve
until so rejected by the County Council or until his removal from office, whichever is sooner; and

WHEREAS, Section 202. (3) Powers of the Northampton County Home Rule Charter provides: "The County Council shall have, among others, the following powers: (3) to confirm the appointment by the County Executive of the heads of agencies immediately under his direction and supervision.

NOW, THEREFORE, BE IT RESOLVED By the Northampton County Council that Arnie Matos shall be confirmed in his appointment as Acting Director of Corrections at pay grade CE-VI, step 2-B, $79,047, effective July 6, 2012.

Mr. Arnie Matos advised several years ago, the Department of Corrections started down a path of addressing recidivism and re-entry efforts in the County. He further advised as a result of that effort, the volunteer base had been raised and they brought treatment programs in. He noted approximately five years ago, a study was done that indicated, by this time, the County would have approximately 1200 inmates and this morning’s count was 696.

Mr. Matos stated he was excited about the opportunity to continue to steer the Department of Corrections down that path with the opening of the West Easton Treatment Center. He further stated they interviewed 84 women in the Prison and out of those 73% had been incarcerated before, 46% indicated they had a drug dependency and 20% reported they had an alcohol dependency. He noted a study done at Columbia University reported 92% of the women in need of treatment of drug and alcohol problems did not receive it.

Mr. Matos advised the opening of the West Easton Treatment Center would provide the Prison the opportunity to put a sister program in place in the main jail and address the problems of women with substance abuse issues. He further advised he felt this would have a positive influence and make re-entering citizens better members of society.

Mr. Kraft stated the Personnel Committee unanimously recommended Mr. Matos for this position as they felt he had been there long enough and would keep the Prison going in the direction it had been going. He further stated he wanted to thank him for his part in keeping the inmate count low.
As there were no further questions or comments, Mr. Cusick called for the vote.


The resolution was adopted by a vote of 7-0.

Consideration of E911 Triennial, 2012-2014, Plan Resolution

Mr. Cusick advised the County Executive has asked County Council to approve the E-911 Triennial, 2012-2014 Plan. He then asked Mr. Robert Mateff, Director of the Emergency Management Services, to briefly explain what was being presented.

Mr. Cusick introduced the following resolution:

R. 62-2012

APPROVING THE 9-1-1 TELEPHONE ACCESS PLAN AND CONTRIBUTION RATE FOR THE RESIDENTS OF THE COUNTY OF NORTHAMPTON

WHEREAS, the COUNTY OF NORTHAMPTON has implemented a County wide centralized Communications Center to dispatch all County emergency services, and

WHEREAS, the County wide Centralized Communication Center shall serve as the 9-1-1 Public Safety Access Point, and

WHEREAS, the COUNTY OF NORTHAMPTON Executive has appointed Jennifer L. Bogari, as the COUNTY OF NORTHAMPTON 9-1-1 coordinator, and

WHEREAS, the COUNTY OF NORTHAMPTON Council has developed a plan for implementation of enhanced 9-1-1 telephone service for the County of Northampton, and

WHEREAS, the COUNTY OF NORTHAMPTON Council has set the monthly contribution rate at $1.25 per month and the rate will be included on all monthly telephone bills; collected by the telephone company and forwarded to the Northampton County Council for the exclusive use in the payment of authorized charges for the implementation and provision of 9-1-1 Emergency Telephone Services in and to Northampton County, and
WHEREAS, the said rate shall remain in effect by law for a period of not less than 3 years, and

WHEREAS, the COUNTY OF NORTHAMPTON Council held a Public meeting regarding the Northampton County 9-1-1 Plan on July 19, 2012 between the hours of 6:30 p.m. to 7:30 p.m., to obtain comments from County of Northampton residents, and

WHEREAS, this plan conforms with the Guidelines for Administration of the Chapter 53, Emergency Telephone Service, of Title 35 of the Pennsylvania Consolidated Statutes

NOW, THEREFORE, BE IT RESOLVED by the COUNTY OF NORTHAMPTON Council as follows:

1. That said 9-1-1 Telephone access plan is approved by the COUNTY OF NORTHAMPTON Council.

2. That Jennifer L. Bogari, of the COUNTY OF NORTHAMPTON 9-1-1 Coordinator is authorized to file and update said plan and transmit all required documents and information to the Pennsylvania Emergency Management Agency for distribution to such other agents as required.

Mr. Mateff stated this was the fifth time they were before County Council to approve a three-year plan. He further stated they had a consultant do this work the first three years, but the last two were done internally creating a savings of approximately $40,000. He noted this plan was basically a road map as to where they were going to head the next three years, where they have been the last three years and it was a regulatory compliance tool for the State to assure that what was ever in the regulations and laws of Act 78 were complied with. He further noted this plan also indicated they were eligible to continue to collect a $1.25 surcharge.

In response to Mr. Cusick’s question as to whether Northampton County had the capability of absorbing the 911 calls from the City of Bethlehem and the Boroughs of Walnutport and North Catasauqua, Mr. Mateff advised they did. He further advised he saw, in the future, a combined center involving Northampton County and Lehigh County, which would be a little more cost effective as far as the land lines.
Mr. Mateff stated they were continuing to work with Harrisburg on the new legislation because they were looking at remanding Title 78 and including Act 57, which dealt with wireless, into one piece of legislation that was a little more efficient with the dollars.

Mr. Cusick advised the City of Bethlehem was considering some upgrades to their system so he wondered what the status was of that and if they would benefit from not doing the upgrades and becoming part of the County system.

Mr. Mateff stated they could benefit from becoming part of the County system. He further stated they did discuss the matter a few years ago and it might be time to revisit it in light of the legislative report.

Mr. Kraft advised one of the issues may be that the City of Bethlehem was in Northampton and Lehigh Counties and he believed the upgrades were already beginning.

Mr. Dietrich stated he did not think that who handled the call was as important as how the call was handled.

As there were no further questions or comments, Mr. Cusick called for the vote.


Consideration of the Contingency Transfer Resolution – Miracle League of Northampton County

Mr. Cusick advised at the request of Mr. Gilbert, a resolution was prepared which transferred the sum of $5,000 from the Contingency account to the Miracle League of Northampton County for their capital campaign to construct a baseball facility at the Chrin Center in Palmer Township.

Ms. Kelly Taylor, Miracle League of the Northampton County Board of Directors, stated their goal was to find a place for children with disabilities to play ball. She further stated they incorporated as a nonprofit organization in October 2010 and received a $100,000 donation from the Rotary Club of Easton.
She noted they have received support and donations from many organizations, individuals, businesses and government entities.

Mr. Parsons advised he wholeheartedly supported this endeavor, but he wondered how close they were to their goal of $750,000.

Ms. Taylor advised they were very close and invited everyone to attend the opening day ceremonies to be held at 12:30 p.m., on September 9, 2012.

Mr. Kraft introduced the following resolution:

R. 63-2012 WHEREAS, the Miracle League of Northampton County is a 501(3) (c) non-profit organization created solely to build and operate a Miracle League Field in Northampton County, Pennsylvania, to bring the joy of playing baseball to disabled children and adults.

NOW, THEREFORE, BE IT RESOLVED by the Northampton County Council that the sum of $5,000 shall be transferred from the 2012 Contingency account no. 05000-76050 to the Miracle League of Northampton County for their capital campaign to construct a baseball facility at the Chrin Center in Palmer Township, Northampton County.

Mr. Dietrich stated there was a Human Services Committee meeting earlier today wherein a discussion was held regarding the elimination of approximately 24 employees and the affect on 600 clients because the County did not have the money to support the continuation of the programs.

Mr. Dietrich advised he loved the idea of this endeavor, but he could not support it at this time. He felt this should be presented during the budget process because he felt a lot of organizations were going to be requesting funds due to the State cutbacks.

As there were no further questions or comments, Mr. Cusick called for the vote.

The resolution was adopted by a vote of 5-2.

Human Services Committee Report

Mr. Dietrich stated at the Human Services Committee meeting, a discussion was held regarding the funding the County thought it would be receiving from the State, but was not.

Mr. Dietrich advised they also discussed some of the frame works associated with some of the improvements of the wound care team at Gracedale.

Finance Committee Report

Mr. Cusick stated the Finance Committee met yesterday where discussions were held with regard to the Swaption. He further stated there was also some discussion regarding assessments.

Lehigh Valley Planning Commission Liaison Report

Mr. Cusick advised preliminary indications were that the Lehigh Valley Planning Commission would be making the same budget request as last year.

Conservation District Liaison Report

Mrs. Ferraro stated the Conservation District had sent out invitations for their tour coming up in August and she hoped everyone would be able to attend.

Adjournment

Mr. Parsons made a motion to adjourn.

Mrs. Ferraro seconded the motion.

The motion passed by acclamation.

Frank E. Flisser
Clerk to Council