

**COUNTY RECESSED COMMISSIONERS' MINUTES**  
**THURSDAY, JULY 28, 2016**

The Board of County Commissioners reconvened today in a recessed Commissioners' Meeting from Wednesday, July 20, 2016.

Present at today's meeting were:

**Dennis P. Stuckey, Chairman**  
**Joshua G. Parsons, Vice Chairman**  
**Craig Lehman**  
**BOARD OF COUNTY COMMISSIONERS**

**Robert T. Still**  
**CHIEF CLERK**

**Lisa Johnson**  
**ASSISTANT CHIEF CLERK**

**Christina L. Hausner, Esquire**  
**COUNTY SOLICITOR**

Also present were:

**Donna Kreiser, Esquire**  
**MCNEES, WALLACE AND NURICK**

**Tim Horstmann, Esquire**  
**MCNEES, WALLACE AND NURICK**

**Jay Wenger, Managing Director**  
**SUSQUEHANNA ADVISORS**

Commissioner Stuckey called the meeting to order at 3:30 p.m.

**ORDINANCE NO. 121**  
**OF THE BOARD OF COMMISSIONERS**  
**OF THE**  
**COUNTY OF LANCASTER, PENNSYLVANIA**

On motion of Commissioner Parsons, seconded by Commissioner Lehman;

APPROVING CERTAIN AMENDMENTS TO ORDINANCE NO. 108 OF THE COUNTY ENACTED ON JULY 10, 2013; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE CONTINUING COVENANT AGREEMENT DATED AUGUST 1, 2013, BETWEEN THE COUNTY OF LANCASTER, PENNSYLVANIA AND WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC IN CONNECTION WITH THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES C OF 2013; AUTHORIZING THE OFFICIALS OF THE COUNTY TO TAKE OTHER APPROPRIATE ACTION; SEVERABILITY OF PROVISIONS AND STATING EFFECTIVE DATE.

**WHEREAS**, by Ordinance No. 108, enacted on July 10, 2013 ("Ordinance No. 108"), the County of Lancaster, Pennsylvania (the "County"), authorized, *inter alia*, the current refunding of the County's General Obligation Bonds, Series of 2005, through the issuance of its General Obligation Bonds, Series C of 2013 (the "2013C Bonds"); and

**WHEREAS**, all capitalized terms used in this Ordinance and not defined herein shall have the meanings set forth in Ordinance No. 108; and

**WHEREAS**, in accordance with Ordinance No. 108 the County sold the 2013C Bonds to Wells Fargo Municipal Capital Strategies, LLC (the "Bank"), and in connection with such sale entered into a Continuing Covenant Agreement dated August 1, 2013 (the "Continuing Covenant Agreement"), with the Bank; and

**WHEREAS**, under Ordinance No. 108 the 2013C Bonds were originally issued as Index Rate Bonds bearing interest at the LIBOR Index Rate during the Initial Period; and

**WHEREAS**, pursuant to Ordinance No. 108 the Initial Period will end on the Initial Bank Purchase Date, which is August 1, 2016; and

**WHEREAS**, the County and the Bank desire to, *inter alia*, extend the Initial Bank Purchase Date to August 1, 2019 and in connection therewith will enter into a First Amendment to Continuing Covenant Agreement dated July 28, 2016 (the "Amended Continuing Covenant Agreement"), and

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WHEREAS, the County desires to amend Ordinance No. 108 to extend the Initial Bank Purchase Date and to make certain other changes, as set forth below; and

WHEREAS, the Bank, as the sole owner of the 2013C Bonds, is willing to consent to the changes to Ordinance No. 108 on the terms set forth in the Amended Continuing Covenant Agreement.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Board of Commissioners of the County of Lancaster, Pennsylvania, as follows:

**Amendment of Ordinance No. 108.** The County hereby approves the following amendments of Ordinance No. 108:

following: Article I, Section 1.01: The definition of the term "Applicable Spread" is deleted and replaced with the

*"Applicable Spread" means, with respect to each Index Rate Period, the following:*

*(a) During the Initial Period, initially 60 basis points (0.60%); provided, however, that in the event of any change in any credit rating assigned to the long-term unenhanced general obligation debt of the County by Moody's or S&P, the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following schedule:*

<i>Tier</i>	<i>Credit Ratings (Moody's/S&amp;P)</i>	<i>Applicable Spread</i>
<i>I</i>	<i>A1/A+ or above</i>	<i>60bps</i>
<i>II</i>	<i>A2/A</i>	<i>75bps</i>
<i>III</i>	<i>A3/A-</i>	<i>90bps</i>
<i>IV</i>	<i>Baa1/BBB+</i>	<i>115bps</i>
<i>V</i>	<i>Baa2/BBB</i>	<i>150bps</i>
<i>VI</i>	<i>Baa3/BBB- or below</i>	<i>200bps</i>

*In the case of a split rating or differing ratings as between and among the Rating Agencies, the rating corresponding to the highest numbered tier set forth above and corresponding to the lowest rating shall apply for all purposes of determining the Applicable Spread. References in this definition of Applicable Spread are to rating categories as presently determined by the Rating Agencies, and in the event of the adoption of any new or changed rating system or a "global" rating scale by any such Rating Agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein. Any change in the Applicable Spread shall apply to the LIBOR Index Reset Date or SIFMA Rate Reset Date, as applicable, next succeeding the date on which the change occurs.*

*(b) During any Index Rate Period other than the Initial Period, the number of basis points determined by the Market Agent on or before the first day of such Index Rate Period and designated by the County in accordance with Section 4.08 (which may include a schedule for the Applicable Spread based upon the ratings assigned to the long-term unenhanced general obligation debt of the County as described in subparagraph (a) in this definition) that, when added to the SIFMA Index (and multiplied by the Margin Rate Factor) or the product of the LIBOR Index multiplied by the Applicable Factor (and multiplied by the Margin Rate Factor), as applicable, would equal the minimum interest rate per annum that would enable the Series C Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).*

following: Article I, Section 1.01: The definition of the term "Initial Bank Purchase Date" is deleted and replaced with the

*"Initial Bank Purchase Date" means August 1, 2019.*

Article I, Section 1.01: The definition of the term "LIBOR Index" is deleted and replaced with the following:

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*"LIBOR Index" means the London interbank offered rate for U.S. dollar deposits for a one-month period, which rate appears on the display designated as Reuters Screen LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page or such other service or services as designated by the Calculation Agent for the purpose of displaying London interbank offered rates for United States dollar deposits), determined as of approximately 11:00 a.m., London time, on each Computation Date for effect on the next succeeding LIBOR Index Reset Date, or if such rate is not available, another rate reasonably determined by the Calculation Agent of which the County has received written notice. Notwithstanding anything in this Ordinance to the contrary, if the LIBOR Index determined as provided above would be less than zero percent (0.0%), then the LIBOR Index shall be deemed to be zero percent (0.0%).*

All references to "Applicable Spread", "Initial Bank Purchase Date" and "LIBOR Index" in Ordinance No. 108 shall be deemed to refer to the respective defined terms contained herein.

**Ratification and Confirmation of Ordinance No. 108.** All terms, conditions, covenants, and agreements of Ordinance No. 108, except to the extent that the same are modified or amended or supplemented hereby, are ratified and confirmed and are declared to be and shall be and shall remain in full force and effect.

**Amended Continuing Covenant Agreement.** The Proper Officers of the County are hereby authorized, directed and empowered on behalf of the County to execute, deliver and perform the Amended Continuing Covenant Agreement with the Bank, in such form as prepared by the Bank and approved by the County solicitor and McNeese Wallace & Nurick LLC, as Bond Counsel.

**Incidental Actions.** The Proper Officers of the County are hereby authorized, directed and empowered on behalf of the County to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Ordinance.

**Severability.** In case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

**Effective Date.** This Ordinance shall become effective on the date set forth below.

Motion passed unanimously.

On motion of Commissioner Lehman, seconded by Commissioner Parsons, the meeting was adjourned at 3:37 p.m.

Respectfully submitted,

Christine M. Carrigan, Executive Assistant  
Commissioners' Office