

Administration

ORDINANCE NO. 15117

FILE OF THE CITY COUNCIL

BILL NO. 68-2013

Introduced by the Administration on December 4, 2013

AN ORDINANCE

OF THE COUNCIL OF THE CITY OF ALLENTOWN, LEHIGH COUNTY, PENNSYLVANIA, AUTHORIZING AND DIRECTING THAT ACTION BE TAKEN TO EFFECTUATE THE FORGIVENESS AND RELEASE OF ALL PAYMENT OBLIGATIONS RELATED TO THE CITY'S NOTE DESIGNATED AS ITS SERIES AA OF 2013 NOTE ("NOTE"), AUTHORIZING APPROPRIATE OFFICERS AND OFFICIALS TO TAKE REQUIRED NECESSARY AND/OR APPROPRIATE ACTION, TO BRING ABOUT THE FORGIVENESS OF THE NOTE, PROVIDING FOR SEVERABILITY OF PROVISIONS OF THE ORDINANCE, PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF THE ORDINANCE SO FAR AS THE SAME SHALL BE INCONSISTENT, PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the City of Allentown, Lehigh County, Pennsylvania (the "City"), is a City acting under and pursuant to the laws of the Commonwealth of Pennsylvania and the City's home rule charter; and

WHEREAS, pursuant to the City's closing of its Sewer and Water Concession Lease Agreement with the Lehigh County Authority certain proceeds become available to the City; and

WHEREAS, Council of the City of Allentown ("City Council") previously determined to establish and designate its Restricted Pension Obligation Account ("RPOA") established at National Penn Bankshares Inc. ("KNBT") as a committed restricted account in the amount of One Hundred and Fifty Million Dollars (\$150,000,000) for purposes of holding monies for the funding of the City's pension obligation and to direct that any and all interest accrued in its RPOA to be transferred to the City's lease proceeds account ("Lease Proceeds Account") with KNBT; and

WHEREAS, City Council previously determined it to be in its best interest to take certain necessary steps to effectuate a deposit toward the City's unfunded pension liability as permitted under Section 404 of

Act 205, the Municipal Pension Funding Standard and Recovery Act (the "Act") and to implement that foregoing decision by authorizing and directing a borrowing from the RPOA by means of its Series AA Note of 2013 ("Note"), all in accordance with the Act; and

WHEREAS, the City Council has the power to forgive the Note borrowed from the RPOA; and

WHEREAS, the City Council has determined it to be in the best interest of the City and its ongoing operations and funding strategy to forgive the Note.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City, as follows:

Section 1. Council of the City of Allentown hereby authorizes and directs the Series AA Note of 2013 (the "Note") be forgiven and shall be deemed paid in full.

Section 2. Pursuant to the terms of this Ordinance the Note shall be canceled and cremated or otherwise destroyed and shall be so certified by appropriate officials of the City.

Section 3. Proper officers or officials of the City are authorized and directed to take any and all necessary action to effectuate the forgiveness, destruction and recording of forgiveness of the Note.

Section 4. In the event that any provision, section, sentence, clause or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City that such remainder shall be and shall remain in full force and effect.

Section 5. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 6. This Ordinance shall be effective immediately upon enactment.

	Yea	Nay
Joe Davis	X	
Jeanette Eichenwald	X	
Jeff Glazier	X	
Cynthia Y. Mota	X	
Ray O'Connell, VP		
Peter G. Schweyer	X	
Julio A. Guridy, Pres.	X	
TOTAL	6	0

I hereby certify that the foregoing Ordinance was passed by City Council on December 18, 2013 and signed by the Mayor on January 2, 2014.

Michelle P. Hahn

CITY CLERK