

November 29, 2004

On the above date at 10:00 A.M., the Luzerne County Board of Commissioners convened a special meeting with the following present: Gregory A. Skrepenak, Chairman; Todd A. Vonderheid, Commissioner; Stephan A. Urban (ABSENT); Samuel T. Guesto, County Manager for Legislation/Chief Clerk; James Blaum, County Solicitor; Salvadore Diaz, Chief of Budget and Finance.

Commissioner Gregory Skrepenak called the meeting to order and asked everyone to join in saying the Pledge of Allegiance followed by a moment of Silent Prayer. It is noted that all meetings are electronically recorded.

Commissioner Skrepenak reviewed the protocol for Public Comment and directed Mr. Samuel Guesto, Chief Clerk, to ensure the five-minute time limit is adhered to.

Commissioner Skrepenak reminded everyone that if you wish to address the Commissioners to see Ms. Bozinski and sign in.

Commissioner Skrepenak requested Mr. Lou Verdelli, General Manager, Public Financial Management, provide an overview of the proposed \$17,000,000 General Obligation Variable Rate Demand Bond, Series 2004.

Mr. Verdelli explained the loan has a variable interest rate and the payment schedule presented to commissioners calculated that rate at 3 percent. He also pointed out the variable rate as of today, November 29, 2004 was 2.2 percent and, as a result, the county could pay less than 3 percent over the life of the loan.

In addition, Mr. Verdelli said the 4.38 interest rate on the loan, which encompasses all charges and fees, is a favorable rating and is the most prudent and lowest cost way to finance unfunded debt.

Sam Diaz, Chief of Budget and Finance added the funds are needed to retire the remaining portion of the \$23 million budget deficit Commissioners inherited when they took office in January 2004. He insisted it is the first step in the county's five year financial recovery plan, noting that in 2004 the County's inability to refinance about \$8 million in debt and also that tax collection was about \$5 million less than expected. In addition, juvenile placement costs, the Valley Crest Nursing Home and the Luzerne County Correctional Facility all were over budget.

Mr. Diaz also explained the loan has to be reviewed by the Pennsylvania Department of Community and Economic Development before the funds are transferred noting he expected the review would take about twenty (20) days. Mr. Diaz added he expects the County to be approved and the proceeds by December 22, 2004 to ensure the County ends 2004 with a balanced budget.

COMMUNICATIONS – SAMUEL T. GUESTO, JR., CHIEF CLERK

REQUEST A MOTION APPROVING AN ORDINANCE OF THE COUNTY OF LUZERNE AUTHORIZING THE ISSUANCE OF A SERIES OF **GENERAL OBLIGATION VARIABLE RATE DEMAND BONDS, SERIES OF 2004** OF THE COUNTY IN THE AMOUNT OF **SEVENTEEN MILLION DOLLARS (\$17,000,000)** TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE COUNTY WHICH INCLUDES. AMONG OTHER THINGS: (1) FUNDING UNFUNDED DEBT OF THE COUNTY; (2) ADDITIONAL CAPITAL PROJECTS OF THE COUNTY TO THE EXTENT APPROVED BY THE BOARD OF COMMISSIONERS OF COUNTY; AND (3) PAYING THE COSTS AND EXPENSE OF ISSUANCE OF THE BONDS AND APPROVING ALL NECESSARY AND APPROPRIATE ACTION IN CONNECTION THEREWITH ALL AS MORE FULLY DESCRIBED IN THE COMPLETE TEXT OF THE ORDINANCE.

It was moved by Commissioner Vonderheid, seconded by Commissioner Skrepenak.
“AYES” SKREPENAK, VONDERHEID “ABSENT” URBAN

A Motion was entertained to adjourn the Commissioners' Meeting.

It was moved by Commissioner Vonderheid, seconded by Commissioner Skrepenak.
“AYES” SKREPENAK, VONDERHEID “ABSENT” URBAN

Respectfully,



November 29, 2004

Patricia Wilk, Recording Secretary