

ORDINANCE NO.: 2014 -04
SPONSOR: MAYOR NORTON
INTRODUCED: APRIL 22, 2014

ASSIGNED TO: FINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$6,885,000, FOR THE PURPOSE OF RETIRING NOTES ISSUED TO PAY COSTS OF CONSTRUCTING, RECONSTRUCTING, AND OTHERWISE IMPROVING CERTAIN STREETS WITHIN THE CITY, AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GREEN, COUNTY OF SUMMIT, STATE OF OHIO:

SECTION ONE:

Findings and Determinations. This Council finds and determines the following matters (capitalized terms are defined in Section 14):

- (a) This Council has previously authorized and issued the Outstanding Notes to finance the costs of the Projects. The Outstanding Notes are about to mature.
- (b) It is now necessary for the City to issue the Series 2014B Bonds for the purpose of (1) retiring the Outstanding Notes, and (2) paying Financing Costs of the Series 2014B Bonds. The Series 2014B Bonds will be a consolidated issue under Section 133.30(B), Ohio Revised Code, consolidating the bonds in anticipation of which each separate issue of Outstanding Notes was issued. Each of those issues of bonds was authorized in the separate legislation authorizing the Outstanding Notes.
- (c) The Director of Finance, as fiscal officer, has certified to this Council the maximum maturity of the Series 2014B Bonds.
- (d) All acts and conditions necessary to be performed by the City or to have been met for the issuance of the Series 2014B Bonds in order to make them legal, valid, and binding general obligations of the City, have been performed and met, or will have been performed and met at the time of delivery of the Series 2014B Bonds, as required by law.
- (e) No statutory or constitutional limitation of indebtedness or taxation will be exceeded by the issuance of the Series 2014B Bonds.

SECTION TWO:

Terms of the Bonds. The Series 2014B Bonds will have the following terms:

- (a) **Amount.** The Series 2014B Bonds will be issued in the maximum Original Principal Amount of \$6,885,000. The principal amounts of the Series 2014B Bonds to be issued as Current Interest Bonds, as Capital Appreciation Bonds, as Capital Appreciation Bonds that convert at some future date to Current Interest Bonds, as

Serial Bonds, and as Term Bonds will be determined by the Director of Finance in the Certificate of Award.

- (b) **Date.** The Current Interest Bonds will be dated the Closing Date, or any other date, not more than 31 days before the Closing Date, as determined by the Director of Finance in the Certificate of Award. The Capital Appreciation Bonds will be dated the Closing Date.
- (c) **Maturity.** The Series 2014B Bonds will mature or be payable by Mandatory Sinking Fund Redemption in the amounts and on the Principal Payment Dates as follows:

Year	Amount	Year	Amount
2015	\$340,000	2025	\$345,000
2016	340,000	2026	345,000
2017	340,000	2027	345,000
2018	345,000	2028	345,000
2019	345,000	2029	345,000
2020	345,000	2030	345,000
2021	345,000	2031	345,000
2022	345,000	2032	345,000
2023	345,000	2033	345,000
2024	345,000	2034	345,000

The Director of Finance may adjust the principal payment schedule shown above, by (1) increasing or decreasing the principal amounts of the Series 2014B Bonds maturing or payable by Mandatory Sinking Fund Redemption on any one or more of the Principal Payment Dates, or (2) by shortening the schedule so that the Series 2014B Bonds will mature over a lesser number of years. The Director of Finance must set forth any adjustment of the principal payment schedule in the Certificate of Award.

- (d) **Redemption Before Stated Maturity.** The Series 2014B Bonds will be subject to redemption before their stated maturity as described in this Section 2(d), unless otherwise determined by the Director of Finance in the Certificate of Award.
 - (1) **Mandatory Sinking Fund Redemption.** If any of the Series 2014B Bonds are issued as Term Bonds, the Term Bonds will be subject to Mandatory Sinking Fund Redemption, in part, on the Mandatory Redemption Dates, at a redemption price of 100% of the principal amount being redeemed, plus interest accrued to the redemption date. The principal amounts to be paid by Mandatory Sinking Fund Redemption will be those in the principal payment schedule in Section 2(c) above.

The City will have the option to deliver Term Bonds in any principal amount to the Registrar for cancellation. The City will be entitled to a credit against its obligation to pay Debt Service by Mandatory Sinking Fund Redemption on any future Mandatory Redemption Date for Term Bonds that (A) are delivered by the City to the Registrar, (B) have previously been redeemed other than by Mandatory Sinking Fund Redemption, or (C) have been purchased and canceled by the Registrar as provided in the Registrar Agreement.

- (2) **Optional Redemption.** The Series 2014B Bonds maturing on or after December 1, 2024 will be subject to redemption, at the option of the City, on or after December 1, 2023, in whole or in part on any date, in whole multiples of \$5,000, at the redemption price of 100% of the principal amount being redeemed, plus interest accrued to the redemption date.

The Director of Finance may determine to change the optional redemption provisions relating to the Series 2014B Bonds set forth above by (A) changing the earliest optional redemption date, which may be any date before the final maturity of the Series 2014B Bonds, (B) changing the redemption prices for the Series 2014B Bonds, which may not exceed 110% in any year in which the Series 2014B Bonds are subject to optional redemption, and (C) determining that the Series 2014B Bonds will not be subject to optional redemption. The Director of Finance must set forth any change to the optional redemption provisions in the Certificate of Award.

The City's option to redeem the Series 2014B Bonds must be exercised by a notice from the Director of Finance to the Registrar as provided in the Registrar Agreement.

- (3) **Terms of Redemption.** The other terms of redemption and provisions for partial redemption, for notices of redemption, and provisions for payment of redeemed Series 2014B Bonds will be set forth in the Registrar Agreement.
- (e) **Interest Rates.** The Series 2014B Bonds will bear interest at the rate or rates determined in the Certificate of Award. The weighted average of the rates of interest on the Series 2014B Bonds, determined by taking into account the principal amounts of the Series 2014B Bonds and the terms to maturity or Mandatory Redemption Dates of those principal amounts, may not exceed 9% per annum. Interest will be calculated on a 360-day year of twelve, 30-day months.
- (1) **Current Interest Bonds.** Current Interest Bonds will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date. Interest on the Current Interest Bonds will be payable on the Interest Payment Dates until the principal amount has been paid or provided for. All Current Interest Bonds with the same stated maturity must bear interest at the same rate.

- (6) **Appropriation.** The performance by the City of the Continuing Disclosure Agreement will be subject to the annual appropriation of any funds that may be necessary to perform it.
- (7) **Term.** The Continuing Disclosure Agreement will remain in effect only for the period that the Series 2014B Bonds are outstanding in accordance with their terms and the City is an obligated person with respect to the Series 2014B Bonds within the meaning of the SEC Rule. The obligation of the City to provide the Annual Information, audited financial statements, and notices of the events described above will terminate if and when the City is no longer an obligated person with respect to the Series 2014B Bonds.

SECTION EIGHT:

Financing Costs. The City retains the professional services and authorizes the payment of the Financing Costs for the Series 2014B Bonds, as provided in this Section 8.

- (a) **Bond Counsel.** The City retains the legal services of Vorys, Sater, Seymour and Pease LLP, as bond counsel for the Series 2014B Bonds. The legal services will be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Series 2014B Bonds and rendering legal opinions upon the delivery of the Series 2014B Bonds. Bond Counsel will render those services to the City in an attorney-client relationship. Bond Counsel will be paid just and reasonable compensation for those legal services, and will be reimbursed for actual out-of pocket expenses it incurs in rendering those legal services.
- (b) **Original Purchaser.** This Council authorizes and directs the Director of Finance to select the Original Purchaser of the Series 2014B Bonds, either as an underwriter or a purchaser in a private placement. If the Director of Finance selects the Original Purchaser to act as an underwriter of the Series 2014B Bonds, it will be Ross, Sinclair & Associates, LLC, and the City retains the services of the Original Purchaser as senior manager for the Series 2014B Bonds. The senior manager may designate additional members of the underwriting syndicate. The Original Purchaser will be paid for services in accordance with any Purchase Agreement or, if there is no Purchase Agreement, in accordance with its proposal.
- (c) **Ratings and Insurance.** If, in the judgment of the Director of Finance, the filing of an application for (1) a rating on the Series 2014B Bonds by one or more nationally recognized statistical rating organizations, or (2) a policy of insurance, from one or more bond insurance providers, to better assure the payment of Debt Service on the Series 2014B Bonds, is in the best interest of and financially advantageous to the City, this Council authorizes and directs the Director of Finance to prepare and submit those applications and to provide to those rating agencies or insurance providers the information required for the purpose. This Council further authorizes the fees for those ratings and the premiums for the insurance to be included in Financing Costs authorized under Section 8(h) below.

- (d) **Paying Agent.** This Council authorizes the Director of Finance to appoint a Paying Agent for the Series 2014B Bonds. The Paying Agent must be a bank or trust company, may be the same entity serving as Registrar, and may provide its paying agency services under the terms of its Registrar Agreement or under a separate paying agency agreement. The City retains the services of the Paying Agent for the Series 2014B Bonds. The Paying Agent must be compensated for those services in accordance with any paying agency agreement or Registrar Agreement. The Paying Agent must be designated in the Certificate of Award.
- (e) **Registrar.** This Council authorizes and directs the Director of Finance to appoint a Registrar for the Series 2014B Bonds. The Registrar must be a financial institution able to complete transfer and exchange functions for the Series 2014B Bonds in accordance with standards and conditions applicable to registered corporate securities. The City retains the services of the Registrar for the Series 2014B Bonds. The Registrar will perform the services as bond registrar, authenticating agent, paying agent, and transfer agent for the Series 2014B Bonds as provided in this ordinance. The Registrar will be paid for those services in accordance with the Registrar Agreement. The Registrar must be designated in the Certificate of Award.
- (f) **Financial Adviser.** This Council retains the services of Sudsina & Associates, LLC, as financial adviser for the Series 2014B Bonds. The financial adviser will be paid for those services in accordance with its letter of engagement. This Council authorizes the fees for the financial adviser's services to be included in the Financing Costs authorized under Section 8(h) below.
- (g) **Limits on Authority of Service Providers.** In rendering the services described above, as independent contractors, those service providers must not exercise any administrative discretion on behalf of the City in the formulation of public policy; expenditure of public funds; enforcement of laws, rules and regulations of the State, the City, or any other political subdivision; or the execution of public trusts.
- (h) **Payment of Financing Costs.** This Council authorizes and approves the expenditure of the amounts necessary to pay those Financing Costs specifically authorized above and all other necessary Financing Costs in connection with the issuance and sale of the Series 2014B Bonds. Those Financing Costs may be paid by the Original Purchaser in accordance with any Purchase Agreement. To the extent they are not paid by the Original Purchaser, this Council authorizes and directs the Director of Finance to provide for the payment of those Financing Costs from the proceeds of the Series 2014B Bonds to the extent available and, otherwise, from any other funds lawfully available and appropriated for the purpose.

SECTION NINE:

Use of Proceeds. The proceeds from the sale of the Series 2014B Bonds must be deposited and used as provided in this Section 9.

- (a) Any accrued interest or premium received on the sale of the Series 2014B Bonds must be deposited in the Bond Retirement Fund of the City and used for the payment of interest on the Series 2014B Bonds on the first Interest Payment Date.
- (b) An amount necessary to pay the Financing Costs of the Series 2014B Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement and to the extent that the Director of Finance determines to pay those Financing Costs from the proceeds of the Series 2014B Bonds, must be deposited in a separate fund and used for the payment of those Financing Costs.
- (c) The remainder of the proceeds must be paid into the proper fund or funds and used to retire the Outstanding Notes at their maturity.

SECTION TEN:

Security and Sources of Payment. The Series 2014B Bonds will be general obligations of the City.

- (a) This Council pledges to the payment of Debt Service on the Series 2014B Bonds the full faith and credit of the City including, without limitation:
 - (1) The general taxing power of the City, including the power to levy taxes within the ten-mill limitation, as defined in Section 5705.02, Revised Code.
 - (2) The proceeds to be received from the sale of any bonds issued to refund the Series 2014B Bonds.
 - (3) Any money remaining from the sale of the Series 2014B Bonds after the payment of the Financing Costs of the Series 2014B Bonds and not required to retire the Outstanding Notes.
 - (4) Payments in lieu of taxes available for the payment of Debt Service on the Series 2014B Bonds.
- (b) During the years while the Series 2014B Bonds are outstanding, there will be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually, in an amount sufficient to pay Debt Service on the Series 2014B Bonds when due. The tax will be not less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax must be and is ordered to be computed, certified, levied, and extended upon the tax list and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of those years are computed, certified, levied, extended, and collected. The tax must be placed before and in preference to all other items and for its full amount. The money derived from that tax levy must be placed in the Bond

Retirement Fund of the City and is irrevocably pledged for the payment of the Debt Service on the Series 2014B Bonds, when and as that Debt Service falls due.

- (c) The tax provided in (b) above will be reduced in each year the Series 2014B Bonds are outstanding by the sum of the following items, if available to pay Debt Service on the Series 2014B Bonds and appropriated for that purpose:
 - (1) Any proceeds of bonds issued to refund the Series 2014B Bonds.
 - (2) Any surplus in the Bond Retirement Fund.
 - (3) Payments in lieu of taxes.
 - (4) Any other money lawfully available to the City.
- (d) The City covenants to appropriate annually from payments in lieu of taxes lawfully available under the Constitution and laws of Ohio, including without limitation Section 133.08(B)(8), Revised Code, an amount necessary to pay Debt Service on the Series 2014B Bonds.

SECTION ELEVEN:

Federal Tax Matters. The City covenants that it will take those actions required to maintain the Federal Tax Status of the Series 2014B Bonds and that it will not take or permit to be taken any actions that would adversely affect that Federal Tax Status. Without limiting these covenants, the City specifically covenants as follows:

- (a) **Private Activity Bonds.** The City will apply the proceeds received from the sale of the Series 2014B Bonds to the uses described in Section 9. The City will not permit the use of the Projects by any person, will not secure or derive the money for payment of Debt Service on the Series 2014B Bonds by any property or payments, and will not loan the proceeds of the Series 2014B Bonds to any person, all in a manner as to cause the Series 2014B Bonds to be "private activity bonds" within the meaning of Code Section 141(a).
- (b) **Arbitrage.** The City will restrict the use of proceeds of the Series 2014B Bonds in the manner and to the extent as may be necessary, after taking into account reasonable expectations on the Closing Date, so that the Series 2014B Bonds will not constitute "arbitrage bonds" within the meaning of Code Section 148. The Director of Finance or any other official having responsibility for issuing the Series 2014B Bonds, is authorized and directed, alone or in conjunction with any other official, employee, or consultant of the City, to sign and deliver a certificate of the City, for inclusion in the transcript of proceedings for the Series 2014B Bonds. That certificate must set forth the reasonable expectations of the City on the Closing Date, regarding the amount and use of the proceeds of the Series 2014B Bonds in accordance with Code Section 148. If required, the City will limit the yield on any "investment property" (as defined in Code Section 148(b)(2)) acquired with the proceeds of the Series 2014B Bonds.

