



CITY OF PATASKALA

ORDINANCE 2017-4277

Passed February 21, 2017

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,500,000 OF BONDS FOR THE PURPOSE OF PAYING PART OF THE COSTS OF CONSTRUCTING A NEW POLICE FACILITY, AND MATTERS RELATED TO SUCH BONDS.

WHEREAS, this City Council of the City of Pataskala, Ohio (the "City") has heretofore determined the necessity of designing and constructing a new police facility (the "Project"); and

WHEREAS, the Director of Finance, as fiscal officer of the City, has heretofore certified that the estimated life or period of usefulness of the improvements comprising the Project is at least five (5) years, and that the maximum maturity of bonds issued therefor is thirty (30) years; and

WHEREAS, the City heretofore issued its Police Facility Bond Anticipation Notes, Series 2016, dated August 22, 2016, for the purpose of paying a portion of the costs of designing the Project in the amount of \$500,000 (the "Prior Notes"), such Prior Notes will mature on May 22, 2017, and this City Council desires to retire the Prior Notes with a portion of the proceeds of the bonds authorized hereby; and

WHEREAS, this City Council expects that the source of payment of debt charges on such bonds will be proceeds of the City's municipal income tax, and facility rental fees from tenants in the City of Pataskala's City Hall building (the "Revenues").

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PATASKALA (hereinafter called the "City"), COUNTY OF LICKING, STATE OF OHIO; A MAJORITY OF THE MEMBERS CONCURRING THERETO THAT:

Section 1: It is necessary to issue and sell general obligation bonds of the City in the principal sum of not to exceed **five million five hundred thousand dollars (\$5,500,000)** (the "Bonds") for the purpose of paying part of the costs of the Project, including retiring the Prior Notes, and providing for "financing costs," as defined in Section 133.01 of the Ohio Revised Code, related to the issuance of the Bonds, under authority of and pursuant to the Charter of the City and the general laws of the State of Ohio, particularly Chapter 133 of the Ohio Revised Code. It is hereby determined that, other than the Prior Notes, notes shall not be issued in anticipation of the Bonds.

Section 2: The Bonds shall be issued in one or more series for the purpose aforesaid. Each series of the Bonds shall: (i) be issued in a principal amount as determined by the Director of Finance, but not to exceed the amount set forth above, (ii) be dated as determined by the Director of Finance, (iii) be numbered from R-1 upwards in order of issuance, (iv) be of the denominations as determined by the Director of Finance (the "Authorized Denominations"), (v) mature or be subject to mandatory sinking

fund redemption on the dates and in the amounts determined by the Director of Finance, provided that the total principal and interest payments on the Bonds (the "Bond Service Charges") in any fiscal year in which principal is payable (whether due to maturity or mandatory sinking fund redemption) shall be not more than three times the amount of such payments in any other fiscal year, and provided further that the final maturity of the Bonds shall be not later than December 31, 2048, and (vi) bear interest payable on dates (each, an "Interest Payment Date") and at the rate or rates per annum determined by the Director of Finance, provided that the net interest cost payable by the City over the life of the Bonds shall not exceed six percent (6%) per annum. The determinations and designations to be made by the Director of Finance pursuant to this ordinance shall be made without further action of this City Council in a certificate of award (the "Certificate of Award") executed by the Director of Finance and shall be conclusive.

The Bonds shall be subject to redemption prior to maturity at the option of the City upon such terms, at such times and at such price or prices (but in any case, not greater than 102% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date), as may be determined by the Director of Finance and set forth in the related Certificate of Award.

If fewer than all of the outstanding Bonds of a single maturity are called for redemption, the selection of Bonds to be redeemed, or portions thereof in amounts equal to the smallest then outstanding Authorized Denomination (the "Minimum Authorized Denomination") or any integral multiple thereof, shall be made by lot by the Paying Agent and Registrar (as hereinafter defined) in any manner which the Paying Agent and Registrar may determine. In the case of a partial redemption of Bonds when Bonds of denominations greater than the Minimum Authorized Denomination are then outstanding, each Minimum Authorized Denomination unit of face value of principal thereof shall be treated as though it were a separate Bond of the denomination of the Minimum Authorized Denomination. If one or more, but not all, of such Minimum Authorized Denomination units of face value represented by a Bond are to be called for redemption, then upon notice of redemption of a Minimum Authorized Denomination unit or units, the registered holder of that Bond shall surrender the Bond to the Paying Agent and Registrar (a) for payment of the redemption price for the Minimum Authorized Denomination unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the registered holder thereof, of a new Bond or Bonds of the same series, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate or rates, and maturing in the same principal amount or amounts on the same date or dates as, the Bond surrendered.

The notice of call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Paying Agent and Registrar on behalf of the City by mailing a copy of the redemption notice by certified mail, return receipt requested, at least 30 days prior to the date fixed for redemption, to the registered holder of each Bond subject to redemption in whole or in part at such registered holder's address shown on the Bond registration records on the fifteenth day preceding that mailing. Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond. Notice having been mailed in the manner provided above, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date and on such redemption date, interest on such Bonds or portions thereof so called shall cease to accrue; and upon presentation and surrender of such Bonds or portions thereof at the place or places specified in that notice, such Bonds or portions thereof shall be paid at the redemption price, including interest accrued to the redemption date.

The Bonds shall be designated "Police Facility Construction Bonds, Series 2017", or such other designation as may be made by the Director of Finance in the related Certificate of Award, provided that

the Bonds of each series shall be designated so as to distinguish them from Bonds and any other series.

It is hereby determined by this City Council that the issuance of the Bonds provided herein, including without limitation, the redemption provisions set forth above, are in the best interests of the City.

Section 3: The Bonds shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this ordinance. The Bonds shall be in fully registered form without coupons, shall bear the signature of the City Administrator and the signature of the Director of Finance, provided that either or both such signatures may be facsimile signatures, and shall bear the manual authenticating signature of the Director of Finance serving as the paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Bonds, or an authorized representative of a bank or trust company designated by the Director of Finance to serve as the Paying Agent and Registrar. The Bond Service Charges shall be payable to the person whose name appears on the Bond registration records as the registered holder thereof on the related record date and in the manner determined by the Director of Finance and set forth in the related Certificate of Award.

The Bonds shall be transferable by the registered holder thereof in person or by his attorney duly authorized in writing at the designated office of the Paying Agent and Registrar upon presentation and surrender thereof to the Paying Agent and Registrar. The City and the Paying Agent and Registrar shall not be required to transfer any Bond during the 15-day period preceding any Interest Payment Date or preceding any selection of Bonds to be redeemed, or after such Bond has been selected for partial or complete redemption, and no such transfer shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity or maturities and for the same aggregate unpaid principal amount shall be issued to the transferee in exchange therefor.

The City and the Paying Agent and Registrar may deem and treat the registered holders of the Bonds as the absolute owners thereof for all purposes, and neither the City nor the Paying Agent and Registrar shall be affected by any notice to the contrary.

Section 4: For the payment of the Bond Service Charges, the full faith, credit, and revenue of the City are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the interest on the Bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the Bonds at maturity or upon mandatory sinking fund redemption, there shall be and is hereby levied on all the taxable property in the City within applicable limitations, in addition to all other taxes, a direct tax annually during the period the Bonds are to run in an amount sufficient to provide funds to pay interest upon the Bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the Bonds at maturity or upon mandatory sinking fund redemption, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio.

Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended or collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The Revenues to be applied to debt service on the Bonds and the funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the Bond Service Charges when and as the same shall fall due; provided, that in each year to the extent that the Revenues or moneys from other sources are available for the payment of debt service on the Bonds and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of the Revenues or such moneys so available and appropriated.

Section 5: Each series of the Bonds shall be sold as described herein to one or more entities (the "Purchaser") at not less than 97% of the principal amount thereof, plus accrued interest to the date of delivery, as determined by the Director of Finance in the Certificate of Award, pursuant to the Purchaser's offer to purchase which the Director of Finance is hereby authorized to accept. The Director of Finance and the City Administrator are hereby separately authorized, alone or with others, to execute and deliver a purchase agreement for the Bonds in such form as may be approved by the officer executing the same, such officer's execution thereof on behalf of the City to be conclusive evidence of such authorization and approval.

The proceeds from the sale of the Bonds, except as any premium and accrued interest received, shall be deposited in an appropriate fund and used for the purpose aforesaid and for no other purpose and for which purpose such proceeds are hereby appropriated. Any premium and accrued interest received from such sale not used to pay issuance costs shall be transferred to the bond retirement fund to be applied to the payment of the Bond Service Charges in the manner provided by law.

The Mayor, the City Administrator, the Director of Finance, the Director of Law, the Clerk of Council and other appropriate officials of the City, are each hereby separately authorized, without further action of this City Council, to take any and all actions and to execute such other instruments that may be necessary or appropriate in the opinion of Dinsmore & Shohl LLP, bond counsel for the Bonds, in order to effect the issuance of the Bonds and the intent of this ordinance. The Clerk of Council, or other appropriate officer of the City, shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds, along with such information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Bonds.

Section 6: This City Council hereby covenants that it will restrict the use of the proceeds of the Bonds hereby authorized in such manner and to such extent, if any, as may be necessary after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations prescribed thereunder, including any expenditure requirements, investment limitations or rebate requirements. Without limiting the generality of the foregoing, this City Council represents and covenants that not more than 10% of the improvements financed with the proceeds of the Bonds shall be used directly or indirectly in the trade or business of any person that is not an "exempt person" within the meaning of the Code.

The Bonds are hereby designated "qualified tax-exempt obligations" to the extent permitted by Section 265(b) of the Code and not already deemed so designated. The reasonably anticipated amount of tax-exempt obligations (whether or not designated as qualified) issued and to be issued by the City during the calendar year in which the Bonds are to be delivered to the Purchaser, including any of the Bonds not already deemed so designated does not exceed \$10,000,000. The Director of Finance and other appropriate officers, and any of them, are authorized to take such additional actions and give such certifications on behalf of the City with respect to the reasonably anticipated amount of tax-exempt obligations to be issued by the City during 2017 and with respect to such other matters as appropriate under the Code.

The Director of Finance or any other officer having responsibility with respect to the issuance of the Bonds is authorized and directed to (a) make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Bonds as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate

amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Director of Finance, which action shall be in writing and signed by the Director of Finance or such officer, on behalf of the City; and (b) give an appropriate certificate on behalf of the City on the date of delivery of the Bonds for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148, and the representations, warranties and covenants of the City regarding compliance by the City with Sections 141 through 150 of the Code, and in each case, the regulations thereunder.

Section 7: The Director of Finance and the City Administrator are hereby separately authorized, alone or with others, to prepare and distribute to prospective purchasers of the Bonds and other interested parties, a preliminary official statement with respect to the Bonds on behalf of the City, which shall be in substantially the form heretofore submitted to this City Council with such changes thereto as such officials may approve, and which shall be deemed final for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information excluded therefrom in accordance with such Rule and which will be provided in the final official statement. The Director of Finance and the City Administrator are hereby separately authorized, alone or with others, to prepare, execute and deliver a final official statement with respect to the Bonds on behalf of the City, which shall be in such form as the officials signing the same may approve, and which shall be deemed to be final for purposes of Securities and Exchange Commission Rule 15c2-12(b)(3), their execution thereof on behalf of the City to be conclusive evidence of such authorization and approval, and copies thereof are hereby authorized to be prepared and furnished to the purchaser of the Bonds for distribution to prospective purchasers of the Bonds and other interested persons.

The City hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure certificate dated the date of issuance and delivery of the Bonds (the "Continuing Disclosure Certificate") in connection with the issuance of the Bonds. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Bonds; however, any holder of the Bonds may take such action as may be necessary and appropriate, including seeking specific performance, to cause the City to comply with its obligations under this paragraph and the Continuing Disclosure Certificate.

Section 8: The Director of Finance and the City Administrator are hereby separately authorized, alone or with others, to execute and deliver an agreement with the Paying Agent and Registrar for its services as paying agent, registrar and transfer agent for the Bonds in such form as such officer may approve, the execution thereof by such officer to be conclusive evidence of such authorization and approval.

Section 9: That for purposes of this ordinance, the following terms shall have the following meanings:

"Book entry form" or "book entry system" means a form or system under which (i) the beneficial right to payment of Bond Service Charges may be transferred only through a book entry, and (ii) physical Bond certificates in fully registered form are issued only to the Depository or its nominee as registered owner, with the Bonds "immobilized" to the custody of the Depository, and the book entry maintained by others than the City is the record that identifies the owners of beneficial interests in those Bonds and those Bond Service Charges.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, together with its Participants or otherwise, a book entry system to record ownership of beneficial interests in Bonds or Bond Service Charges, and to effect transfers of Bonds, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Participant” means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

All or any portion of the Bonds may be initially issued to a Depository for use in a book entry system, and the provisions of this Section shall apply to such Bonds, notwithstanding any other provision of this ordinance. If and as long as a book entry system is utilized with respect to any of such Bonds: (i) there shall be a single Bond of each maturity; (ii) those Bonds shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners of Bonds in book entry form shall have no right to receive Bonds in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Bonds in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (v) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City. Bond Service Charges on Bonds in book entry form registered in the name of a Depository or its nominee shall be payable in the manner provided in the City’s agreement with the Depository to the Depository or its authorized representative.

The Paying Agent and Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Bond in the custody of a Depository providing for making all payments to that owner of Bond Service Charges on that Bond or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this ordinance, without prior presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Paying Agent and Registrar and to the City. That payment in any event shall be made to the person who is the registered owner of that Bond on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Paying Agent and Registrar shall furnish a copy of each of those agreements, certified to be correct by the Paying Agent and Registrar, to any other paying agents for the Bonds and to the City. Any payment of Bond Service Charges pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

The Director of Finance and the City Administrator are hereby separately authorized and directed without further action of this City Council to execute, acknowledge and deliver, in the name of and on behalf of the City, a blanket letter agreement between the City and The Depository Trust Company, as Depository, to be delivered in connection with the issuance of the Bonds to the Depository for use in a book entry system, and to take all other actions the officer executing the same deems appropriate in issuing the Bonds under a book entry system.

If any Depository determines not to continue to act as Depository for the Bonds for use in a book entry system, the City and the Paying Agent and Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this ordinance. If the City and the Paying Agent and Registrar do not or are unable to do so, the City and the Paying Agent and Registrar, after the Paying Agent and Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Bonds from the Depository and authenticate and deliver Bond certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Bonds), if the event is not the result of action or inaction by the City or the Paying Agent and Registrar, of those persons requesting such issuance.

Section 10: The City Administrator, the Director of Finance or any other officer, employee or agent of the City, are each hereby separately authorized, alone or with others to apply for a municipal bond insurance policy with respect to some or all of the Bonds, and accept a commitment therefor, if the Purchaser should recommend the same, and any such actions heretofore taken are hereby approved,

ratified and confirmed. The payment of the premium and expenses relating to any such insurance policy from the proceeds of the Bonds is hereby authorized if the Director of Finance determines in the Certificate of Award that the present value of the interest cost savings on the Bonds resulting from the insurance policy is greater than the premium to be charged for the insurance policy, which determination shall be conclusive.

Section 11: The law firm of Dinsmore & Shohl LLP be and is hereby retained as bond counsel to the City to prepare the necessary authorization and related closing documents for the issuance, sale and delivery of the Bonds and, if appropriate, rendering its approving legal opinion in connection therewith in accordance with a written agreement which the City Administrator and the Director of Finance, or either of them, are hereby separately authorized to execute and deliver on behalf of the City, containing such terms as may be approved by the officer(s) executing the same. The approval of terms by such officer(s), and that the same are not substantially adverse to the City, shall be conclusively evidenced by the execution of such agreement by such officer(s). Such law firm shall be compensated by the City and/or the Purchaser for the above services in accordance with such written agreement, but solely from the proceeds of the Bonds.

Section 12: The City Administrator, the Director of Finance, or any other officer, employee or agent of this City, are each hereby separately authorized, alone or with others to apply for a rating from one or more national rating services with respect to the Bonds, and any such actions heretofore taken are hereby approved, ratified and confirmed. The payment of the fees and expenses relating to any such rating from the proceeds of the Bonds is hereby authorized.

Section 13: The Director of Finance is hereby directed to forward a certified copy of this ordinance to the County Auditor of each county in which any part of the City is located.

Section 14: It is found and determined that all formal actions of this City Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this City Council, and that all deliberations of this City Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

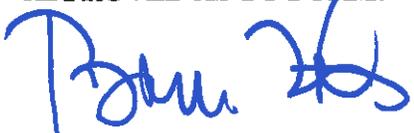
Section 15: This Ordinance shall take effect at the earliest time allowed by the Charter of the City of Pataskala.

ATTEST:


Kathy M. Hoskinson, Clerk of Council


Michael W. Compton, Mayor

APPROVED AS TO FORM:


Brian M. Zets, Law Director

CERTIFICATE OF CLERK OF COUNCIL

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 2017-4277 passed by the City Council of the City of Pataskala, Ohio, on February 21, 2017.

Clerk of City Council,
City of Pataskala, Ohio

Date: _____, 2017

CERTIFICATE OF FISCAL OFFICER

The undersigned hereby certifies that a copy of the foregoing ordinance was certified this day to the county auditor of Licking County, Ohio.

James M. Nicholson
Director of Finance,
City of Pataskala, Ohio

Date: _____, 2017

CERTIFICATE AND RECEIPT OF COUNTY AUDITOR

The undersigned, County Auditor of the County of Licking, Ohio, hereby certifies the filing and acknowledges receipt of a certified copy of the foregoing ordinance.

County Auditor,
County of Licking, Ohio

Date: _____, 2017

CERTIFICATE AS TO MAXIMUM MATURITY OF BONDS

The undersigned, being the fiscal officer of the City of Pataskala, Ohio (the "City"), within the meaning of Section 133.01 of the Ohio Revised Code, hereby certifies to the city council of the City in connection with the proposed issuance of its not to exceed \$5,500,000 of bonds (the "Bonds") for the purpose of paying part of the cost of designing and constructing a new police facility (the "Project") that:

1. the estimated life or period of usefulness of the improvements comprising the Project is at least five (5) years, and
2. the maximum maturity of the Bonds, assuming that all of the proceeds of the Bonds are expended for building improvements for which I hereby estimate a life or period of usefulness of thirty (30) years and calculated in accordance with Section 133.20 of the Ohio Revised Code, is thirty (30) years, provided that if notes in anticipation of the Bonds have been outstanding for a period in excess of five years from the date of the original note issue, the period thereof in excess of five years shall be deducted from such maximum maturity of the Bonds.

This Certificate supersedes my similar certificate with respect to the Bonds dated January 17, 2017

IN WITNESS WHEREOF, I have hereunto set my hand, this 6th day of February, 2017.

James M. Nicholson
Director of Finance,
City of Pataskala, Ohio

