



CITY OF PATASKALA
ORDINANCE 2015-4226

Passed May 4, 2015

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,400,000 OF BOND ANTICIPATION NOTES FOR THE PURPOSE OF PAYING PART OF THE COSTS OF CONSTRUCTING AND INSTALLING IMPROVEMENTS TO MAIN STREET IN THE CITY, INCLUDING ASSOCIATED PAVEMENT AND WATERLINE IMPROVEMENTS AND APPURTENANCES THERETO, AND MATTERS RELATED TO SUCH NOTES.

WHEREAS, this City Council of the City of Pataskala, Ohio (the "City") has heretofore determined the necessity of constructing and installing improvements to Main Street in the City, including associated pavement and waterline improvements and appurtenances thereto (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 of notes issued in anticipation of such bonds is twenty (20) years; and

WHEREAS, this City Council expects the debt service charges from time to time on the notes authorized hereby to be paid from the payments in lieu of taxes to be received with respect to properties in the area of the Project, and from net revenues to be received from the operation of the City's water supply, treatment, storage and distribution utility (collectively, the "Revenues"); and

WHEREAS, The Park National Bank, Newark, Ohio (the "Bank") is willing to purchase such notes on the terms set forth herein.

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 THAT:

Section 1: It is necessary to issue and sell general obligation bonds of the City in the principal sum of \$1,400,000 for the purpose of paying part of the costs of the Project in accordance with the provisions of Chapter 133 of the Ohio Revised Code (the "Act"). Such bonds shall be dated approximately April 1, 2022, shall bear interest at the rate of approximately six per cent (6%) per annum and shall mature in substantially equal annual or semiannual installments of principal and interest over a period not exceeding thirty (30) years after their issuance.

Section 2: It is hereby determined that notes (the "Notes") shall be issued in anticipation of such bonds pursuant to the Act. The Notes shall (i) be issued in a principal amount of \$1,400,000 for the purpose aforesaid, (ii) be dated their date of initial delivery to the Bank, (iii) be numbered from R-1 upwards in order of issuance, (iv) be of a denomination equal to the unpaid principal amount of the Notes from time to time, (v) mature in annual installments on dates and in amounts to be set forth in the Notes (each, a "Note Payment Date"), provided that such maturity date shall be not later than December 31, 2022, and (vi) bear interest on the unpaid principal amount from time to time, and payable on each Note Payment Date or upon earlier redemption, at the rate of three and thirty-five hundredths per cent (3.35%) per annum calculated on the basis of the actual number of days and a 360-day year, or such other basis as may be set forth in the Notes.

The Notes shall be subject to redemption prior to maturity at the option of the City at any time in whole, or in part in inverse order of maturity, at a redemption price of 100% of the principal amount of the Notes to be redeemed plus accrued interest to the redemption date. Any such redemption date shall also be a "Note Payment Date".

If less than the entire unpaid principal amount of an outstanding Note is called for redemption, the then registered owner of such Note shall surrender such Note to the Paying Agent and Registrar (a) for payment of the redemption price for the amount of such Note called for redemption (including without limitation, the interest accrued to the date fixed for redemption), and (b) for issuance, without charge to such registered owner thereof, of a new Note in a principal amount equal to the unmatured and unredeemed portion of, and maturing in the same unredeemed installments on the same dates as, the Note surrendered.

Unless waived by the then registered owner of the Notes, the notice of call for redemption of Notes 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 then registered owner of the Note at such registered owner's address shown on the Note registration records on the fifteenth day preceding that mailing. Notice having been mailed in the manner provided above, the Notes and portions thereof called for redemption shall become due and payable on the redemption date and on such redemption date, interest on such Notes or portions thereof so called shall cease to accrue; and such Notes or portions thereof shall be paid at the redemption price, including interest accrued to the redemption date.

The Notes shall be designated "Street Improvements Bond Anticipation Notes, Series 2015".

It is hereby determined by this City Council that (i) the various components of the Project are interrelated and dependent upon one another and therefore, comprise a single purpose, and (ii) the issuance of the Notes upon the terms provided herein, including without limitation, the redemption provisions set forth above, are in the best interests of the City, its citizens and taxpayers.

Section 3: The Notes shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this ordinance. The Notes shall be in fully registered form without coupons, shall bear the signatures of any two of the Mayor, the City Administrator or 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 or an authorized representative of a bank or trust company designated by the Director of Finance to serve as the paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Notes. The principal amount of and interest on each Note shall be payable when due or upon earlier redemption (each, a "Note Payment Date"), in lawful money of the United States of America and without deduction for exchange, collection or service charges, to the person whose name appears on the record date (being the 15th day prior to the Note Payment Date) on the Note registration records as the registered owner thereof, by check or draft delivered to such

registered owner upon the tender of the Notes for payment, or mailed to such registered owner at such owner's address as it appears on such registration records. Upon receipt of the final payment of the Notes, the then registered owner of the outstanding Note shall cancel the Note and return it to the Paying Agent and Registrar.

The Notes shall be transferable by the registered owner 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 Note during the 15-day period preceding any Note Payment Date or preceding any selection of Notes to be redeemed, or after such Note 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 Note or Notes of the same unmatured and unredeemed portion of, and maturing in the same unredeemed installments on the same dates as, the Note surrendered shall be issued to the transferee in exchange therefor.

The City and the Paying Agent and Registrar may deem and treat the registered owners of the Notes from time to time 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: The Notes shall be the full general obligations of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The principal amount received from the sale of renewal notes or the bonds anticipated by the Notes, and any excess fund resulting from the issue of the Notes, shall to the extent necessary be used only for the retirement of the Notes at maturity, together with interest thereon, and are hereby pledged for such purpose.

Section 5: During the period while the Notes run there shall be levied upon all of the taxable property in the City within applicable limitations, in addition to all other taxes, a direct tax annually, not less than that which would have been levied if the bonds anticipated by the Notes had been issued without the prior issue of the Notes; 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 and collected; provided, however, that in each year to the extent the Revenues or other moneys are available for the payment of such Notes and bonds and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of the Revenues or other moneys so available and appropriated. 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 Notes and the funds derived from said tax levies hereby required shall be placed in an appropriate fund as provided by law, which shall be irrevocably pledged for the payment of the interest on and the principal of the Notes, or the bonds in anticipation of which the Notes are issued, when and as the same shall fall due.

Section 6: The Notes are hereby awarded and sold to the Bank at the price 100% of the principal amount thereof, plus accrued interest to the date of delivery, in accordance with the Bank's offer to purchase which is hereby accepted. The proceeds from the sale of the Notes, 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 shall be transferred to an appropriate fund as permitted by law to be applied to the payment of the principal and interest of the Notes or other purposes 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 Peck, Shaffer & Williams, A Division of Dinsmore & Shohl LLP, bond

counsel for the Notes, in order to effect the issuance of the Notes 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 Notes, along with such information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Notes.

Section 7: This City Council hereby covenants that it will restrict the use of the proceeds of the Notes 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 Notes 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 Director of Finance or any other officer having responsibility with respect to the issuance of the Notes is authorized and directed to give an appropriate certificate on behalf of the City on the date of delivery of the Notes 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 regulations thereunder.

The Notes are hereby designated as “qualified tax exempt obligations” to the extent permitted by Section 265(b) of the Code and not already deemed so designated. This Council finds and determines that the reasonably anticipated amount of tax exempt obligations (whether or not designated as qualified) issued and to be issued by the City during 2015 including the Notes, 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 2015 and with respect to such other matters as appropriate under the Code, including representing and covenanting on behalf of the City that the amount of tax exempt obligations issued by the City and designated as “qualified tax exempt obligations” for such purpose during 2015 will not exceed \$10,000,000.

Section 8: The Director of Finance, the City Administrator and the Mayor 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 Notes, which may be as a part of the Consolidated Note Issue, 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: The law firm of Peck, Shaffer & Williams, A Division 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 Notes and, if appropriate, rendering its approving legal opinion in connection therewith in accordance with the written agreement presently on file with the City which the Mayor, the City Administrator and the Director of Finance are hereby separately authorized to execute and deliver on behalf of the City, with such changes thereto not substantially adverse to the City as may be approved by the officer(s) executing the same. The approval of such changes 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 Bank for the above services in accordance with such written agreement.

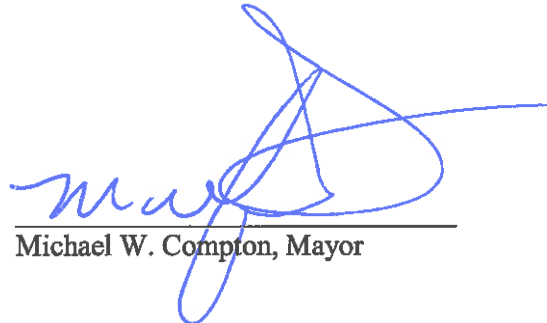
Section 10: The Director of Finance is hereby directed to forward a certified copy of this ordinance to the County Auditor of each county in which any part of the City is located.

Section 11: 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 Revised Code of Ohio.

Section 12: This Ordinance shall take effect at the earliest time provided by the laws of the State of Ohio and the Charter of the City of Pataskala.

ATTEST:


Kathy M. Hoskinson, Clerk of Council


Michael W. Compton, Mayor

APPROVED AS TO FORM:


Rufus B. Hurst, Law Director

