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Revised:
Adopted:
Effective:

CITY OF PATASKALA
ORDINANCE 2024-4481

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,500,000 OF BOND ANTICIPATION NOTES BY THE CITY OF PATASKALA, OHIO, IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING PART OF THE COST OF WATER TREATMENT PLANT AND FACILITY REPAIRS AND IMPROVEMENTS, INCLUDING ALL NECESSARY APPURTENANCES THERETO, AND MATTERS RELATED TO SUCH BOND ANTICIPATION NOTES.

WHEREAS, Council for the City of Pataskala, Ohio (the “City”) has determined the necessity of water treatment plant and facility repairs and improvements, including all necessary appurtenances thereto (the “Project”); and

WHEREAS, the Director of Finance, as fiscal officer of the City, estimates the life or period of usefulness of equipment constituting the Project is at least five (5) years and certified the maximum maturity of bonds issued therefor as forty (40) years, and of notes to be issued in anticipation thereof is twenty (20) years; and

WHEREAS, Council for the City of Pataskala expects the debt service on such bonds will be paid from the net revenues of the City’s water supply, treatment, storage and distribution utility, and on such notes from such revenues and the proceeds of such bonds or renewal notes (the “Revenues”).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF PATASKALA (hereinafter called the “City”), COUNTY OF LICKING, STATE OF OHIO, A MAJORITY OF ALL MEMBERS ELECTED OR APPOINTED THERETO CONCURRING, THAT:

Section 1: It is necessary to issue and sell bonds of the City in the principal amount of not to exceed the **sum of three million five hundred thousand dollars (\$3,500,000)**, for the purpose of paying part of the cost of the Project, including “financing costs” as defined in Section 133.01 of the Ohio Revised Code, under authority of and pursuant to the general laws of the State of Ohio, especially Chapter 133 of the Ohio Revised Code (the “Act”). Such bonds shall be dated approximately December 1, 2025, shall bear interest at the rate of approximately six and one-half percent (6.5%) per annum and shall mature in substantially equal annual installments of principal and interest over a period not exceeding forty (40) years after their issuance

Section 2: It is hereby determined that notes (hereinafter called the “Notes”) in the principal amount of not to exceed the sum of three million five hundred thousand dollars (\$3,500,000) shall be issued in anticipation of the issuance of said bonds pursuant to the Act. The Notes shall (i) be issued in a principal amount not exceeding the amount set forth above, (ii) be dated the date of their initial issuance, (iii) be numbered from R-1 upwards in order of issuance, (iv) bear interest at a rate not to exceed six and one-half percent (6.5%) per annum, payable at maturity, (v) mature

not more than one year from such date of initial issuance, (vi) be of such number and denominations of \$100,000 or more as may be requested by the Purchaser (as hereinafter defined), and (vii) be payable at the office of the Director of Finance or a bank or trust company designated to serve as paying agent (the "Paying Agent") and, if the Notes are in registered form, the registrar, all as determined by the Director of Finance or the City Administrator (each, an "Authorized Officer") without further action of this City Council. The determinations and designations to be made by the Authorized Officer 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 Authorized Officer and shall be conclusive.

The Notes shall not be subject to redemption prior to stated maturity.

It is hereby determined by this City Council that the issuance of the Notes provided herein, are in the best interests of the City

Section 3: The Notes shall be in either bearer or fully registered form without coupons, as may be requested by the Purchaser, 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 signature of the Paying Agent for the Notes. Payment of the principal of and interest on each Note in fully registered form shall be made only to the person whose name appears on the Note registration records as the registered holder thereof. The Notes shall be designated "Water System Improvement Bond Anticipation Notes, Series 2024" or as otherwise determined by the Authorized Officer in the Certificate of Award and 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 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 Note during the 15-day period preceding any Payment Date, 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 authorized denominations of the same maturity and for the same aggregate principal amount shall be issued to the transferee in exchange therefore.

The City and the Paying Agent and Registrar may deem and treat the registered holders of the Notes 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 sold by negotiated sale as described herein for not less than 100% of the principal amount thereof, plus accrued interest to the date of delivery, to one or more entities designated by the Authorized Officer in the Certificate of Award without further action of this City Council (the "Purchaser"), upon terms within the limitations of this ordinance as determined by the Authorized Officer in the Certificate of Award, such sale to be in accordance with the Purchaser's offer to purchase the Notes which the Authorized Officer is hereby authorized to accept. The Director of Finance, the City Administrator and the Mayor are hereby separately authorized, alone or with others, to execute and deliver a purchase agreement for the Notes 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 Notes, except for 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 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 5: 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 6: 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 bonds 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, to the extent Revenues or other moneys are available and appropriated for debt service in a sufficient amount, said tax shall be reduced by the amount of such Revenues and 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, and, together with interest collected on the same, shall be irrevocably pledged for the payment of the principal and interest of the Notes, or the bonds in anticipation of which they are issued, when and as the same fall due.

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 City 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 2024 including the Notes, does not exceed the sum of ten million dollars (\$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 2024 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 2024 will not exceed the sum of ten million dollars (\$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, 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 City covenants that it will use its best efforts to issue renewal notes or bonds in such amounts and bearing such terms as may be necessary to provide sufficient moneys to retire the Notes at maturity after allowing for any Revenues or other funds that may be lawfully available.

Section 10: 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 principal of and interest on the Notes may be transferred only through a book entry, and (ii) physical Note certificates in fully registered form are issued only to the Depository or its nominee as registered owner, with the Notes “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 Notes and that principal and interest.

“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 Notes or principal and interest, and to effect transfers of Notes, 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.

At the request of the Purchaser, all or any portion of the Notes may be initially issued to a Depository for use in a book entry system, and the provisions of this Section shall apply to such

Notes, notwithstanding any other provision of this ordinance. If and as long as a book entry system is utilized with respect to any of such Notes: (i) there shall be a single Note of each maturity; (ii) those Notes 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 Notes in book entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes 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 Notes 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. Debt service charges on Notes 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 (i) in the case of interest, on each interest payment date, and (ii) in all other cases, upon presentation and surrender of Notes as provided in this ordinance.

The Paying Agent serving as registrar for the Notes (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 Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note 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 Note, 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 Note 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 and Registrar, to any other paying agents for the Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this ordinance.

The Paying Agent and Registrar, the Authorized Officer, and any one or more of them acting alone, is 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 Notes to the Depository for use in a book entry system, and to take all other actions they deem appropriate in issuing the Notes under a book entry system.

If any Depository determines not to continue to act as Depository for the Notes for use in a book entry system, the City, 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, the Paying Agent and Registrar do not or are unable to do so, the City, the Paying Agent and Registrar, after the Paying Agent and Registrar have made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver Note 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 Notes), 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 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 Notes and, if appropriate, rendering its approving legal opinion in connection therewith in accordance with a written agreement presently on file with the City which the Mayor, the City Administrator and the Director of Finance are each hereby separately authorized, alone or with others, to execute and deliver on behalf of the City, as may be approved by such officers. The approval of such changes by such officers, and that the same are not substantially adverse to the City, shall be conclusively evidenced by the execution of such agreement by such officers. Such law firm shall be compensated by the City and/or the Purchaser for the above services in accordance with such written agreement.

Section 12: The City is hereby authorized to participate in the Ohio Market Access Program – Note Wrap - offered by the Treasurer of the State of Ohio (the “Program”), provided that (a) participation in the Program is in the best interests of the City and (b) the Director of Finance affirmatively elects to participate in the Program.

Section 13: The Standby Note Purchase Agreement (the “Standby Purchase Agreement”) required as part of the Program is hereby authorized in the form presented to this City Council with such changes not materially adverse to the City as may be approved by the authorized signatories of the City executing the Standby Purchase Agreement, as provided in this ordinance. The City acknowledges the agreement of the Treasurer of State in the Standby Purchase Agreement that, in the event the City is unable to repay the principal amount and accrued and unpaid interest of the Notes at maturity, whether through its own funds or through the issuance of other obligations of the City, the Treasurer of State agrees (a) to purchase the Notes from the holders or beneficial owners thereof upon their presentation to the Treasurer of State for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of the City in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at a rate of the lower of the maximum interest rate provided by law or the 1-year MMD (Municipal Market Data) Index for “AAA”-rated obligations plus 400 basis points (or such other rate methodology in effect as part of the Program), maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days’ notice, provided that in connection with the Treasurer of State’s purchase of such renewal notes the City shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid, and binding general obligations of the City, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes levied within the ten-mill limitation imposed by law on all property subject to ad valorem taxes levied by the City and (ii) interest on the renewal notes is excludible from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the same extent that interest on the notes is so excluded.

In addition, the City acknowledges that the Treasurer of State will establish an “After Maturity Interest Rate,” as generally provided for as part of the Program and as specifically provided for within the Standby Purchase Agreement.

The Authorized Officer, as the officer(s) signing the Notes, are authorized to take all actions that may in their judgment reasonably be necessary to provide for such Standby Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Notes providing notice to the holders or beneficial owners of the existence of such Standby Purchase Agreement and providing instructions to such holders or beneficial owners regarding the presentation of the Notes for purchase by the Treasurer of State at stated maturity.

This City Council hereby authorizes further representations, warranties, and/or covenants to be made regarding the City's participation in the Program by virtue of the election of the Authorized Officer and other Program documents, subject to review and approval by legal counsel to the City.

Section 14: The Authorized Officer, or any other officer, employee or agent of the 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 Notes, 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 Notes is hereby authorized.

Section 15: 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 16: 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 17: This Ordinance shall become effective from and after the earliest period allowed by the Charter of the City of Pataskala.

ATTEST:

Jessica M. Cumbo, Clerk of Council

Michael W. Compton, Mayor

Approved as to form:



Brian M. Zets, Law Director