

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF CORTLAND IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000 FOR THE PURPOSE OF ACQUIRING AND EQUIPPING POLICE CRUISERS, TOGETHER WITH ALL NECESSARY APPURTENANCES, AND DECLARING AN EMERGENCY**

**WHEREAS**, the Director of Finance, as fiscal officer, has certified to this Council that the estimated life or period of usefulness of the Improvements described in Section 1 is at least five years, and the maximum maturity of the Bonds described in Section 1 is five years.

**NOW, THEREFORE:**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CORTLAND, OHIO:**

**Section 1.** It is necessary to issue bonds of this City in the aggregate principal amount not to exceed \$150,000 (the “Bonds”) for the purpose of paying costs of acquiring and equipping police cruisers, together with all necessary appurtenances (the “Improvements”).

**Section 2.** The Bonds shall be issued in fully registered form as typewritten Bonds, and there shall be one Bond for each maturity; provided that, upon request of the original purchaser, the Bonds may be represented by a single Bond. The Bonds shall be numbered as determined by the Director of Finance or the Mayor of the City and shall be dated as of September 3, 2018 or such other date as may be set forth in a certificate awarding the Bonds and setting forth any other terms as may be permissible in this Ordinance (the “Certificate of Award”); provided that such date shall be not more than 30 days prior to the date the Bonds are delivered to the original purchaser. The principal amount of the Bonds shall be the amount determined by the Director of Finance or the Mayor in the Certificate of Award to be the amount necessary to pay costs of the Improvements after having determined the amount of other funds available to the City and appropriated for the purpose.

The Bonds shall bear interest at a rate of 3.29% per year (computed on a 30-day month/360-day per year basis), unless otherwise specified in the Certificate of Award; provided that the Bonds of any one maturity shall all bear the same rate of interest. Interest on the Bonds shall be payable on the dates set forth in the Certificate of Award, provided they are no more frequently than monthly as determined by the Director of Finance or the Mayor in the Certificate of Award to be necessary or advisable to the issuance and sale of the Bonds (the “Interest Payment Dates”), until the principal amount is paid or provided for. The Bonds shall 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.

The Bonds shall mature in substantially equal installments, as further set forth in the Certificate of Award executed by the Director of Finance or the Mayor, on such dates as set forth in the Certificate of Award as determined by the Director of Finance or Mayor to be necessary and advisable to the issuance and sale of the Bonds (the “Principal Payment Dates”), so long as: (i) such payment dates occur no more frequently than monthly; (ii) the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is not more than three times the amount of those payments on any other fiscal year; and (iii) the Bonds mature over a period of not in excess of the maximum maturity of the Bonds set forth in the certificate of the Director of Finance referred to in the recitals hereto.

**Section 3.** The Bonds shall be signed by the Mayor and the Director of Finance, in the name of the City and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall express upon their faces the purpose for which they are issued and that they are issued pursuant to Chapter 133 of the Revised Code, the charter of the City and this Ordinance. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar (as defined in section 4 below) as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance.

**Section 4.** Unless otherwise specified in the Certificate of Award, the Director of Finance of this City is appointed to act as the bond registrar, authenticating agent, transfer agent and paying agent (the “Bond Registrar”) for the Bonds. The Director of Finance may resign as Bond Registrar or may be removed as

Bond Registrar by this Council at any time after this Council has appointed a financial institution to succeed the Director as Bond Registrar, which financial institution shall then be Bond Registrar for all purposes of this Ordinance and the Bonds.

**Section 5.** The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal shall be payable when due upon presentation and surrender of the Bonds at the office of the Bond Registrar. Interest on a Bond shall be paid on each applicable Interest Payment Date by check or draft mailed by the Bond Registrar to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register (as defined in Section 6 below) at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date. If a single Bond is issued, principal and interest shall be paid by check or draft mailed by the Bond Registrar to the registered owner thereof at the address shown on the Bond Register, except that the final installment of principal and interest on the Bonds shall be made upon presentation and surrender thereof to the Bond Registrar.

The Bonds shall be prepayable without penalty or premium at the option of the City at any time prior to maturity as provided in this Ordinance. Prepayment prior to maturity shall be made by deposit with the office of the Bond Registrar of the principal amount of Bonds, together with interest accrued thereon to the date of prepayment. The City's right of prepayment shall be exercised by mailing a notice of prepayment, stating the date of prepayment, by certified or registered mail to the original purchaser no less than seven days prior to the date of that deposit, unless that notice is waived by the original purchaser. If money for prepayment is on deposit with the Bond Registrar on the specified prepayment date following the giving of that notice (unless notice is waived as stated above), interest on the principal amount prepaid shall cease to accrue on the prepayment date, and upon the request of the Director of Finance, the original purchaser shall arrange for the delivery of the Bonds at the designated office of the Bond Registrar for prepayment, surrender and cancellation.

**Section 6.** So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep at its office all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of Section 5 hereof, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner thereof for all purposes of this Ordinance. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of any authorized denomination or denominations upon presentation and surrender at the office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register, upon presentation and surrender thereof at the office of the Bond Registrar, together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured and unredeemed principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of exchanged or transferred Bonds, the City shall provide for the signing and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The exchange or transfer shall be without charge to the owner, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before the procedure for the requested exchange or transfer is begun. All Bonds issued and authenticated upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under this Ordinance, as the Bonds surrendered upon that transfer or exchange.

Any Bond surrendered to the Bond Registrar pursuant to this Ordinance for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled by the Bond Registrar. The City

may at any time deliver to the Bond Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Bonds shall be made to the City by the Bond Registrar at least once each calendar year. The cancelled Bonds shall be retained for a period of seven years and then destroyed by the Bond Registrar.

**Section 7.** The Bonds are hereby sold and awarded to Chemical Bank (or its designee as set forth in the Certificate of Award) at par in accordance with law and the provisions of this Ordinance. The Director of Finance shall cause the Bonds to be prepared, signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the original purchaser upon the closing of the transaction. The Mayor or Director of Finance is authorized to sign the Certificate of Award, if necessary, setting forth and making any of the determinations provided for in this Ordinance. The Mayor, Director of Finance, Law Director, Clerk of Council and other City officials, as appropriate, are each authorized and directed to sign any other transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance.

**Section 8.** Any proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are hereby appropriated and shall be used for the purpose for which the Bonds are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

**Section 9.** There shall be levied on all the taxable property in the City in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall be not less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is 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 those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

**Section 10.** The City covenants that it will use, and will restrict the use and investment of, any proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the Code), or (ii) be treated other than as bonds to which Section 103 of the Code applies, and (b) the interest thereon will not be treated as an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purposes of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. In that connection, the City hereby represents and covenants that it, together with all its subordinate entities or entities which issue obligations on its behalf, or on behalf of which it issues obligations, in or during the calendar year in which the Bonds are issued, (i) have not issued and will not issue tax-exempt obligations designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, including the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax-exempt obligations (including the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the City first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the

status of the Bonds as "qualified tax-exempt obligations." Further, the City represents and covenants that, during any time or in any manner as might affect the status of the Bonds as "qualified tax-exempt obligations," it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The City further represents that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

Any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certificates of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the City setting forth the reasonable expectations of the City regarding the amount and use of any proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds.

**Section 11.** The legal services of Roetzel & Andress, a Legal Professional Association, as bond counsel be and are hereby retained. The legal services shall 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 Bonds and the rendering of necessary legal opinions upon the delivery of the Bonds. In rendering those legal services, as independent contractors and in an attorney-client relationship, that firm shall 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, or of the City, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services, including actual out-of-pocket expenses.

**Section 12.** The Clerk of this Council is directed to deliver a certified copy of this Ordinance and the Certificate of Award, if any, to the County Auditor.

**Section 13.** This Council determines that all acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the City, pursuant to Chapter 133 of the Revised Code, have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 9) of the City are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**Section 14.** This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all the deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

**Section 15.** This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to issue and sell the Bonds as soon as possible which is necessary to take advantage of favorable financing terms for the financing of the Improvements, which are urgently necessary to enhance the police and safety services to the City's citizens; wherefore, this Ordinance, having the procedural rules suspended, shall take effect and be in full force and effect immediately upon its passage and approval by the Mayor.

PASSED IN COUNCIL THIS 20<sup>TH</sup> DAY OF AUGUST, 2018.

ATTEST: \_\_\_\_\_  
CLERK OF COUNCIL

\_\_\_\_\_  
PRESIDENT OF COUNCIL

FILED W/ MAYOR \_\_\_\_\_  
DATE

\_\_\_\_\_  
MAYOR

DATE APPROVED \_\_\_\_\_

ROLL CALL  
EMERGENCY

Edwards, aye  
Fleischer, aye  
Keller, aye  
Moore, aye  
Petrosky, aye  
Piros, absent  
Rowley, aye

ORDINANCE

Edwards, aye  
Fleischer, aye  
Keller, aye  
Moore, aye  
Petrosky, aye  
Piros, absent  
Rowley, aye

OFFICIAL SEAL