

ORDINANCE NO. 23-164

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF \$2,270,000 NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF: (1) PAYING THE COSTS OF VARIOUS IMPROVEMENTS FOR “THE LANDING” AS MORE FURTHER DESCRIBED AND APPROVED IN ORDINANCE NO. 18-127; (2) PAYING COSTS OF VARIOUS IMPROVEMENTS TO JACKSON STREET PIER; AND (3) PAYING COSTS OF THE CONSTRUCTION OF AND VARIOUS IMPROVEMENTS TO THE SANDUSKY BAY PATHWAY; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Ordinance No. 22-169 passed August 22, 2022, notes in anticipation of the issuance of bonds were issued to pay costs of, *inter alia*, the following improvements:

(i) \$1,250,000 principal amount of notes were issued for the purpose of purpose of paying the costs of various improvements for “the Landing” as more further described and approved in Ordinance No. 18-127 (Project No. 1); and

(ii) \$1,030,000 principal amount of notes were issued for the purpose of paying costs of various improvements to Jackson Street Pier (Project No. 2); and

(iii) \$1,430,000 principal amount of notes were issued for the purpose of paying costs of the construction of and various improvements to the Sandusky Bay Pathway (Project No. 3); and

(iv) \$200,000 principal amount of notes were issued for the purpose of revitalizing the Bayfront Urban Revitalization Area by acquiring, clearing and improving certain properties in that Area, undertaking the environmental clean-up and remediation of certain properties in that Area, constructing road improvements and related utility and infrastructure improvements in that Area, and otherwise improving that Area (Project No. 4), in accordance with the Urban Renewal Plan, the Act, the Grant (as such terms are defined in Ordinance No. 09-073 passed on September 14, 2009) and Section 2o of Article VIII of the Ohio Constitution; and

(v) \$225,000 principal amount of notes were issued for the purpose of paying costs associated with the relocation of City Hall, including, but not limited to, those projects approved by Ordinance numbers 18-119, 18-128 and 18-129 and Resolution Number 025-18R (Project No. 5); and

WHEREAS, the notes issued in the anticipation of bonds for Project No. 1, Project No. 2, Project No. 3, Project No. 4 and Project No. 5 were issued as part of a consolidated issue, dated September 22, 2022 and maturing on September 22, 2023, in the aggregate principal amount of \$4,135,000, pursuant to Section 133.30(B) of the Revised Code (that consolidated issue hereinafter referred to as the “Outstanding Notes”); and

WHEREAS, this City Commission finds and determines that the City should retire \$1,865,000 aggregate principal amount of the Outstanding Notes with funds available to the City, for internal accounting purposes attributed to each project as follows: Project No. 1, \$500,000; Project No. 2, \$310,000; Project No. 3, \$630,000; Project No. 4 in full, \$200,000, and Project No. 5 in full, \$225,000; and

WHEREAS, this City Commission finds and determines that the City should retire the remaining outstanding principal amount of the Outstanding Notes with the proceeds of the Notes described in Section 3 and that for internal accounting purposes the principal amount of each Project to be funded as part of the Notes described in Section 3 is allocated as follows; and

<u>Project No.</u>	<u>Principal Amount</u>
1 (“The Landing” Improvements)	\$750,000
2 (Jackson Street Pier)	720,000
3 (Pathway)	800,000

WHEREAS, the Director of Finance, as fiscal officer of this City, has certified to this City Commission that the estimated life or period of usefulness of each of Projects 1 through 3 is at least five years, and that the estimated maximum maturity of the bonds for each Project and the maximum maturity of the notes for each Project, to be issued in anticipation of the bonds, are as follows; and

<u>Project No.</u>	<u>Maximum Maturity of Bonds - years</u>	<u>Maximum Maturity of Notes</u>
1 (“The Landing” Improvements)	19	October 3, 2038
2 (Jackson Street Pier)	25	October 1, 2040
3 (Pathway)	20	October 1, 2040

WHEREAS, an emergency exists in that, for the immediate preservation of the public peace, property, health and safety, it is necessary that this ordinance be immediately effective in order to issue and sell the Notes in order to enable the City to timely retire the Outstanding Notes and thereby preserve its credit, and by reason thereof, this ordinance shall take effect forthwith upon its passage, NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, that:

Section 1. It is necessary to issue bonds of this City in the aggregate principal amount of \$2,270,000 (the Bonds) for the purpose of Project No. 1, Project No. 2 and Project No. 3.

Section 2. The Bonds shall be dated approximately September 1, 2024, shall bear interest at the now estimated rate of 6.5% per year, payable on June 1 and December 1 of each year, commencing December 1, 2024, until the principal amount is paid, and are estimated to mature in twenty-five annual principal installments each of which installment represents the aggregate of all principal payments for that year as if a separate issue of bonds were issued for each Project with the following number of principal installments for each Project, with principal installments on each separate issue being in such amounts that the total principal and interest payments on that issue in any fiscal year in which principal is payable is not more than three times the amount of those payments in any other fiscal year:

<u>Project No.</u>	<u>Number of Principal Installments</u>
1 (“The Landing” Improvements)	19
2 (Jackson Street Pier)	25
3 (Pathway)	20

The first principal installment is estimated to be made on December 1, 2024.

Section 3. It is necessary to issue and this City Commission determines that notes in the aggregate principal amount of \$2,270,000 (the Notes) shall be issued in anticipation of the issuance of the Bonds and to retire, together with other funds available to the City, the Outstanding Notes (as defined in the preambles hereto). The Notes shall bear interest at a rate not exceeding 6.0% per year (computed on the basis of a 360-day year consisting of twelve 30-day months), payable at maturity and until the principal amount is paid or payment is provided for. The rate of interest on the Notes shall be determined by the Finance Director in the certificate awarding the Notes in accordance with Section 6 (the Certificate of Award). The Notes shall be dated the date of

issuance and shall mature not earlier than five months from the date of issuance nor later than one year from the date of issuance, as determined by the Finance Director in the Certificate of Award.

Section 4. The debt charges on the Notes shall be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America as determined by the Finance Director in the Certificate of Award, and shall be payable, without deduction for services of the City's paying agent, at the St. Paul, Minnesota corporate trust office or other designated office of U.S. Bank National Association, or at the office of a bank or trust company designated by the Finance Director in the Certificate of Award after determining that the payment at that bank or trust company will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose, or at the office of the Finance Director if agreed to by the Finance Director and the original purchaser.

Section 5. The Notes shall be signed by the Ex-Officio Mayor and the Finance Director, in the name of the City and in their official capacities, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as requested by the original purchaser and approved by the Finance Director, provided that no such denomination shall be less than \$100,000. The entire principal amount may be represented by a single note and may be issued as fully registered securities (for which the Finance Director will serve as note registrar) and in book entry or other uncertificated form in accordance with Section 9.96 and Chapter 133 of the Revised Code if it is determined by the Finance Director that issuance of fully registered securities in that form will facilitate the sale and delivery of the Notes. The Notes shall not have coupons attached, shall be numbered as determined by the Finance Director and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this ordinance. As used in this section and this ordinance:

“Book entry form” or “book entry system” means a form or system under which (i) the ownership of beneficial interests in the Notes and the principal of, and interest on, the Notes may be transferred only through a book entry, and (ii) a single physical Note certificate is issued by the City and payable only to a Depository or its nominee, with such Notes “immobilized” in the custody of the Depository or its agent for that purpose. The book entry maintained by others than the City is the record that identifies the owners of beneficial interests in the Notes and that principal and interest.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of beneficial interests in the Notes or the principal of, and interest on, the Notes and to effect transfers of the 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.

The Notes may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized, (i) the Notes may be issued in the form of a single Note made payable to the Depository or its nominee and immobilized in the custody of the Depository or its agent for that purpose; (ii) the beneficial owners in book entry form shall have no right to receive the Notes in the form of physical securities or certificates; (iii) ownership of beneficial interests 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 (iv) 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.

If any Depository determines not to continue to act as a Depository for the Notes for use in a book entry system, the Finance Director may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Finance Director does not or is unable to do so, the Finance Director, after making provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Notes from the Depository, and shall cause the Notes in bearer or payable form to be signed by the officers authorized to sign the Notes and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of City action or inaction, of those persons requesting such issuance.

The Finance Director is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book entry system for the Notes, after determining that the signing thereof will not endanger the funds or securities of the City.

Section 6. The Notes shall be sold at not less than 97% of par plus accrued interest at private sale by the Finance Director in accordance with law and the provisions of this ordinance. The Finance Director shall, in accordance with that officer’s determination of the best interests of and financial advantages to the City and its taxpayers and based on conditions then existing in the financial markets, consistently with the provisions of Section 3, establish the interest rate or rates to be borne by the Notes and their maturity, sign the Certificate of Award referred to in Section 3 evidencing that sale, cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the original purchaser, to the original purchaser upon payment of the purchase price. The Ex-

Officio Mayor, the City Manager, the Finance Director, the Law Director, the Clerk of the City Commission (including within the meaning of each such office for purposes of this ordinance any person serving in an interim or acting capacity with respect to such office) and other City officials, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements, paying agent agreement, note purchase agreement and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this ordinance. The Finance Director is authorized, if it is determined to be in the best interest of the City, to combine the issue of Notes with one or more other note issues of the City into a consolidated note issue pursuant to Section 133.30(B) of the Revised Code.

Section 7. The proceeds from the sale of the Notes, except any premium and accrued interest, shall be paid into the special fund established for those proceeds, and those proceeds are appropriated thereto and shall be used for the purpose for which the Notes are being issued. Any portion of the proceeds from the sale of the Notes representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 8. The par value to be received from the sale of the Bonds or of any renewal notes and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used to pay the debt charges on the Notes at maturity and are pledged for that purpose.

Section 9. During the year or years in which the Notes are outstanding, there shall be levied on all the taxable property in the City, in addition to all other taxes, the same tax that would have been levied if the Bonds had been issued in the indicated installments without the prior issuance of the Notes. 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 Notes or 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, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 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(a) of the Code applies, and (b) the interest on the Notes will not be 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 Notes to be and remain excluded from gross income for

federal income tax purposes, and (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 Notes to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (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 Finance Director as the fiscal officer, or any other officer of the City having responsibility for issuance of the Notes 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 Notes as the City is permitted to or required to make or give under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Notes 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 or 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 certifications 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 Notes, and (c) to give one or more appropriate certificate of the City, for inclusion in the transcript of proceedings for the Notes, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Notes, 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 Notes.

Each covenant made in this Section with respect to the Notes is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Notes (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Notes from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this Section to take with respect to the Notes.

Section 11. This City Commission hereby retains the firm of Squire Patton Boggs (US) LLP pursuant to an engagement letter which has been delivered to the City by that firm in order to furnish legal services in connection with the issuance of the Notes and other matters related thereto and hereby authorizes the Finance Director to pay such fees and out-of-pocket expenses of such law firm in rendering such services as are approved by the Finance Director and the Law Director,

which such fees shall not exceed \$15,000. That engagement letter, and the execution thereof by the Finance Director, the Law Director, or any one of them, is hereby authorized, ratified and approved. That engagement letter, and the execution thereof by the Finance Director, the Law Director, or any one of them, is hereby authorized, ratified and approved. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county, municipality or other political subdivision, or of this City, or the execution of public trusts.

Section 12. This City Commission hereby retains the firm of Sudsina & Associates, LLC in order to furnish financial advisory services in connection with the issuance and sale of the Notes and other matters related thereto and hereby authorizes the Finance Director to pay such fees and out-of-pocket expenses of such financial advisory firm in rendering such services as are approved by the Finance Director and the Law Director, which such fee shall not exceed \$10,000. In rendering those financial advisory services, as an independent contractor and in a financial advisory relationship with the City, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county, municipality or other political subdivision, or of this City, or the execution of public trusts.

Section 13. If, in the judgment of the Finance Director, the filing of an application for a rating on the Notes by one or more nationally recognized rating agencies is in the best interest of and financially advantageous to this City, the Finance Director is authorized to prepare and submit such application, to provide to each such agency such information as may be required for the purpose, and to provide further for the payment of the cost of obtaining each such rating, from the proceeds of the Notes to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose. Any actions heretofore taken in conformance herewith are hereby ratified, confirmed and approved.

The expenditure of the amounts necessary to secure those ratings and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Notes is authorized and approved, and the Finance Director is authorized to provide for the payment of any such amounts and costs from the proceeds of the Notes to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

Section 14. The Clerk of the City Commission is directed to deliver a certified copy of this ordinance to the County Auditor.

Section 15. This City Commission determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding general obligations of the City have been performed and have been met, or will at the time of delivery of the Notes 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 Notes; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

Section 16. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 17. That, for the reasons set forth in the last preamble hereto, this ordinance is hereby declared to be an emergency measure and shall take effect immediately upon its passage and due authentication by the President and the Clerk of the City Commission.



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION

Attest:



CATHLEEN A. MYERS
CLERK OF THE CITY COMMISSION

Passed: August 14, 2023

FISCAL OFFICER'S CERTIFICATE

To the City Commission of the
City of Sandusky, Ohio:


As fiscal officer of the City of Sandusky, I certify in connection with your proposed issue of \$2,270,000 notes (the Notes) to be issued in anticipation of the issuance of bonds (the Bonds) for the purpose of: (1) paying the costs of various improvements for "the Landing" as more further described and approved in Ordinance No. 18-127; (2) paying costs of various improvements to Jackson Street Pier; and (3) paying costs of the construction of and various improvements to the Sandusky Bay Pathway (collectively, the improvement), that:

1. The estimated life or period of usefulness of each improvement is at least five years. For internal accounting purposes of the City, the allocation of that principal amount among those Projects is as set forth in the attached table.

2. The estimated maximum maturity of the Bonds, calculated in accordance with Section 133.20 of the Revised Code and based on the fiscal officer's certificates previously signed with respect to each of these Projects, is as set forth in the attached table. To the extent that notes in anticipation of the Bonds will have been outstanding later than the last day of December of the fifth year following the year of issuance of the original issue of notes, the period in excess of those five years has been deducted and taken into account in setting forth the estimated maximum maturities of the Bonds with respect to each of those Projects as set forth in the attached table.

3. The maximum maturity of the Notes with respect to each of these Projects is as set forth in the attached table, which maximum maturity in each instance is based on the date of the original note issued for such Project.

Dated: August 8, 2023



Finance Director
City of Sandusky, Ohio

City of Sandusky, Ohio
Various Purpose Improvement Notes, Series 2023

Date of Original Issue	Purpose	Amount of Original Issue	2023 Principal Amount	Maximum Bond Maturity	Original Maximum Bond Maturity	Maximum Note Maturity
10/03/2018	"The Landing" Improvements	\$2,000,000	\$750,000	19 years	20 years	October 3, 2038
10/01/2020	Jackson Street Pier	\$2,130,000	\$720,000	25 years	25 years	October 1, 2040
10/01/2020	Pathway	\$2,140,000	\$800,000	20 years	20 years	October 1, 2040