

ORDINANCE NO. 43-2016

Authorizing the Issuance of Bonds in the Amount of Not to Exceed \$1,500,000 for the Purpose of Designing, Engineering, Constructing and Reconstructing Various Sewer Improvements, with Related Site Improvements and Appurtenances Thereto; and Approving Related Matters.

WHEREAS, the Finance Director (the "Finance Director") of the City of Worthington, Ohio (the "City") has certified to this Council that the estimated life of the improvements stated in the title of this Ordinance (the "Project") which is to be financed from the proceeds of the bonds exceeds five years, and the maximum maturity of such bonds is 20 years;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. Issuance of Bonds. It is hereby declared necessary to issue bonds (the "Bonds") of the City in the principal sum of not to exceed \$1,500,000 for the purpose of paying the costs of the Project. The Bonds may be issued in one or more series.

SECTION 2. Combining Bonds for Purposes of Issuance and Sale. It is hereby determined, that for the purposes of issuance and sale, it is in the best interest of the City to combine the Bonds with other limited tax general obligation bonds of the City authorized by separate ordinances of this Council. The Bonds and such other bonds shall be jointly referred to herein as the "Combined Bonds." As used in this Ordinance, the term "Bonds" shall also mean the Combined Bonds, where appropriate. The Combined Bonds shall be designated "City of Worthington, Ohio Various Purpose Bonds, Series 2016," or as otherwise provided in the Certificate of Award defined in Section 7 hereof.

SECTION 3. Certificate of Award. The Bonds shall be in the amount of not to exceed \$1,500,000, or such lesser amount as shall be determined by the Finance Director and certified to this Council. The Bonds shall be dated the date established by the Finance Director and set forth in the Certificate of Award provided for hereinbelow; shall mature on such date and shall be subject to redemption as shall be determined by the Finance Director and set forth in the Certificate of Award. The Bonds shall be issued as fully registered bonds, in such denominations as shall be determined by the Finance Director, but not exceeding the principal amount of the Bonds maturing on any one date, until the principal sum is paid or provision has been duly made therefor, and shall be numbered consecutively from R-1 upwards, as determined by the Finance Director and set forth in the Certificate of Award.

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The Bonds shall be issued as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof; shall be numbered consecutively from R-1 upward, as determined by the Finance Director; shall be dated the date determined by the Finance Director and set forth in the Certificate of Award provided for hereinbelow; and shall bear interest, payable semiannually on such dates as shall be determined by the Finance Director and set forth in the Certificate of Award, until the principal sum is paid or provision has been duly made therefor. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds shall bear interest at the maximum average annual interest rate presently estimated to be 4.50% per annum, payable semiannually until the principal sum is paid or provision has been duly made therefor, and shall mature in no more than 40 annual installments.

SECTION 4. General Obligation Pledge. The Bonds shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Bonds shall, to the extent necessary, be used only for the retirement of the Bonds at maturity and are hereby pledged for such purpose.

SECTION 5. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the City's charter millage limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Bonds are outstanding, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Bonds as and when the same falls due and to provide a fund for the repayment of the principal of the Bonds at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy 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 such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of premium, if any, and interest on and principal of the Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Bonds in accordance with law.

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SECTION 6. Income Tax Pledge. The City hereby covenants, pursuant to Section 133.05(B)(7), Ohio Revised Code, to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect municipal income taxes adequate to produce, amounts necessary to meet the debt charges on the Bonds in each year until full payment is made.

SECTION 7. Sale of the Bonds; Certificate of Award. The Bonds shall bear interest, based on a 360-day year of twelve 30-day months, payable at maturity, at such rate per annum as shall be determined by the Finance Director and certified to this Council. The Bonds shall be awarded by competitive sale based on bids submitted to the City following the publication of a notice of sale (or similar document) for the Bonds, which shall be in such form as approved by the Finance Director.

The sale and award of the Bonds shall be evidenced by a Certificate of Award (the "Certificate of Award") signed by the Finance Director, which shall award the sale of the Bonds to such purchaser (the "Original Purchaser") as shall offer, in the opinion of the Finance Director, the best terms for the purchase of the Bonds. The Certificate of Award shall further set forth (a) the aggregate principal amount and the final terms of the Bonds, which aggregate principal amount and terms, subject to the limitations set forth in this Ordinance, (b) the dated date for the Bonds, (c) the purchase price for the Bonds (which shall be not less than 97% of the face value thereof), (d) the maturity date for the Bonds, (e) the interest rate for the Bonds (not to exceed 4.50% per annum), and (f) such other terms not inconsistent with this Ordinance as the Finance Director shall deem appropriate. In connection with the sale and award of the Bonds, the Finance Director is authorized to execute a bond purchase agreement, term sheet, or related document with the Original Purchaser. The Finance Director is hereby authorized and directed to deliver the Bonds, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery.

The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the City and used for the purpose aforesaid and for no other purpose. Any accrued interest received from the sale of the Bonds shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Bonds, or other obligations of the City, as permitted by law. Any premium received from the sale of the Bonds may be used to pay the financing costs of the Bonds within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund in the manner provided by law.

SECTION 8. Form and Execution of Bonds; Payment of Bonds. The Bonds shall be executed by the Finance Director and the City Manager of the City (the "City Manager"), in their official capacities, provided that either or both of their signatures may be a facsimile, shall be payable as to both principal and interest at the office of Bond Registrar (as defined hereinbelow). The Bonds shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Ordinance.

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The principal of and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar. The principal of and interest on the Bonds shall be payable upon presentation and surrender of the Bonds at their maturity at the office of the Bond Registrar. No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication, as printed on the Bonds, is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bonds so authenticated have been duly issued and delivered under this Ordinance and are entitled to the security and benefit of this Ordinance. The certificate of authentication may be signed by any officer or officers of the Bond Registrar or by such other person acting as an agent of the Bond Registrar as shall be approved by the Finance Director on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Bonds.

SECTION 9. Appointment of Bond Registrar. The Finance Director is hereby authorized and directed to execute on behalf of the City a Bond Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Finance Director and the Original Purchaser, pursuant to which such bank or financial institution shall agree to serve as authenticating agent, bond registrar, transfer agent, and paying agent (the "Bond Registrar") for the Bonds. Interest shall be payable at maturity by check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Bond Registrar. If at any time the Bond Registrar shall be unable or unwilling to serve as such, or the Finance Director in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, the Finance Director may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Bond Registrar hereunder. Each such successor Bond Registrar shall promptly advise all bondholders of the change in identity and new address of the Bond Registrar. So long as any of the Bonds remain outstanding, the City shall cause to be maintained and kept by the Bond Registrar, at the office of the Bond Registrar, 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 this Ordinance, the person in whose name any Bond shall be registered on the Bond Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest 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 herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, including the interest thereon, to the extent of the amount or amounts so paid.

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Any Bond, 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 authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar, may be exchanged for Bonds of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

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 authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar. Upon that transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

In all cases in which Bonds are exchanged or transferred hereunder, the City shall cause to be executed 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 the 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 it begins the procedure for the exchange or transfer of the Bonds. All Bonds issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon that transfer or exchange.

SECTION 10. Book-Entry System. 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 Bonds may be transferred only through a book-entry and (ii) physical Bonds in fully registered form are issued only to a Depository or its nominee as registered owner, with the Bonds "immobilized" in the custody of the Depository, and the book-entry is the record that identifies the owners of beneficial interests in those Bonds.

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

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The Bonds may be initially issued to a Depository for use in a book-entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this Ordinance; (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 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 transfers of the ownership of beneficial interests shall be made only by the Depository and by book-entry; 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 same day funds delivered 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 Bonds as provided in this Ordinance.

The Bond 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 principal and interest 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 above in this Ordinance, without prior presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Bond 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 Bond Registrar shall furnish a copy of each of those agreements, certified to be correct by the Bond Registrar, to other paying agents for Bonds 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.

If requested, the Finance Director and the City Manager are authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the City, an agreement among the City, the Bond Registrar and a Depository to be delivered in connection with the issuance of the Bonds to such Depository for use in a book-entry system.

The City may decide to discontinue use of the book-entry system through the Depository. In that event, Bond certificates will be printed and delivered to the Depository.

If any Depository determines not to continue to act as the Depository for the Bonds for use in a book-entry system, the City and the Bond Registrar may attempt to establish a securities depository/book-entry relationship with another qualified Depository under this

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Ordinance. If the City and the Bond Registrar do not or are unable to do so, the City and the Bond Registrar, after the Bond 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 and delivering definitive Bond), if the event is not the result of action or inaction by the City or the Bond Registrar, of those persons requesting such issuance.

SECTION 11. Federal Tax Law Compliance. The City hereby covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Bonds so that the Bonds will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are issued, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Finance Director, or any other officer of the City, including the City Manager, is hereby authorized and directed (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 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 Finance Director, which action shall be in writing and signed by the Finance Director, or any other officer of the City, including the City Manager, on behalf of the City; (b) to take any and all actions, make or obtain calculations, 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 Bonds; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with Sections 141 through 150 of the Code and the Regulations.

The Finance Director shall keep and maintain adequate records pertaining to the use and investment of all proceeds of the Bonds sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation

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now or hereafter having applicability to the Bonds that relates to the use of such proceeds, which limits the amount of Bond proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Finance Director is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Bonds requires any such reports or rebates.

SECTION 12. Transcript of Proceedings; Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Bonds and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Bonds and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the City Clerk and a no-litigation certificate of the City Manager and the Finance Director, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The City Manager and Finance Director are hereby authorized and directed to take such action and to execute and deliver, on behalf of the Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this Ordinance, as they in their discretion shall deem necessary or appropriate.

SECTION 13. Satisfaction of Conditions for Bond Issuance. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Bonds.

SECTION 14. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

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SECTION 15. Filing of Bond Ordinance. The City Clerk is hereby directed to forward a certified copy of this Ordinance to the County Auditor of Franklin County, Ohio.

SECTION 16. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed November 21, 2016

/s/ Bonnie D. Michael
President of Council

Attest:

/s/ D. Kay Thress
Clerk of Council

Introduced November 14, 2016
P.H. November 21, 2016
Effective December 14, 2016