

**CITY OF HILLSBORO, OHIO
ORDINANCE NO. 2023-30**

AN ORDINANCE PROVIDING FOR A NOT TO EXCEED \$1,700,000 SPECIAL OBLIGATION STATE INFRASTRUCTURE LOAN, BY THE CITY OF HILLSBORO, OHIO FOR THE PURPOSE OF CONSTRUCTING ROAD IMPROVEMENTS IN THE CITY, AUTHORIZING THE PLEDGE OF REVENUES TO SECURE THE LOAN, AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT AND A PROMISSORY NOTE.

WHEREAS, the City of Hillsboro, Ohio (the "City") has determined to undertake the design, engineering and construction of the Roberts Lane Extension and related new roads, including road, sidewalk, lighting, water, sewer and storm water improvements (the "Project"); and

WHEREAS, the City has applied for a borrowing from the ODOT State Infrastructure Bank ("SIB") for a portion of certain project costs pursuant to the terms of a preliminary term sheet, loan agreement, promissory note, and certain other documents; and

WHEREAS, the fiscal officer (hereinafter called "City Auditor") of the City of has heretofore estimated that the life of the hereinafter Project is at least twenty (20) years;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HILLSBORO, STATE OF OHIO, WITH A MAJORITY OF ALL COUNCIL MEMBERS CONCURRING THAT:

SECTION 1: That it is hereby declared necessary to enter into a loan agreement with the SIB, in the amount of not to exceed \$1,700,000, plus capitalized interest estimated to be \$49,630, (the "Loan Agreement") for the purpose of providing funds to construct road improvements in the City, consisting of the design, engineering and construction of an extension of Roberts Lane and related new roads along with related sidewalk, lighting, water, sewer and storm water improvements, including reimbursement of any expenditures made after the adoption of this ordinance and prior to the closing of the Loan Agreement and Promissory Note, under authority of the general laws of the State of Ohio, and all necessary costs in connection therewith, secured by the Revenues, as defined herein, in accordance with the terms of this Ordinance.

SECTION 2: Said Loan Agreement shall be entered into under the provisions of the Ohio Revised Code, in the principal amount of not to exceed \$1,700,000 plus capitalized interest of approximately \$49,630. The Loan Agreement requires the financial obligations of the City under the Loan Agreement be evidenced by a promissory note in the amount of not to exceed \$1,700,000 (the "Promissory Note"). Said Promissory Note shall be dated its date of execution and, be payable not later than two hundred forty months from its dated date. Said promissory note shall bear interest at a rate of zero percent (0.00%) for the first twelve months and at a rate of three percent (3.00%) per annum thereafter.

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SECTION 3: That the Promissory Note shall be a special obligation of the City, and only the revenue of the City received from the municipal income tax authorized by Article XVIII, Section 3 of the Ohio Constitution, Chapter 718 Ohio Revised Code and City Ordinance Nos. 1971-12, 1971-22, 1977-28, 1978-11, 1986-5, 1994-21, 2003-5, 2005-12, 2018-02 and City Resolution 90-22 ("Income Tax"), as defined in the Loan Agreement (the "Revenues") are pledged for the payment of the same.

During the years while the bonds are outstanding, the City hereby covenants to levy and collect annually the Income Tax in a sufficient amount to pay principal of and interest on the Promissory Note, and to meet debt service or bond service charges on other obligations of the City to be paid from the Income Tax. The City will appropriate and pay from the Income Tax, into the bond account or fund, amounts sufficient to pay principal of and interest on the Promissory Note on each interest payment date.

In order to secure the payment of the principal of and interest on the Promissory Note as the same shall become due and payable, the Mayor, the Safety & Service Director and the City Auditor are each authorized and directed to take any and all actions and to execute such documents, financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Dinsmore & Shohl LLP, as Special Counsel, in order to perfect the pledge of and to secure the Revenues for the benefit of the SIB.

The Promissory Note is not a general obligation of the City and will not constitute a debt or pledge of the full faith and credit of the City; the SIB shall have no right to have any ad valorem property taxes levied or collected for the repayment of the Promissory Note.

Nothing in this authorizing ordinance will be construed as requiring the City to use or apply to the payment of principal of or interest on the Promissory Note any funds or revenues from any source other than the Income Tax; however, nothing in this authorizing ordinance will be deemed to prohibit the City from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions, or obligations of this authorizing ordinance or the Loan Agreement.

Anything in this legislation or the notes notwithstanding, neither this legislation the Loan Agreement nor the Promissory Note constitutes a debt, or a pledge of the faith or credit, or taxing power of the City, the State or any political subdivision thereof, and the holders or owners of the Promissory Note shall have no right to have ad valorem property taxes levied by the City, the General Assembly of the State, or the taxing authority of any political subdivision of the State for the payment of the principal of and interest on the Promissory Note. Nothing herein shall be deemed to prohibit the City from lawfully using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of this legislation, the Loan Agreement or the Promissory Note.

SECTION 4: The Preliminary Term Sheet from the State of Ohio – Ohio Department of Transportation State Infrastructure Bank, on file with the Safety Service Director is hereby approved and the Mayor or Safety Service Director is hereby authorized to execute the Preliminary Term Sheet.

The Loan Agreement and Promissory Note are hereby approved and authorized in substantial form as is provided by the SIB, and the Mayor is hereby authorized and directed to execute the Loan Agreement, the Promissory Note and any other documents required to effectuate the Loan Agreement. The signature of the Mayor on such documents will evidence acceptance of the final form and terms of such documents.

SECTION 5: The proceeds of the Promissory Note, plus other lawfully available funds of the City, shall be used as set forth in the Loan Agreement.

SECTION 6: From and after the date of execution of the Promissory Note, the annual Revenues shall first be used to pay Annual Debt Service on the Promissory Note and then shall be used for any legal purpose of the Revenues.

Annual Debt Service shall be the annual principal and interest due on the Promissory Note, as set forth in the Promissory Note.

SECTION 7: No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Note Legislation, or in the Promissory Note, or under any judgment obtained against the City or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the City, either directly or through the City, or otherwise, for the payment for or to the City or any receiver thereof, or for or to any holder of Promissory Note or otherwise, of any sum that may be due and unpaid by the City upon the Promissory Note. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the City or any receiver thereof, or for or to the owner or any holder of Promissory Note, or otherwise, of any sum that may remain due and unpaid upon Promissory Note, shall be deemed to be expressly waived and released as a condition of and consideration for the execution of the Promissory Note.

SECTION 8: So long as Promissory Note is outstanding, the City shall have the right to issue, on a parity with the Promissory Note, any additional notes, bonds or other obligations payable from the Revenues so long as such Revenues are at least 1.30 times the Annual Debt Service on the Promissory Note and any additional obligations. The City shall also have the unrestricted right to issue additional notes, bonds or other obligations subordinate to the Promissory Note, or payable from other taxes or other revenues of the City, other than the Revenues pledged herein.

SECTION 9: The City hereby covenants and agrees with the holder of the Promissory Note from time to time, so long as the Promissory Note is outstanding, as follows:

- (a) The City will, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purpose of the Loan Agreement and the Promissory Note and this legislation.

- (b) All of the obligations set forth and covenants made under this legislation are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the City within the meaning of Section 2731.01 of the Ohio Revised Code.
- (c) The City will observe and will satisfactorily and punctually perform all its agreements and obligations provided for by the Loan Agreement and the Promissory Note and this legislation.

SECTION 10: That the firm of Dinsmore & Shohl LLP (“Dinsmore”), is hereby engaged as the City’s “bond counsel” pursuant to the engagement letter of Dinsmore on file with the City.

SECTION 11: That the firm of Robert W. Baird & Co. (“Baird”), is hereby engaged as the City’s “placement agent” pursuant to the engagement letter of Baird on file with the City.

SECTION 12: All appropriate officers of the City are further authorized to make, execute, acknowledge and deliver such closing certificates, financing statements and other instruments or agreements as are, in the opinion of bond counsel, necessary or appropriate, in order to effect the execution of the Preliminary Term Sheet, the Loan Agreement and the Promissory Note and to carry out the purposes of this Ordinance.

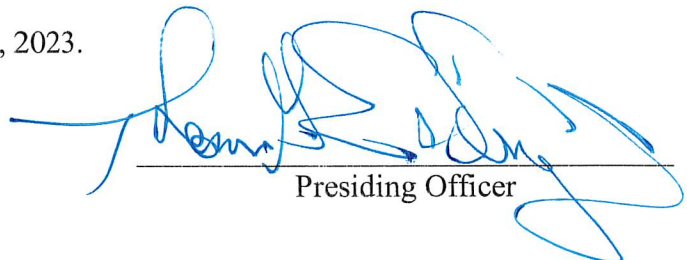
SECTION 13: If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 14: By $\frac{3}{4}$ vote of its members, Council dispenses of three readings pertaining to this Ordinance, pursuant to R.C. 731.17.

SECTION 15: That it is 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.

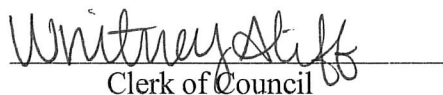
SECTION 16: That this Ordinance shall take effect at the earliest date permitted by law.

ADOPTED: July 13, 2023.



Presiding Officer

Attest:



Clerk of Council

CERTIFICATE

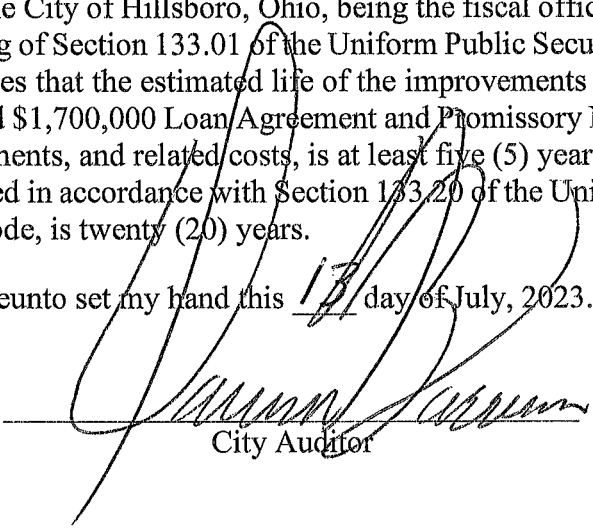
The undersigned, Clerk of Council, Hillsboro, Ohio, hereby certifies the foregoing to be a true and correct copy of Ordinance No. 2013-30 adopted July 13, 2023.

Whitney Aliff
Clerk of Council

**CERTIFICATE AS TO MAXIMUM MATURITY OF
BONDS AND BOND ANTICIPATION NOTES**

Based upon information provided by and in reason to the request of the City Council of the City of Hillsboro, Ohio, the City Auditor of the City of Hillsboro, Ohio, being the fiscal officer of the City of Hillsboro, Ohio, within the meaning of Section 133.01 of the Uniform Public Securities Law of the Ohio Revised Code, hereby certifies that the estimated life of the improvements to be acquired with the proceeds of the not to exceed \$1,700,000 Loan Agreement and Promissory Note, for the purpose of constructing road improvements, and related costs, is at least five (5) years and that the maximum maturity of bonds, calculated in accordance with Section 133.20 of the Uniform Public Securities Law of the Ohio Revised Code, is twenty (20) years.

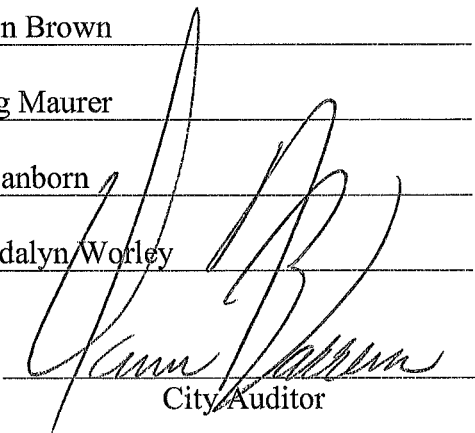
IN WITNESS WHEREOF, I have hereunto set my hand this 13 day of July, 2023.



City Auditor

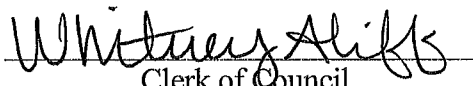
CERTIFICATE OF MEMBERSHIP

The undersigned, Clerk of Council of the City of Hillsboro, County of Highland, Ohio, hereby certifies that the following were the officers and members of Council during the period proceedings were taken authorizing the issuance of not to exceed \$1,700,000 Special Obligation State Infrastructure Bank Loan, dated its date of issuance:

Mayor	<u>Justin Harsha</u>
Safety & Service Director	<u>Brianne Abbott</u>
City Auditor	<u>Dawson Barreras</u>
Clerk of Council	<u>Whitney Aliff</u>
President of Council	<u>Tom Eichinger</u>
Member of Council	<u>Adam Wilkin</u>
Member of Council	<u>Don Storer</u>
Member of Council	<u>Dan Baucher</u>
Member of Council	<u>Mary Stanforth</u>
Member of Council	<u>Jason Brown</u>
Member of Council	<u>Greg Maurer</u>
Member of Council	<u>Jo Sanborn</u>
City Law Director	<u>Randalyn Worley</u>
	 City Auditor

TRANSCRIPT CERTIFICATE

The undersigned, Clerk of Council of said City, hereby certifies that the following is a true and complete transcript of all proceedings relating to the authorization of the above identified obligations.


Clerk of Council