

CITY OF HILLSBORO, OHIO

ORDINANCE NO. 2020-04

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$1,957,000 OF BONDS BY THE CITY OF HILLSBORO, OHIO, FOR THE PURPOSE OF REFUNDING WATER SYSTEM BONDS IN THE CITY, AND DECLARING AN EMERGENCY.

WHEREAS, the City has previously issued its \$2,400,000 Water System Improvement Revenue Bonds, Series 2005A, dated December 2, 2005 (the "2005A Bonds") for the purposes of permanently financing bond anticipation notes which were originally issued to pay part of the cost of making water system improvements in the City, of which \$1,957,000 currently remains outstanding; and

WHEREAS, the City has determined it is in the best interest of the City to refund all or a portion of the 2005A Bonds to achieve interest cost savings; and

WHEREAS, the fiscal officer of the City has heretofore estimated that the life of the project hereinafter described is at least five (5) years, and certified that the remaining maximum maturity of the bonds issued therefor is twenty-six (26) years;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Hillsboro (hereinafter called the "City"), County of Highland, Ohio:

SECTION 1. That it is necessary to issue bonds of the City in the principal amount of not to exceed \$1,957,000 for the purpose of refunding water revenue bonds which were originally issued to pay part of the cost of making water system improvements in the City, and paying certain costs related to the issuance of the bonds, together with other permissible costs under the Uniform Public Securities Law, including the cost of printing the bonds, expense of delivery of the bonds, service charges of the paying agent and registrar, legal services and obtaining an approving legal opinion.

SECTION 2. That Bonds of the City shall be issued in the principal sum of not to exceed \$1,957,000, for the purpose aforesaid. Said Bonds shall be of the denomination of \$1,000 or any integral multiple thereof, shall be numbered from 1 upward, shall be dated as of their date of issue, or such other date as is set forth in the certificate of award setting forth the final terms of the Bonds (the "Certificate of Award"), and shall bear interest at the rates and at a net interest cost as set forth in the Certificate of Award (but such net interest cost shall not be in excess of four per centum (4.00%)), payable semiannually on May 1 and November 1 of each year, beginning November 1, 2020, or such other dates as are set forth in the Certificate of Award until the principal sum is paid. Said Bonds shall mature not later than November 1, 2045 as set forth in the Certificate of Award within the limitations set forth in Chapter 133 of the Ohio Revised Code, without further action of the council.

The Bonds shall be subject to optional and/or mandatory redemption by the City prior to maturity as set forth in the Certificate of Award, within the limitations set forth in Chapter 133 of the Ohio Revised Code, without further action of the council.

SECTION 3. That said Bonds shall be designated "Water System Limited Tax General Obligation Refunding Bonds, Series 2020A" (the "Bonds") and shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of Chapter 133 of the Ohio Revised Code and this ordinance. The Bonds shall be executed by the Mayor and the City Auditor. The Bonds may also, but shall not be required to, bear the seal of the City, or a facsimile thereof. The City Auditor, or such bank or trust company as is selected by the City Auditor, shall act as paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Bonds. The principal amount of each Bond shall be payable at the principal office of the Paying Agent and Registrar and interest thereon shall be made on each interest payment date to the person whose name appears on the record date (April 15 and October 15 for May 1 and November 1 interest, respectively or as otherwise set forth in the Certificate of Award) on the bond registration records as the registered holder thereof, by check or draft mailed to such registered holder at his address as it appears on such registration records. If a bank or trust company is selected to act as Paying Agent and Registrar for the Bonds, the City Auditor is hereby authorized and directed to enter into a Bond Registrar Agreement with such Paying Agent and Registrar.

The Bonds shall be transferable by the registered holder thereof in person or by his attorney duly authorized in writing at the principal 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 bond during the 15-day period preceding any interest 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 Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The City and the Paying Agent and Registrar may deem and treat the registered holder of the Bonds as the absolute owner 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. That the Bonds shall be sold by the City Auditor at public or private sale, at the price of not less than the par value of the Bonds, as set forth in the Certificate of Award. The proceeds from the sale of said Bonds, except the premium and accrued interest, if any, shall be used for the purpose aforesaid and for no other purpose; and any premium and accrued interest received from the sale shall be transferred to the bond retirement fund to be applied to payment of the principal and interest on the Bonds or the 2005A Bonds in the manner provided by law.

The Mayor or the City Auditor is hereby authorized to execute and deliver, without further action of the Council, the Certificate of Award, setting forth the final terms of the Bonds. The signature of said officer on the Certificate of Award shall be conclusive evidence that the terms of the Bonds are acceptable to the City.

SECTION 5. That the Bonds 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. That

during the period the Bonds are to run, there shall be and is hereby levied on all the taxable property in the City, in addition to all other taxes, but within applicable limitations, a direct tax annually in an amount sufficient to pay the principal of and interest on the Bonds when and as the same fall due.

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. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest and principal of said Bonds when and as the same fall due; provided, however, to the extent that other revenues are certified, collected and appropriated for payment of debt service, including water system revenues, said tax need not be levied.

SECTION 6. That this council, for and on behalf of the City, hereby covenants that it will restrict the use of the proceeds, if any, of the Bonds hereby authorized in such manner and to such extent, if any, and take such other actions 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. The City Auditor or any other officer having responsibility with respect to the issuance of the Bonds is authorized and directed to give an appropriate certificate on behalf of the City, on the date of delivery of the Bonds 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.

These Bonds are hereby designated "qualified tax-exempt obligations" for the purposes set forth in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City does not anticipate issuing more than \$10,000,000 of "qualified tax-exempt obligations" during this calendar year.

SECTION 7. This Council is hereby authorized to combine these Bonds with another bond issue authorized under separate legislation into a single consolidated issue of bonds for purposes of their sale as a single issue. If so combined, the consolidated issue of bonds shall be known as "Water System Limited Tax General Obligation Refunding Bonds, Series 2020"; such consolidated issue shall be dated, mature and bear interest, be executed and be denominated in a manner consistent with the provisions of this ordinance relating to the bonds, authorized herein. The proceeds from the sale of such consolidated issue shall be apportioned, deposited and credited in accordance with Section 133.32 of the Revised Code to the respective purposes and funds in accordance with the amount of bonds authorized by this ordinance and the amount of bonds authorized by the ordinance providing for the issuance of not to exceed \$475,000 Water System Limited Tax General Obligation Refunding Bonds, Series 2020B.

SECTION 8. In connection with the issuance of the Bonds and to serve the rights of the holders of the 2005A Bonds that are refunded hereby, the City Auditor is hereby authorized and

directed to execute and deliver an Escrow Deposit Agreement with such bank or trust company as is designated the escrow trustee in the Certificate of Award (the "Escrow Trustee"), which Escrow Deposit Agreement shall contain such terms as may be agreed upon by the City and the Escrow Trustee and as shall be approved by bond counsel.

SECTION 9. The Manager and Director of Finance, or either of them, is hereby authorized to prepare and cause to be circulated a preliminary official statement with respect to the bonds in form and content satisfactory to them, and to prepare, execute and deliver to the original purchaser of the bonds a reasonable number of copies of an official statement which shall be deemed to be final for purposes of SEC Rule 15c2-12. The execution of the final official statement by either or both of such officers shall be conclusive evidence of its authorization and approval.

SECTION 10. This Council hereby authorizes and directs the City Manager and Finance Director to take any and all actions which may be necessary to issue the bonds in book-entry-only form or in such form as will render the bonds eligible for the services of the Depository Trust Company, New York, New York without further action by this Council, including execution of all documents necessary therefor.

SECTION 11. That the City Manager and Finance Director are hereby authorized to apply, if they deem it appropriate, for a rating on the bonds from either Standard & Poor's Corporation or Moody's Investors Service, or both, and to pay the fee for said rating to the extent authorized by law and approved by bond counsel.

The City Manager and Finance Director are hereby further authorized to apply for and, in their discretion, to purchase a policy of municipal bond insurance from any nationally recognized municipal bond insurer, if such insurance will result in net interest cost savings to the City.

SECTION 12. This council hereby covenants and agrees that to the extent that a continuing disclosure certificate (the "Continuing Disclosure Certificate") in connection with the issuance of the bonds is required by law it will execute, comply with and carry out all of the provisions of such Continuing Disclosure Certificate. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the bonds; however, any holder of the bonds may take such action as may be necessary and appropriate, including seeking specific performance, to cause this council to comply with its obligations under this section and the Continuing Disclosure Certificate.

SECTION 13. Dinsmore & Shohl LLP, Robert W. Baird & Co., the verification agent, and the Escrow Trustee are each hereby authorized to subscribe for and/or purchase United States Treasury obligations or other suitable and permitted securities on behalf of the City to fund any required escrows.

SECTION 14. That the firm of Dinsmore & Shohl LLP ("D&S") is hereby engaged as the City's "bond counsel" and that the City Auditor is hereby authorized and directed to execute and deliver the engagement letter of D&S in the form on file with the City.

SECTION 15. This City Council 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 Bonds 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 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 5) 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.

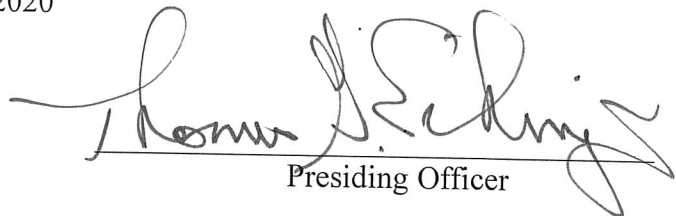
SECTION 16. All appropriate officers of the City are further authorized to make, execute, acknowledge and deliver such financing statements, closing certificates and other instruments or agreements, including a bond purchase agreement between the City and the original purchaser of the Bonds, as are, in the opinion of bond counsel, necessary to carry out the purposes of this ordinance.

SECTION 17. That the Clerk of Council is hereby directed to forward a certified copy of this ordinance to the County Auditor of the County of Highland, Ohio.

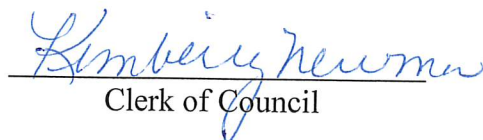
SECTION 18. That it is found and determined that all formal actions of this council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this council, and that all deliberations of this council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with the law.

SECTION 19. That this ordinance is hereby declared to be an emergency measure for the reason that the public peace, health, safety and welfare of the inhabitants of the City require the immediate undertaking of the refunding of the Street Improvement Bonds, in order to obtain a favorable interest rate and achieve interest cost savings, and shall take effect immediately upon its adoption.

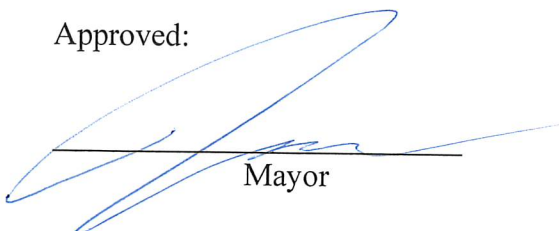
ADOPTED April 13, 2020


Presiding Officer

Attest:


Clerk of Council

Approved:


Mayor

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of Ordinance No. 2020-04.

Kimberly Newman
Clerk of Council

CERTIFICATE

The undersigned hereby certifies that copy of the foregoing ordinance was certified this day to the County Auditor.

Kimberly Newman
Clerk of Council

Date: April 14, 2020

RECEIPT

The undersigned hereby acknowledges receipt of a certified copy of the foregoing ordinance.

Bill Janly
County Auditor

Date: 4/14, 2020

EXTRACT OF MINUTES OF MEETING

The Council of the City of Hillsboro, Ohio, met in regular session at 2:00 p. m., on the 13th day of April, 2020, at Hillsboro with the following members present:

There was presented and read to Council Ordinance No. 2020-04, entitled:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$1,957,000 OF BONDS BY THE CITY OF HILLSBORO, OHIO, FOR THE PURPOSE OF REFUNDING WATER SYSTEM BONDS IN THE CITY, AND DECLARING AN EMERGENCY.

Mr. Wilkin moved to suspend the rule requiring each ordinance or resolution to be read on three different days. Mr. Leeth seconded the motion and, the roll being called upon the question, the vote resulted as follows:

Mr. Leeth then moved that Ordinance No. 2020-04 be adopted. Mr. Allard seconded the motion and, the roll being called upon the question, the vote resulted as follows:

The Ordinance was declared adopted April 13, 2020.

Date: April 13, 2020.

Kimberly Newman
Clerk of Council

CERTIFICATE AS TO MAXIMUM MATURITY OF BONDS

Based upon information provided by and in reason to the request of the 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 to such City Council that the estimated life of the improvements to be refinanced with the proceeds of the sale of not to exceed \$1,957,000 of bonds, for the purpose of refinancing water revenue bonds which were originally issued to pay part of the cost of making water system improvements in the City, is at least five (5) years and that the remaining maximum maturity of said bonds, calculated in accordance with Section 133.20 of the Uniform Public Securities Law of the Ohio Revised Code is twenty-six (26) years.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of April, 2020.


City Auditor

CERTIFICATE OF MEMBERSHIP

The undersigned, Clerk of Council of the City of Hillsboro, 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 \$1,957,000 Water System Refunding Bonds, Series 2020A, of the City of Hillsboro, Ohio, dated as of their date of issuance

Mayor	<u>Justin Harsha</u>
President of Council	<u>Tom Eichinger</u>
City Auditor	<u>Alex Butler</u>
Member of Council	<u>Adam Wilkin</u>
Member of Council	<u>Claudia Klein</u>
Member of Council	<u>Patty Day</u>
Member of Council	<u>Mary Stanforth</u>
Member of Council	<u>Ann E. Morris</u>
Member of Council	<u>Dane Allard</u>
Member of Council	<u>Brandon Leeth</u>
Law Director	<u>Fred Beery</u>

Kimberly Newman
Clerk

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 and issuance of the above-identified bonds.

Kimberly Newman
Clerk