

VILLAGE OF THE CITY OF GALLIPOLIS, OHIO

ORDINANCE NO. 2022-21

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$95,000 FIRE EQUIPMENT BONDS, SERIES 2022 FOR THE PURPOSE OF PAYING PART OF THE COSTS OF ACQUIRING FIRE RESCUE SCBA EQUIPMENT.

WHEREAS, this commission (the "Commission") of the Village of the City of Gallipolis, Ohio (the "Municipality") has heretofore by proper legislation determined the necessity of acquiring fire rescue SCBA equipment (the "Project"); and

WHEREAS, the City Auditor, as fiscal officer of the Municipality, has estimated that the life of the improvements and assets constituting the Project is at least five (5) years and certified the maximum maturity of bonds issued therefor is ten (10) years; and

WHEREAS, the Commission desires to finance such acquisition, in part, by issuing securities in the form of bonds under the provisions of Chapter 133 of the Ohio Revised Code (the "Act"); and

WHEREAS, the United States of America, acting through the Rural Housing Service, United States Department of Agriculture (the "Government") has agreed to purchase such bonds upon the terms set forth herein; and

WHEREAS, the Commission expects that debt service on such bonds will be paid from the general revenues of the Municipality (the "Revenues");

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the Village of the City of Gallipolis, State of Ohio, all members elected or appointed thereto concurring, that:

SECTION 1. That it is necessary to issue securities in the form of bonds of the Municipality in the principal sum of \$95,000, for the purpose of paying part of the costs of the Project, under authority of the general laws of the State of Ohio, particularly the Act. It is hereby determined that notes shall not be issued in anticipation of such bonds.

Such bonds shall be dated the date of their issuance, shall be numbered from R-1 upward in order of issuance, shall be in fully registered form without coupons, and shall bear interest at the rate of two and one hundred twenty-five thousandths percent (2.125%) per annum on the basis of a 365-day year, which interest shall be payable annually on a date to be set forth in the bonds, commencing on such date in 2023.

The bonds shall mature on such annual date in the following years and in the respective principal amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$8,600	2028	\$9,600
2024	8,800	2029	9,800
2025	9,000	2030	10,000
2026	9,200	2031	10,200
2027	9,400	2032	10,400

With the Government purchasing all of such bonds, the bonds shall be initially issued as a single bond in the denomination of \$95,000, registered as to both principal and interest in the name of “United States of America, acting through the Rural Housing Service, United States Department of Agriculture”, or as otherwise directed by the Government. Such bonds shall be in the denomination of \$100 and any integral multiple thereof, provided that if the Government is the owner of the bonds, the bonds shall be in a principal amount equal to the aggregate principal amount of the bonds.

If the total par value of such bonds is not paid by the Government to the Municipality at the time of initial delivery of the bonds, such par value shall be advanced to the Municipality in one or more installments upon request of the Municipality, and interest shall accrue on the amount of each advance from the actual date of such advance.

Such bonds shall be callable for redemption at any time prior to maturity at the option of the Municipality in whole, or in part in inverse order of maturity and in multiples of \$100, at par plus accrued interest to the date of redemption. The Municipality shall send notice of such optional redemption by first class mail, postage prepaid, to the registered holders of the bonds or portions thereof to be redeemed at least 30 days prior to the date of redemption. If less than all the bonds of a single maturity are to be redeemed, the selection of bonds or parts thereof to be redeemed shall be made in such manner as the Municipality shall determine. Upon such redemption of less than the entire principal amount of an outstanding bond, a new bond or bonds of authorized denominations of the same maturity and for the unredeemed principal amount will be issued to the owner of the partially redeemed bond in exchange therefor.

It is hereby determined that the issuance of the bonds upon the terms described herein, including the redemption provisions specified above, will be in the best interest of the Municipality.

SECTION 2. That such bonds shall be signed by the City Manager and City Auditor, and shall be approved as to form and correctness by the City Solicitor, provided that all but one of such signatures may be facsimiles. Such bonds shall be designated “Fire Equipment Bonds, Series 2022”, shall be payable to the registered holder thereof by check or draft mailed by the Municipality to such holder’s address as it appears on the registration records, without deduction for exchange, collection or service charges, and shall recite that they are issued pursuant to the provisions of the Act and this ordinance. Upon payment of the final such payment, the holder of each bond shall cancel the bond and return it to the Municipality.

The bonds shall not be transferable until the entire aggregate principal amount of the bonds has been paid by the Government to the Municipality. Thereafter, the bonds shall be transferable by the registered holder thereof in person or by such holder's attorney duly authorized in writing at the office of the Municipality upon presentation and surrender thereof to the Municipality. No such transfer shall be effective until entered upon the registration records maintained by the Municipality. 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 Municipality may deem and treat the registered holders of the bonds as the absolute owners thereof for all purposes, and the Commission shall not be affected by any notice to the contrary. The Municipality may appoint a bank or trust company to serve as paying agent, registrar and transfer agent for the bonds.

SECTION 3. That the Commission hereby covenants that it will restrict the use of the proceeds 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, including any expenditure requirements, investment limitations, or rebate requirements. 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 Municipality, 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.

Such bonds are hereby designated as "qualified tax exempt obligations" to the extent permitted by Section 265(b)(3) of the Code. This Commission finds and determines that the reasonably anticipated amount of qualified tax exempt obligations (other than private activity bonds) which will be issued by the Municipality during the calendar year in which the bonds are initially delivered to the Government does not, and the Commission hereby covenants that, during such year, the amount of tax exempt obligations issued by the Municipality and designated as "qualified tax exempt obligations" for such purpose will not, exceed \$10,000,000. The City Auditor and other appropriate officers of the Municipality, and any of them, are authorized to take such actions and give such certifications on behalf of the Municipality with respect to the reasonably anticipated amount of tax exempt obligations to be issued by the Municipality during such calendar year and with respect to such other matters as appropriate under Section 265(b)(3).

SECTION 4. That it is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuance of such bonds in order to make the same legal, valid and binding obligations of the Municipality have been done, have happened and have been performed in regular and due form as required by law, and that such issue of bonds and the tax for the payment of their principal and interest as the same fall due and are payable do not exceed any limitations of indebtedness or taxation fixed by law.

SECTION 5. That such bonds shall be sold to the Government in accordance with its offer to purchase, which is hereby accepted. The proceeds from the sale of such bonds, except the premium, if any, and accrued interest, shall be used for the purpose aforesaid and for no other purpose and for which purpose such proceeds are hereby appropriated; any premium and accrued interest shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the bonds in the manner provided by law.

SECTION 6. That such bonds shall be general obligations of the Municipality and that for the payment of such bonds and the interest thereon, the full faith, credit and revenue of the Municipality are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the interest on the bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the bonds at maturity, there shall be and is hereby levied on all the taxable property in the Municipality, within applicable limitations, in addition to all other taxes, a direct tax annually during the period the bonds are to run in an amount sufficient to provide funds to pay interest upon the bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the bonds at maturity, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio.

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 or 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 on and the principal of the bonds when and as the same shall fall due; provided, that in each year to the extent that Revenues or moneys from other sources are available for the payment of the bonds and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of such Revenues or other moneys so available and appropriated.

SECTION 7. That so long as the Government is the holder of any of said bonds, the Municipality will comply with all applicable regulations of the Government relating to the Project and the bonds and with the Government's Loan Ordinance (Form RD 1942-47) relating thereto adopted by the Commission, to the extent permitted by law, and (i) will acquire and maintain such insurance and fidelity bond coverage as may be required by the Government, and (ii) will not, among other things, defease such bonds without the prior written consent of the Government.

The Municipality shall, 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 said bonds and this ordinance. The provisions of this ordinance shall constitute a contract between the Municipality and the holders of any of said bonds, and after the issuance of said bonds this ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interest of the bondholders, nor shall the Commission adopt any law, ordinance or ordinance in any way adversely affecting the rights of the bondholders so long as any of said bonds or interest thereon remains unpaid. All of the obligations set forth and covenants made under this ordinance are hereby established as duties specifically enjoined by

law and resulting from an office, trust or station upon the Commission within the meaning of Section 2731.01 of the Ohio Revised Code.

SECTION 8. That Dinsmore & Shohl LLP, attorneys, be and are hereby retained as bond counsel to the Municipality with respect to the issuance of such bonds to prepare the necessary authorizing documents, and related closing documents for the issuance of such bonds and, if appropriate, rendering its approving legal opinion to the Government in connection therewith. The City Auditor, the City Manager, and either of them, are hereby authorized, alone or with others, to enter into an agreement with said firm for such services.

SECTION 9. That it is found and determined that all formal actions of the Commission concerning and relating to the adoption of this ordinance were adopted in an open meeting of the Commission; and that all deliberations of the Commission and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

SECTION 10. That the City Auditor be and is hereby directed to forward a certified copy of this ordinance to the County Auditor.

SECTION 11. This ordinance shall take effect at the earliest time permitted by law.

PASSED: August 15, 2022.

Attest:

Shelly Clonch
Clerk of City Commission

Tony Gallagher
President of City Commission

The foregoing ordinance is hereby approved as to form and correctness.

By SM
City Solicitor