

Rick Huddle, Chair Robert Landon, Member Josh Daniels, Member
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Marion City Council  
**Finance Committee Agenda**  
May 22,2018 @ 6:30 PM

**Roll Call**

**Minutes from 02/05/2018 and 05/07/2018 (all minutes for committee are current)**

**New Business:**

**Item 1.** ORDINANCE MAKING AN ADDITIONAL APPROPRIATION IN THE SCMR FUND FOR THE YEAR ENDING DECEMBER 31, 2018.

**Item 2.** AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$8,105,000, FOR THE PURPOSE OF PAYING THE COSTS OF VARIOUS IMPROVEMENTS; AND DECLARING AN EMERGENCY

**Items not on the Agenda**

February 5, 2018

Members present: Mr. Huddle, Mr. Norris, Mr. Landon, Mr. Daniels

With a quorum present, Mr. Huddle called the meeting to order at 6:30PM.

Minutes reviewed from January 22, 2018. Mr. Norris moved to approve; Mr. Landon 2<sup>nd</sup>. Roll Call: Ayes: Mr. Huddle, Mr. Landon, Mr. Daniels.

**Minutes from January 22, 2018 approved (4-0)**

New Business:

**Item 1. REQUEST FOR TRANSFER OF FUNDS WITHIN DEPARTMENT APPROPRIATIONS**

Mr. Cheney, Parks Superintendent, requested transfer of funds for the aquatic center for service contracts. This will put the funds the proper location for service locations for software use for aquatics center membership, inventory, reports, concession and front gate sales. It will transfer data directly to new world.

Mr. Daniels moved to approve. Mr. Norris 2<sup>nd</sup>. Roll Call: Ayes: Mr. Huddle, Mr. Norris, Mr. Landon, Mr. Daniels; Motion passed 4-0.

**TRANSFER OF FUNDS APPROVED WITH A 4-0 RECOMMENDATION.**

**Item 2. REQUEST FOR AN APPROPRIATION IN THE SRO/MPACT GRANT**

Deputy Auditor Chaffin explained that this will appropriate the fourth quarter final grant appropriation and allow her to charge out salaries.

In response to Mr. Daniels, Major McDonald explained that the SRO MPACT grant is in the second year of three-year step-down grant. There is no specific reason why it would not be renewed, but fund availability is always questionable.

Mr. Norris moved to approve. Mr. Landon 2<sup>nd</sup>. Roll Call: Ayes: Mr. Huddle, Mr. Norris, Mr. Landon, Mr. Daniels; Motion passed 4-0.

**LEGISLATION GOES TO COUNCIL WITH A 4-0 RECOMMENDATION.**

**ITEMS NOT ON THE AGENDA**

Mr. Norris expressed his thanks to the fire department for their service during a fire at his place of business. He saw first-hand how a lack of staffing affected fire response.

Mayor Schertzer requested that Mr. Norris meet with him to discuss the specific financial details related to adding staff.

With no further business to come before the Finance Committee, Mr. Huddle adjourned the meeting at 6:37PM.

Finance Committee Minutes

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February 5, 2018

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Chairman Huddle

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Clerk of Council

May 7, 2018

Members present: Mr. Huddle, Mr. Landon, Mr. Daniels

With a quorum present, Mr. Huddle called the meeting to order at 6:30PM.

Minutes reviewed from April 17, 2019. Mr. Landon moved to approve; Mr. Daniels 2<sup>nd</sup>.  
Roll Call: Ayes: Mr. Huddle, Mr. Landon, Mr. Daniels.

**Minutes from April 17, 2019 approved.**

**New Business:**

**Item 1. RESOLUTION AUTHORIZING PARTICIPATION IN THE ODOT WINTER CONTRACT (018-19) FOR ROAD SALT, AND DECLARING AN EMERGENCY (Scott Kurz)**

Scott Kurz, Garage Superintendent, explained that this contract is to allow the city to participate in cooperative purchasing with ODOT for winter road salt for 2018-2019. This is a routine annual request that allows the city to access the best bulk price as part of a large ODOT purchasing group with the state, counties, and townships. Actual price is not determined until later.

He stated that last year the city bought all they could on the contract, because of expected price increases of 30-40% due heavy use in northern areas.

Mr. Landon moved to approve. Mr. Daniels 2<sup>nd</sup>. Roll Call: Ayes: Mr. Huddle, Mr. Landon, Mr. Daniels; Motion passed 3-0.

**LEGISLATION GOES TO COUNCIL WITH A 3-0 RECOMMENDATION.**

**Item 2. ORDINANCE MAKING ADDITIONAL APPROPRIATIONS IN THE LAW ENFORCEMENT TRUST FUND FOR TRUST EXPENSES FOR THE YEAR ENDING DECEMBER 31, 2018 (Chief Collins)**

Chief Collins explained that this is a request to appropriate donated money designated to be used by the MPACT fund (Law Enforcement Trust) into their accounts. The donated funds came from various sources, including Ohio Health.

Mr. Landon moved to approve. Mr. Daniels 2<sup>nd</sup>. Roll Call: Ayes: Mr. Huddle, Mr. Landon, Mr. Daniels; Motion passed 3-0.

**LEGISLATION GOES TO COUNCIL WITH A 3-0 RECOMMENDATION.**

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**Item 3. ORDINANCE MAKING AN ADDITIONAL APPROPRIATION IN THE GENERAL FUND FOR THE YEAR ENDING DECEMBER 31, 2018 (Jacob Bolden)**

Jacob Bolden, IT Supervisor, stated that this request was to reimburse travel expenses for an IT employee who attended training. Because they can do most training online, they had nothing budgeted for travel. In this case, Marion County covered the cost of CAD and RMS training related to the centralized dispatch merger and a Marion City employee attended. The city remained responsible for travel expenses.

Mr. Landon moved to approve. Mr. Daniels 2<sup>nd</sup>. Roll Call: Ayes: Mr. Huddle, Mr. Landon, Mr. Daniels; Motion passed 3-0.

**LEGISLATION GOES TO COUNCIL WITH A 3-0 RECOMMENDATION.**

**Item 4. DISCUSSION – GRANT OPPORUNITIES (Larry Brown)**

**FOUNDERS PARK:** Mr. Larry Brown presented information about placing a permanent restroom facility in Founders Park. He is a member of the Creating Healthier Communities Coalition. There is a funding opportunity through a Nature's Work Grant through Ohio Department of Natural Resources (ODNR). Marion County's allocation was \$39,233 for this year, with an expected increase for 2019 (possibly double). Regional Planning can assist with grant writing process. He has discussed this with Marion Downtown Inc. There is a 20% match that must come from the grantee. He is considering a pre-constructed restroom facility (manufactured in Norwalk) that is dropped on site as a complete unit. Then electric, water and sewer are hooked up. Any work that the city could do to complete that through their crews could go as an in-kind contribution towards the 20% match. There may also be an opportunity through the Marion Community Foundation grant process for a possible cash match, if needed.

**No action is required from the committee at this time.**

**COLONIAL AVENUE SWALE:** Mr. Brown spoke of another grant opportunity through an Issue 1 Grant. These are state bond monies that come to the city and county. The city and county take 90% of money and leave 10% for the sanitary engineer and then the townships. Marion received \$990,000 this year. \$500,000 went to engineering of the overpass on 309. A committee ranks projects on desirability and necessity. After that, it goes to Mansfield where we are in a symposium with 8 other counties. The city got \$245,000, county \$245,000. He submitted an application for Royal Oaks Subdivision for \$125,000. He was approved.

For next year, he would like the county and city to apply for an Issue 1 Grant to fund an improvement project to address the Colonial Avenue Swale west of Colonial Avenue. He estimates the project would cost \$250,000 and there would be a \$50,000 match. He wants to apply for funds after the city and county get their portion (not to take away from that).

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Water currently flows from the Colonial Avenue subdivision to Campbell Road and then goes down railroad tracks to 739. He would like to clean the existing swale and, from Campbell road to the rock swale, take a 42" tile and make sure that 20" is flowing and take care of most of the flow going out of Colonial Avenue. He presented pictures of four pipes that feed the Colonial Avenue Swale. There are 2 25s, a 24, and an 18. They have the Belmont drainage project going into the Colonial Swale also. It is a 12" tile. All together there is about 105" of tile going into that swale. What he is looking at doing after the project is requesting the county engineer to put it on maintenance to prevent future issue.

Once they have a project put together, they would bring it to council for approval to apply for the grant. The city's share would be proportional. Currently the county has 26 properties that drain in to that swale. Colonial Avenue is probably another 150. Once the project is submitted and a grant is awarded, it will come back to council again for approval as to whether the city wants to move forward on doing the project.

Mr. Huddle asked about collaboration between the city and county and township. Mr. Brown indicated that there may be some disagreement about where the responsibility stops for the city. Three years ago, the city had the swale dipped out at city expense and it has grown up again. It is time to find a permanent solution. Phil Wright and Roger Dietrich from the county will help with the engineer's estimate. They do a little more of this type of drainage work in the county. The application is not due until October and they will continue to keep the city/council in the loop.

Regarding the match, it would be shared proportionally with the township. Also, some of this cost could go under maintenance. The city pays the maintenance for their residents and this will go down once the project is done. There is not much to maintaining the tile that was put in properly.

**No action is required from the committee at this time.**

**Old Business:**

**Item 1. DISCUSSION – TRI CASTER (COUNCILMAN LANDON)**

Councilman Landon stated that options to upgrade the video broadcasting equipment for council meetings are still being reviewed to find the most economic option that meets the needs. He presented information about Sling Studio that seems to be much cheaper, state of the art, and new to the market. The system has received very good reviews. It appears that it may have many of the same features at a price well below the tricaster and include a comprehensive upgrade. He would like the opportunity to consider more before council makes a recommendation.

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Sling Studio estimates were at about \$2,000. The trcaster was about \$5,000 or less depending on vendor and whether it was a new, used, or refurbished unit.

**No action is required from the committee at this time.**

**Other Business:**

**Item 1. FIRE HOUSE UPDATE FROM MAYOR SCHERTZER**

**CDBG (Community Development Block Grant)**

On May 1, 2018, the Safety Director, Chief Deem, Ms. Warr-Cummings from Regional Planning, and Councilman Ratliff (2<sup>nd</sup> Ward) got together to look at some grant opportunities that might be out there. Regional Planning had been at a training regarding CDBG the week of 04/23 where there had been discussion of a critical infrastructure grant. This grant could be as \$300,000-\$500,000 and many of the critical needs of the firehouse could be addressed by a grant like this, however there is a fairly aggressive timeline.

**TIMELINE:**

1. Mayor Schertzer requested a meeting of the Jobs and Economic Development Committee (Mr. Schaber, chair) before the regular council meeting on 05/14 at 6:30. The ordinance would come out of committee to council for a first reading that night.
2. Regional Planning has a 10-day period to do notifications and has scheduled the first public hearing for 05/14 during the regular city council meeting
3. While all of this is going on, Evelyn and Chief deem are going to be putting the grant together to be submitted.
4. The second reading will take place on 05/29 during the regular city council meeting.
5. After that hearing, the ordinance will have its second reading and he would request that council consider suspending the rules and passing the ordinance at the 05/29 meeting.
6. The letter of intent is due on 06/01.
7. The grant is due on 06/15.

Mayor Schertzer said the they believe that that it is possible to fix the bay floor, and possibly the walls and the roof under this grant. Regional Planning is working closely with the Chief to be sure that everything that is eligible to be addressed under the grant is included. At this point in time, he believes that they have everything necessary to make the grant application. The current engineering study is sufficient to submit and meet the grant timeline. If the grant is awarded, then they will need to do a spec and bid for another engineering firm that will design the solutions that are in the grant application. Then, a spec and bid will need to be done for the repairs.

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Regional Planning has indicated that the critical infrastructure grant does not get utilized as much as the other CDBGs. Mayor Schertzer expressed his confidence in Regional Planning's ability to assist with the grant process and exploring opportunities with the Department of Development.

Ms. Warr-Cummings gave some background to the CDBG process. They were not planning to apply for anything this year, because it is the county's turn. This is the first time that the city has been off cycle and we have not had our first public hearing. They have also changed the critical infrastructure so that it is open cycle. This means that it will start at the time that formula applications, but if the funds are not exhausted, they will continue to fund other projects as funds are available. This year is the first time that public facilities, including fire houses, have been added as eligible under critical infrastructure. She has received positive feedback from state people on a project involving our fire station. The federal budget did not come in until late, so they stayed with allocation budget. The budget has now been received and they may be increasing competitive grants. from \$300,000 to \$500,000. The timing is very right for our current need.

**ESID (Energy Special Improvement District)**

The Mayor continued that this does not resolve all of the issues at the fire department. Step 2 would be to look at roof, the HVAC and the windows and look at utilizing the ESID program that is currently being developed. ESID does not go against our debt ceiling that we are up against right now. We would need to do the energy study with the Toledo Port Authority for those segments that need to be remedied at the fire house. This is a loan. However, the idea is that with the energy study, the city would lower energy costs and if qualified then the Toledo Port Authority lends money to make those energy improvements to the fire house. The city would continue to budget the same dollar amount for the fire department, but the energy costs would be lower. Budgeting that same amount is how the city would pay back the Toledo Port Authority under the ESID program. He will keep committee advised. He believes that the most critical item at this point is the floor and pursuing funding under the critical infrastructure grant.

**All options are on the table**

The Mayor stated that all options continue to be on the table. This solution is just rising to the top because Regional Planning happened to find it when they learned of the need. The timing is critical and we have a plan in place to meet that timeline. If the city is fortunate to get this grant, vehicles may need to be moved out of the bay. The Chief has been given full authority to determine where to place those apparatus when and if they get to the point that work begins.



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**Further Discussion**

Mr. Landon requested further clarification on the timing of this grant. Mrs. Warr-Cummings clarified that they held a 03/23 meeting/training on behalf of Regional Planning regarding the upcoming block grant season. This is a routine activity to discuss investment strategies for the upcoming grant round. At that point, no one at the table even knew that the fire department had this need.

Mr. Daniels, Councilman At-Large, expressed his concern over any consideration of a new building. Based on his experience as a contractor and in elected office, he has learned that architects work on a commission based on construction costs and have little incentive to reduce costs. Their compensation is between 8-12-15% depending on the size of the project. The more we spend, the more they make and they take advantage of it. He gave examples of new builds and construction projects. He shared that the county went \$15 million in debt for a new administration building that is still being paid for. He remembered the CAN-DO building, where a local developer sold a building to a nonprofit. The construction costs increased and they had to liquidate land at the industrial park. They ultimately sold the building for a huge discount to get out from under the debt. It was horrible for the organization and the community lost benefits from the industrial park that they could have used as incentive for businesses to come to Marion. They made a bad decision buying an inflated price building. He pointed to renovations of the Marion County Court House as a successful project completed in lieu of relocating to a new or redeveloped facility. This project probably avoided approximately \$10 million in debt

In the instance of the fire department, Mr. Daniels continued that the price of a new station ranges wildly from \$3.5 million to high as \$13 million. He is adamantly opposed to building a new fire station when one of this quality exists, especially when the city is at its debt ceiling and is in the position of leasing police cars rather than purchasing. So, all options are not on the table for him because a new station is not an option. He said if the city and the township were to merge into a fire district and decide that we would go to voters for a property tax increase to pay for it, that might be a situation to consider a new fire station. But he could not support that either.

Mr. Daniels has been to the fire department and has seen the damage. He agreed that it is a 106-year-old building, but still younger than other buildings still in use, including the Court House. Regarding the structure and repairs:

1. The building is rock solid from ceiling to floor, the floor and ceiling joists are solid. They are 2x8" or 2x10" and are solid oak (not SPF – spruce, pine and fir). There are 24" footers in the basement.
2. He asked Gene Smithberger (Engineer) to look at building for an opinion which he committed to writing at no charge.
3. CRITICAL CONCERN: There are 2 beams that rest in the north wall. There is some water infiltration (not flood waters) on the north wall. It is unknown to anyone what condition the I-beams are as they settle in the wall. There is some corrosion in the bottom portion of the beam.

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4. **CRITICAL CONCERN:** The floor itself has some spalling and cracking. There are three floor drains and salt and water off the truck goes down the drains. They are cast iron drains. That one panel is where spalling is.
5. Mr. Smithberger's references include work on the Marion County Administration Building and the Palace Theatre. Marion City Engineer has recognized publicly that he is a good engineer.
6. **SMITHBERGER'S SOLUTION:** Instead of disrupting the load-bearing stretch of the wall or those beams, Smithberger's suggestion is to reinforce them. They can place two mono-posts under each one (3/8-1/2" thick), weld them and rest them under those two beams. They would be supported by two concrete pads on a reinforced floor. There are some hair line fissure cracks that could be addressed with carbon fiber that is very inexpensive. His suggestion is to place a t-structure across two strainers. The beams run north and south, and the stringers run east and west across the top of the beams. They are connected to the beams in this structure, he believes. Instead of spanning 6-6-1/2" from one stringer to another, these prestressed concrete forms that make up the floor and t-structures will lower the span of the supporting structure and reinforce the floor. The cracking can be taken care of with carbon fiber, which is widely used. This can be placed underneath the structure. This will reinforce any existing cracks in the other two. Mr. Daniels estimates a reinforcement price tag at about \$15,000-\$25,000, depending on state requirements.
7. Mr. Smithberger could be engaged for a flat fee of \$2,000 to draw up plans and for an additional \$500 set up on a CAD, which the city may need for state permits if they are required on a reinforcement project.
8. **INSULATION:** The attic needs reinsulated. It has about 6" of stomped down, blown in insulation. The layer is thin enough that he can still see the top of the rafters. Insulation is about \$7,500.
9. **MIGRATORY BATS:** Four large vents allow bats into the structure. This could be netted off. Cracks can be filled with Icynene foam on the interior of the wall and the perimeter. This seals up falling mortar and the ceiling to the wall. That cost is about \$5,000. Bat feces needs to be handled by a professional. Bill Hatfield is a contractor from Delaware. The bat droppings can be removed and sanitized for \$2,500.
10. **HVAC AND ROOF:** Wade Ralph is getting quotes on HVAC and roof.
11. **WINDOWS:** no estimates yet. (\$3-400 per hole for double hung replacement)

Mr. Daniels says that the most eminent failure of the building is the concrete. Left alone, the situation could deteriorate to damage that would require a \$205,000 fix. It is concrete. It is good right up until it is not and no one can anticipate when it is. He does not think that the city should wait on the anticipation of receiving a grant or ESID dollars because the grant won't come back until October (confirmed by Regional Planning that we would be looking at next year's construction season). His primary concern is to make the building functional and safe. Then we can go through the grant process.

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Continuing his thoughts on any consideration of purchasing a new building, \$110,000 is one years' worth of payment on a \$3.5 million-dollar debt with no interest. He stated that he puts a larger priority on having adequate staff and improved response times rather than a new building when we have a solid structure to work with. The debt burden of a new building could create a budget problem that could cause layoffs and decrease in service. The building would not have really served the purpose of the fire department. His primary concern is to make the building functional and safe.

Mr. Daniels continued regarding consideration of the current building and the fact that many requirements are waived in the grandfathering process. Our existing building does not have necessarily meet every single code that a new build must or a renovation of another building might. In consideration of renovating another facility, office building to fire station is a dramatic change of occupancy. The city also does not want to vacate the building. We must continue to use it as a fire department. If the city vacates and then tries to re-enter the building, we may be in a scenario where we have got to bring the entire building up to state code. He has discussed this with the fire inspector and he agrees.

Mayor Schertzer clarified that this is a process. He has identified the process to pursue the critical infrastructure grants. As administrators and council people, we must look at all options. He expressed appreciation for Mr. Daniel's perspective as a contractor and assured him that those options are being considered as well. He reiterated that the grant opportunity needs to be responded to quickly to have a chance at \$300-500,000 to help meet this critical need.

Mr. Daniels thanked Mr. Ratliff, Ms. Warr-Cummings, and city staff for their work to find such a grant on short notice. He stated that no councilperson should be opposed to the idea of pursuing that grant. However, the issue with the floor has been known for quite some time. It is not a situation that he feels comfortable leaving in its current condition while we chase grant dollars that may hopefully be successful. We should at least address the floor. We might have a little higher heating bill if we do not address some things until later, but the building is not going to have some catastrophic failure because it does not have enough insulation in the attack or because the windows are bad. We have got time on those things. But on the floor, he believes that council needs to immediately get a cost estimate and explore other solutions for \$2,000. He recommends hiring Mr. Smithberger to draw these plans and use those as a base and get the floor fixed. We need to commit the dollars to at least fix the floor.

Mr. Schaber, 3<sup>rd</sup> Ward City Councilman, clarified that additional points are awarded if we spend up to 10% of the total grant dollars. Ms. Warr-Cummings confirmed that a match is not required, however we will score better if the city spends up to 10%. Perhaps this part of the project could fall under that 10% match. She believes that it may improve our chances for the grant and still allow the city to move forward on improvements to the fire house.

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Mayor Schertzer stated that he believes that we may have already got to the 10% with what the city has already spent. He also remarked that not every expenditure can qualify as a match. For instance, advertising for the hearings cannot count.

Ms. Warr-Cummings commented that the city could make an additional application next year. It is a timing thing and it may not be sufficient. When we are in the formula grant application, the city could devote some money of that into that but it will be somewhat off cycle when the city is into construction.

Daniels reiterated that his most pressing concern after examining building is the floor. It needs to be done immediately. If we end up with a \$300,000 grant, he feels confident that most of what we can identify that needs to be done is going to be met with that \$300,000 and if it is \$500,000 he believes that the parapet walls and the reinforcement of exterior walls with cross bracing in the could be addressed with that amount of money.

Ms. Warr-Cummings said that the grant is for the big fix. They are long term fixes that will create a structure with a much longer useful life. That is what they are looking for with critical infrastructure. They want a project that will make it last. Addressing an emergency fix as an immediate need and then writing for the larger, more comprehensive fix might make it a stronger application.

Mr. Daniels stated that the Smithberger proposal does not require that we empty the firehouse. We are not degrading any structural integrity. We are just reinforcing. If a truck is on the floor while welders are in the basement, that is fine. The fix is a permanent fix. He asked and the Chief confirmed that an engineer had cleared the floor/structure when the city bought the ladder truck fourteen years ago. No documentation of that can be located. At the time, he said the floor was sufficient for the weight of the truck. Chief states that the damage to the floor has developed since then.

Andy Miller, city employee at Fire Department (29 years in August), stated that there was discussion in 1989 of a new fire station on the horizon. It was a great building when it was built but it was built to run horses and firewagons out of. The city garage has had to replace many \$500 mirrors on the trucks because the ladder truck has a 2-½"-3" clearance on each side of the truck. They lose approximately 15-20 seconds a call on a daily basis, 20 times a day because of this. He believes that the building could be made a solid building, but it still lacks what is needed to suit the needs of today's fire department. It currently has a single dorm bedroom upstairs. There are no facilities for females as far as sleeping quarters. There is a single stool bathroom on the first floor in the secretary's office. The kitchen floor is raised concrete poured on top of old horse stall flooring that you can still see. The Captains office is built over a cistern that the roof drains into. All the roof drains are leaking through the ceilings. They are cast iron and plumbed throughout the 2-½ story structure. It all runs through the cistern and then out to storm sewer. When you add all of the costs up, we need

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to look and see if it is feasible. This is not something that can be fixed overnight, especially with the financial constraints we are all dealing with.

If the city chooses to make repairs on that building, he asks that a committee be formed to explore the next steps for the fire department and a building that meets the needs of a modern fire department.

With no further business to come before the Finance Committee, Mr. Huddle adjourned the meeting at 7:39 PM.

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Chairman Huddle

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Clerk of Council

ORDINANCE MAKING AN ADDITIONAL APPROPRIATION IN THE  
SCMR FUND FOR THE YEAR ENDING DECEMBER 31, 2018.

WHEREAS, the City of Marion requires contractors to deposit a bond for excavations pending the work being completed. Once the work is completed a refund is issued, and

WHEREAS, the refunds are in need of additional sums in order to provide the necessary refunds,

WHEREAS, Council finds that the funds should be appropriated for the year ending December 31, 2018 and

BE IT ORDAINED by the Council of the City of Marion, Marion County, Ohio:

Section 1. That there be an additional appropriation made as follows:

Department	Fund	Amount
<b>SCMR</b>		
Refunds – Excavation Bonds	202.2006.5420.01	\$ 5,000.00
Refunds – Pavement Bonds	202.2006.5420.02	\$ 20,000.00
	Total	\$ 25,000.00

Section 2. That this ordinance shall become effective from and after the earliest period allowed by law.

APPROVED:

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Todd Schneider  
President of Council

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Mayor Scott Schertzer

ATTEST:

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Clerk of Council

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$8,105,000, FOR THE PURPOSE OF PAYING THE COSTS OF VARIOUS IMPROVEMENTS; AND DECLARING AN EMERGENCY

WHEREAS, pursuant to Ordinance No. 2017-41 passed July 24, 2017, notes in anticipation of bonds in the aggregate principal amount of \$7,688,500, dated September 7, 2017 (the "Outstanding Notes"), were issued for the component purposes stated in Section 2, to mature on September 6, 2018; and

WHEREAS, this Council finds and determines that the City should retire the Outstanding Notes with the proceeds of the Bonds described in Section 2 and other funds available to the City; and

WHEREAS, this Council has requested that the Auditor, as fiscal officer of this City, certify the estimated life or period of usefulness of each component purpose of the Improvement described in Section 2 and the maximum maturity of the Bonds described in Section 2; and

WHEREAS, the Auditor has certified to this Council that the estimated life or period of usefulness of each component purpose of the Improvement described in Section 2 is at least five (5) years, and that (i) the maximum maturity of the \$265,000 portion of the Bonds described in clause (a) of Section 2 is nineteen (19) years, (ii) the maximum maturity of the \$965,000 portion of the Bonds described in clause (b) of Section 2 is thirty-nine (39) years, (iii) the maximum maturity of the \$865,000 portion of the Bonds described in clause (c) of Section 2 is forty (40) years, (iv) the maximum maturity of the \$175,000 portion of the Bonds described in clause (d) of Section 2 is forty (40) years, (v) the maximum maturity of the \$450,000 portion of the Bonds described in clause (e) of Section 2 is forty (40) years, (vi) the maximum maturity of the \$495,000 portion of the Bonds described in clause (f) of Section 2 is forty (40) years, (vii) the maximum maturity of the \$280,000 portion of the Bonds described in clause (g) of Section 2 is ten (10) years, (viii) the maximum maturity of the \$1,105,000 portion of the Bonds described in clause (h) of Section 2 is at least twenty (20) years, (ix) the maximum maturity of the \$1,315,000 portion of the Bonds described in clause (i) of Section 2 is at least twenty (20) years, (x) the maximum maturity of the \$770,000 portion of the Bonds described in clause (j) of Section 2 is at least twenty (20) years, and (xi) the maximum maturity of the \$1,420,000 portion of the Bonds described in clause (k) of Section 2 is at least twenty (20) years;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Marion, County of Marion, Ohio, that:

Section 1. Definitions and Interpretation. In addition to the words and terms elsewhere defined in this Ordinance, unless the context or use clearly indicates another or different meaning or intent:

"Auditor" means the Auditor of the City or any person serving in an interim or acting capacity with respect to that office.

"Authorized Denominations" means the minimum denomination of \$5,000 or any integral multiple in excess thereof.

"Bond Proceedings" means, collectively, this Ordinance, the Certificate of Award, the Continuing Disclosure Agreement, the Purchase Agreement, the Registrar Agreement and such other proceedings of the City, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

"Bond Register" means all books and records necessary for the registration, exchange and transfer of Bonds as provided in Section 5.

"Bond Registrar" means a bank or trust company authorized to do business in the State of Ohio and designated by the Auditor in the Certificate of Award pursuant to Section 4 as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the Registrar Agreement and until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, "Bond Registrar" shall mean the successor Bond Registrar.

“Bonds” means, collectively, the Serial Bonds and the Term Bonds, each as is designated as such in the Certificate of Award.

“Book entry form” or “book entry system” means a form or system under which (a) the ownership of beneficial interests in the Bonds and the principal of and interest and any premium on the Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the City and payable only to a Depository or its nominee as registered owner, with the certificates deposited with and “immobilized” in the custody of the Depository or its designated 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 Bonds and that principal and interest.

“Certificate of Award” means the certificate authorized by Section 6, to be executed by the Auditor, setting forth and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this Ordinance requires or authorizes to be set forth or determined therein.

“City” means the City of Marion, Ohio.

“Closing Date” means the date of physical delivery of, and payment of the purchase price for, the Bonds.

“Code” means the Internal Revenue Code of 1986, the Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement which shall constitute the continuing disclosure agreement made by the City for the benefit of the holders and beneficial owners of the Bonds in accordance with the Rule, as it may be modified from the form on file with the Clerk of Council and executed by the Mayor and the Auditor, all in accordance with Section 9(c).

“Depository” means any securities depository that is a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of beneficial interests in the Bonds or the principal of and interest and any premium on the Bonds, and to effect transfers of the Bonds, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Financing Costs” shall have the meaning given in Section 133.01 of the Ohio Revised Code.

“Interest Payment Dates” means June 1 and December 1 of each year that the Bonds are outstanding, commencing on the date specified in the Certificate of Award.

“Mandatory Redemption Date” shall have the meaning set forth in Section 3(b).

“Mandatory Sinking Fund Redemption Requirements” shall have the meaning set forth in Section 3(e)(i).

“Mayor” means the Mayor of the City or any person serving in an interim or acting capacity with respect to that office.

“Original Purchaser” means the purchaser of the Bonds specified in the Certificate of Award.

“Participant” means any participant contracting with a Depository under a book entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.



“Principal Payment Dates” means December 1 in each of the years from and including 2019 to and including 2043; provided that for each component purpose, the first Principal Payment Date may be advanced up to one year and the last Principal Payment Date may be deferred up to one year or advanced by such number of years as determined by the Auditor, and provided further that in no case shall the final Principal Payment Date of any portion of the Bonds issued for any component purpose exceed the maximum maturity limitation referred to in the preambles hereto for that component purpose, all of which determinations shall be made by the Auditor in the Certificate of Award in such manner as to be in the best interest of and financially advantageous to the City.

“Purchase Agreement” means the Bond Purchase Agreement between the City and the Original Purchaser, as it may be modified from the form on file with the Clerk of Council and executed by the Mayor and the Auditor, all in accordance with Section 6.

“Registrar Agreement” means the Bond Registrar Agreement between the City and the Bond Registrar, as it may be modified from the form on file with the Clerk of Council and executed by the Mayor and the Auditor, all in accordance with Section 4.

“Regulations” means Treasury Regulations issued pursuant to the Code or to the statutory predecessor of the Code.

“Rule” means Rule 15c2-12 prescribed by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“Serial Bonds” means those Bonds designated as such and maturing on the dates set forth in the Certificate of Award, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Term Bonds” means those Bonds designated as such and maturing on the date or dates set forth in the Certificate of Award, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

The captions and headings in this Ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Ordinance unless otherwise indicated.

Section 2. Authorized Principal Amount and Purpose; Application of Proceeds. This Council determines that it is necessary and in the best interest of the City to issue bonds of this City in the maximum aggregate principal amount of \$8,105,000 (the “Bonds”) for the purpose of paying the costs of (a) improving City Hall by acquiring, equipping and installing an HVAC system including the installation of an air-cooled chiller and the retrofitting of the existing pneumatic system to digital controls, together with all necessary appurtenances thereto, (b) improving Cummins Avenue, Vine Street and Merchant Avenue, between certain termini, by constructing storm water sewers, together with all necessary appurtenances thereto, (c) improving N. Greenwood Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (d) improving Ballentine Avenue and George Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (e) improving Belmont Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (f) improving S. Greenwood Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (g) acquiring and equipping of an EMS vehicle for use by the City’s fire department, (h) improving Latourette Street, between certain termini, by replacing existing storm water and sanitary sewers with new pipe and by removing and replacing pavement, curbs, sidewalks and drive approaches, together with all necessary appurtenances thereto, (i) improving N. Greenwood Street, between certain termini, by replacing existing storm water and sanitary sewers with new pipe and by removing and replacing pavement, curbs, sidewalks and drive approaches, together with all necessary appurtenances thereto, (j) improving Main and State Streets, between certain termini, by replacing existing storm water and sanitary sewers and pavement, together with all necessary appurtenances thereto, and (k) improving Ballentine

Avenue and George Street, between certain termini, by replacing existing storm water sewers with new pipe and by repairing and replacing trenches, curbs and sidewalks, together with all necessary appurtenances thereto (collectively, the "Improvement"). The Bonds shall be issued pursuant to Chapter 133 of the Ohio Revised Code, this Ordinance and the Certificate of Award.

The aggregate principal amount of Bonds to be issued shall not exceed the maximum aggregate principal amount specified in this Section 2 and shall be an amount determined by the Auditor in the Certificate of Award to be the aggregate principal amount of Bonds that is required to be issued at this time for the purpose stated in this Section 2, taking into account the costs of refunding the Outstanding Notes, and the estimates of the Financing Costs and the interest rates on the Bonds.

The proceeds from the sale of the Bonds received by the City (or withheld by the Original Purchaser on behalf of the City) shall be paid into the proper fund or funds, and those proceeds are hereby appropriated and shall be used for the purpose for which the Bonds are being issued, including without limitation but only to the extent not paid by others, the payment of the costs of issuing and servicing the Bonds, printing and delivery of the Bonds, legal services including obtaining the approving legal opinion of bond counsel, fees and expenses of any municipal advisor, paying agent and rating agency, any fees or premiums relating to municipal bond insurance or other security arrangements determined necessary by the Auditor, and all other Financing Costs and costs incurred incidental to those purposes. The Certificate of Award and the Purchase Agreement may authorize the Original Purchaser to withhold certain proceeds from the purchase price of the Bonds to provide for the payment of Financing Costs related to the Bonds on behalf of the City. Any portion of those proceeds received by the City representing premium (after payment of any Financing Costs identified in the Certificate of Award) shall be used to pay costs of refunding the Outstanding Notes and/or be paid into the Bond Retirement Fund, with such determination being made by the Auditor in the Certificate of Award, consistent with the Auditor's determination of the best interest of and financially advantageous to the City. Any portion of those proceeds received by the City representing accrued interest shall be paid into the Bond Retirement Fund.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be issued in one lot and only as fully registered bonds, in Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The Bonds shall be dated as provided in the Certificate of Award, provided that their dated date shall not be more than sixty (60) days prior to the Closing Date.

(a) Interest Rates and Payment Dates. The Bonds shall bear interest at the rate or rates per year (computed on the basis of a 360-day year consisting of twelve 30-day months) as shall be determined by the Auditor, subject to subsection (c) of this Section 3, in the Certificate of Award. Interest on the Bonds shall be payable at such rate or rates on the Interest Payment Dates until the principal amount has been paid or provided for. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

(b) Principal Payment Schedule. The Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements on the Principal Payment Dates in principal amounts as shall be determined by the Auditor, subject to subsection (c) of this Section 3, in the Certificate of Award, which determination shall be in the best interest of and financially advantageous to the City.

Consistent with the foregoing and in accordance with the determination of the best interest of and financially advantageous to the City, the Auditor shall specify in the Certificate of Award (i) the aggregate principal amount of Bonds to be issued as Serial Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date and (ii) the aggregate principal amount of Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, the principal amount thereof that shall be stated to mature on each such Principal Payment Date, the Principal Payment Date or Dates on which Term Bonds shall be subject to mandatory sinking fund redemption (each a "Mandatory Redemption Date") and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date.

(c) Conditions for Establishment of Interest Rates and Principal Payment Dates and Amounts. The rate or rates of interest per year to be borne by the Bonds, and the principal amount of Bonds maturing or payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Principal Payment Date, shall be such that the total principal and interest payments on the Bonds issued for each component purpose 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. The net interest cost for the Bonds determined by taking into account the respective principal amounts of the Bonds and terms to maturity or Mandatory Sinking Fund Redemption Requirements of those principal amounts of Bonds shall not exceed 6.00%.

(d) Payment of Debt Charges. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on the Bonds shall be payable when due upon presentation and surrender of the Bonds at the designated corporate trust office of the Bond Registrar. Interest on a Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 15<sup>th</sup> day of the calendar month next preceding that Interest Payment Date. Notwithstanding the foregoing, if and so long as the Bonds are issued in a book entry system, principal of and interest and any premium on the Bonds shall be payable in the manner provided in any agreement entered into by the Auditor, in the name and on behalf of the City, in connection with the book entry system.

(e) Redemption Provisions. The Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption in part by lot and be redeemed pursuant to mandatory sinking fund redemption requirements, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts being referred to as the "Mandatory Sinking Fund Redemption Requirements").

The aggregate of the moneys to be deposited with the Bond Registrar for payment of principal of and interest on any Term Bonds on each Mandatory Redemption Date shall include an amount sufficient to redeem on that Date the principal amount of Term Bonds payable on that Date pursuant to the Mandatory Sinking Fund Redemption Requirements (less the amount of any credit as hereinafter provided).

The City shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the City, as specified by the Auditor, for Term Bonds stated to mature on the same Principal Payment Date and bearing interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the City on or before the 45th day preceding any Mandatory Redemption Date with respect to which the City wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Auditor, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and bearing interest at the same rate as the Term Bonds so delivered. If the certificate is not timely furnished to the Bond Registrar, the current Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the Auditor, also shall be received by the City for any Term Bonds which prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date and bearing interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Auditor, for Term Bonds stated to mature on the same Principal Payment Date and bearing interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Bonds of the maturities and interest rates specified in the Certificate of Award (if any are so specified) shall be subject to optional redemption by and at the sole option of the City, in whole or in part in integral multiples of \$5,000, on the dates and at the redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date, to be determined by the Auditor in the Certificate of Award; provided that the redemption price for any optional redemption date shall not be greater than 103%.

If optional redemption of Term Bonds at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any Mandatory Redemption Date applicable to those Term Bonds, the Term Bonds, or portions thereof, to be redeemed optionally shall be selected by lot prior to the selection by lot of the Term Bonds of the same maturity (and interest rate within a maturity if applicable) to be redeemed on the same date by operation of the Mandatory Sinking Fund Redemption Requirements. Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the Auditor to the Bond Registrar, given upon the direction of the City by passage of an ordinance or adoption of a resolution. That notice shall specify the redemption date and the principal amount of each maturity (and interest rate within a maturity if applicable) of Bonds to be redeemed, and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity (or interest rate within a maturity if applicable) are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates selected by the City. If fewer than all of the Bonds of a single maturity (or interest rate within a maturity if applicable) are to be redeemed, the selection of Bonds of that maturity (or interest rate within a maturity if applicable) to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then, upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (A) for payment of the redemption price of the \$5,000 unit or units of principal amount called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (B) for issuance, without charge to the registered owner, of a new Bond or Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the City by mailing a copy of the redemption notice by first-class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the 15th day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of Sections 3(d) and 5, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds; provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the City to the extent not required for the payment of the Bonds called for redemption.

Section 4. Execution and Authentication of Bonds; Appointment of Bond Registrar. The Bonds shall be signed by the Mayor and the Auditor, in the name of the City and in their official capacities; provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Auditor, shall be numbered as determined by the Auditor in order to distinguish each Bond from any other Bond, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to Chapter 133 of the Ohio Revised Code, this Ordinance and the Certificate of Award.

The Auditor is hereby authorized to designate in the Certificate of Award a bank or trust company authorized to do business in the State of Ohio to act as the initial Bond Registrar. The Mayor and the Auditor shall sign and deliver, in the name and on behalf of the City, the Registrar Agreement between the City and the Bond Registrar, in substantially the form as is now on file with the Clerk of Council. The Registrar Agreement is approved, together with any changes or amendments that are not inconsistent with this Ordinance and not substantially adverse to the City and that are approved by the Mayor and the Auditor on behalf of the City, all of which shall be conclusively evidenced by the signing of the Registrar Agreement or amendments thereto. The Auditor shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Certificate of Award and the Purchase Agreement, from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond Proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond Proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Auditor on behalf of the City. The same person need not sign the certificate of authentication on all of the Bonds.

Section 5. Registration; Transfer and Exchange; Book Entry System.

(a) Bond Register. So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep the Bond Register at its designated corporate trust office. Subject to the provisions of Sections 3(d) and 9(c), the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond Proceedings. Payment of or on account of the debt charges 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 provided in this Section 5. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Bond may be exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the designated corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the designated corporate trust office of the Bond Registrar together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of Bonds exchanged or transferred, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Proceedings. The exchange or transfer shall be without charge to the owner, except that the City and 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 the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under the Bond Proceedings as the Bonds surrendered upon that exchange or transfer. Neither the City nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

(c) Book Entry System. Notwithstanding any other provisions of this Ordinance, if the Auditor determines in the Certificate of Award that it is in the best interest of and financially advantageous to the City, the Bonds may be issued in book entry form in accordance with the following provisions of this Section 5.

The Bonds 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 Bonds may be issued in the form of a single, fully registered Bond representing each maturity, and, if applicable, each interest rate within a maturity, and registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository or its designated agent for that purpose, which may be the Bond Registrar; (ii) the beneficial owners of Bonds in book entry form shall have no right to receive Bonds 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 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.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Auditor may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Auditor does not or is unable to do so, the Auditor, after making provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Bonds from the

Depository, and shall cause Bond certificates in registered form and Authorized Denominations to be authenticated by the Bond Registrar 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 Auditor is hereby authorized and directed, to the extent necessary or required, to enter into any agreements, in the name and on behalf of the City, that the Auditor determines to be necessary in connection with a book entry system for the Bonds.

Section 6. Sale of the Bonds to the Original Purchaser. The Auditor is authorized to sell the Bonds at private sale to the Original Purchaser at a purchase price, not less than 97% of the aggregate principal amount thereof, as shall be determined by the Auditor in the Certificate of Award, plus accrued interest (if any) on the Bonds from their date to the Closing Date, and shall be awarded by the Auditor with and upon such other terms as are required or authorized by this Ordinance to be specified in the Certificate of Award, in accordance with law and the provisions of this Ordinance and the Purchase Agreement. The Auditor is authorized, if it is determined to be in the best interest of the City, to combine the issue of Bonds with one or more other bond issues of the City into a consolidated bond issue pursuant to Section 133.30(B) of the Ohio Revised Code in which case a single Certificate of Award may be utilized for the consolidated bond issue if appropriate and consistent with the terms of this Ordinance.

The Auditor shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price.

The Mayor and the Auditor shall sign and deliver, in the name and on behalf of the City, the Purchase Agreement between the City and the Original Purchaser, in substantially the form as is now on file with the Clerk of Council, providing for the sale to, and the purchase by, the Original Purchaser of the Bonds. The Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this Ordinance and not substantially adverse to the City and that are approved by the Mayor and the Auditor on behalf of the City, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments thereto.

The Mayor, the Auditor, the Law Director, the Clerk of Council and other City officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance. The actions of the Mayor, the Auditor, the Law Director, the Clerk of Council or other City officials, as appropriate, in doing any and all acts necessary in connection with the issuance and sale of the Bonds are hereby ratified and confirmed.

Section 7. Provision for Tax Levy. There shall be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. 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 Bonds when and as the same fall due.

In each year to the extent net revenues from the City's storm water system are available for the payment of the debt charges on the portion of the Bonds issued for the component purposes described in clauses (b) through (f) and (h) through (k) of Section 2 and are appropriated for those component purposes, the amount of the tax shall be reduced by the amount of the net revenues so available and appropriated.

In each year to the extent net revenues from the City's sanitary sewer system are available for the payment of the debt charges on the portion of the Bonds issued for the

component purposes described in clauses (c) through (f) and (h) through (j) of Section 2 and are appropriated for those component purposes, the amount of the tax shall be reduced by the amount of the net revenues so available and appropriated.

In each year to the extent receipts from the municipal income tax are available for the payment of the debt charges on the Bonds and are appropriated for that purpose, and to the extent not paid from net revenues of the City's storm water system or the City's sanitary sewer system, the amount of the tax shall be reduced by the amount of such receipts so available and appropriated in compliance with the following covenant. To the extent necessary, the debt charges on the Bonds shall be paid from municipal income taxes lawfully available therefor under the Constitution and the laws of the State of Ohio; and the City hereby covenants, subject and pursuant to such authority, including particularly Section 133.05(B)(7) of the Ohio Revised Code, to appropriate annually from such municipal income taxes such amount as is necessary to meet such annual debt charges.

Nothing in the three preceding paragraphs in any way diminishes the irrevocable pledge of the full faith and credit and general property taxing power of the City to the prompt payment of the debt charges on the Bonds.

Section 8. Federal Tax Considerations. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds 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 Bonds to be and remain excluded from gross income for federal income tax purposes, (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 Bonds 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 Auditor or any other officer of the City having responsibility for issuance of the Bonds 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 Bonds as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds 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 with respect to the Bonds, 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 with respect to the Bonds, 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 Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, 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 Bonds. The Auditor or any other officer of the City having responsibility for issuance of the Bonds is specifically authorized to designate the Bonds as "qualified tax-exempt obligations" if such designation is applicable and desirable, and to make any related necessary representations and covenants.

Each covenant made in this Section with respect to the Bonds is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Bonds (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 Bonds 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 Bonds.

Section 9. Official Statement, Rating, Bond Insurance, Continuing Disclosure and Financing Costs.

(a) Primary Offering Disclosure -- Official Statement. The Mayor and the Auditor are each authorized and directed, on behalf of the City and in their official capacities, to (i) prepare or cause to be prepared, and make or authorize modifications, completions or changes of or supplements to, a disclosure document in the form of an official statement relating to the original issuance of the Bonds in substantially the form as is now on file with the Clerk of Council, (ii) determine, and to certify or otherwise represent, when the official statement is to be “deemed final” (except for permitted omissions) by the City as of its date or is a final official statement for purposes of paragraph (b) of the Rule, (iii) use and distribute, or authorize the use and distribution of those official statements and any supplements thereto in connection with the original issuance of the Bonds, and (iv) complete and sign those official statements and any supplements thereto as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of those official statements and any supplements, as they may deem necessary or appropriate.

(b) Application for Rating or Bond Insurance. If, in the judgment of the Auditor, the filing of an application for (i) a rating on the Bonds by one or more nationally-recognized rating agencies, or (ii) a policy of insurance from a company or companies to better assure the payment of principal of and interest on the Bonds, is in the best interest of and financially advantageous to this City, the Auditor is authorized to prepare and submit those applications, to provide to each such agency or company such information as may be required for the purpose, and to provide further for the payment of the cost of obtaining each such rating or policy, except to the extent otherwise paid in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose. The Auditor is hereby authorized, to the extent necessary or required, to enter into any agreements, in the name of and on behalf of the City, that the Auditor determines to be necessary in connection with the obtaining of that bond insurance.

(c) Agreement to Provide Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Bonds, the City agrees to provide or cause to be provided such financial information and operating data, audited financial statements and notices of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The Mayor and the Auditor are each authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and on behalf of the City, in substantially the form as is now on file with the Clerk of Council. The Continuing Disclosure Agreement is approved, together with any changes or amendments that are not inconsistent with this Ordinance and not substantially adverse to the City and that are approved by the Mayor and the Auditor on behalf of the City, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement or amendments thereto.

The Auditor is further authorized and directed to establish procedures in order to ensure compliance by the City with its Continuing Disclosure Agreement, including timely provision of information and notices as described above. Prior to making any filing required under the Rule, the Auditor shall consult with and obtain legal advice from, as appropriate, the Law Director and bond or other qualified independent special counsel selected by the City. The Auditor, acting in the name and on behalf of the City, shall be entitled to rely upon any such legal advice in determining whether a filing should be made. The performance by the City of its Continuing Disclosure Agreement shall be subject to the annual appropriation of any funds that may be necessary to perform it.

(d) Financing Costs. The expenditure of the amounts necessary to pay any Financing Costs in connection with the Bonds, to the extent not paid by the Original Purchaser in accordance with the Certificate of Award and the Purchase Agreement, is authorized and approved, and the Auditor is authorized to provide for the payment of any such amounts and costs from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

Section 10. Bond Counsel. The legal services of the law firm of Squire Patton Boggs (US) LLP are hereby retained. Those legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Bonds and rendering at delivery related legal opinions, all as set forth in the form of engagement letter from that firm which is now on file in the office of the Clerk of Council. In providing 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 or municipal corporation or of this City, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services. The Auditor is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm. The amounts necessary to pay those fees and any reimbursement are hereby appropriated from the proceeds of the Bonds, if available, and otherwise from available moneys in the General Fund.

Section 11. Certification and Delivery of Ordinance and Certificate of Award. The Clerk of Council is directed to promptly deliver or cause to be delivered a certified copy of this Ordinance and a signed copy of the Certificate of Award to the County Auditor of Marion County, Ohio.

Section 12. Satisfaction of Conditions for Bond Issuance. This 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 7) of the City are pledged for the timely payment of the debt charges on the Bonds; that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds; and that the Bonds are being authorized and issued pursuant to Chapter 133 of the Ohio Revised Code, this Ordinance, the Certificate of Award and other authorizing provisions of law.

Section 13. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or any of its committees, and that all deliberations of this Council and of any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law, including Section 121.22 of the Ohio Revised Code.

Section 14. Effective Date. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City and for the further reason that this Ordinance is required to be immediately effective in order to issue and sell the Bonds, which is necessary to enable the City to timely retire the Outstanding Notes and thereby preserve its credit; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

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Todd Schneider  
President of Council

Approved: \_\_\_\_\_, 2018

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Mayor Scott Schertzer

Attest:

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Clerk of Council

**SUPPLEMENTAL  
FISCAL OFFICER'S CERTIFICATE**

To the City Council of the City of Marion, Ohio:

As fiscal officer of the City of Marion, Ohio, and supplementing the fiscal officer's certificates dated August 28, 2012, August 13, 2013, July 15, 2014, March 23, 2015, June 25, 2016 and July 24, 2017, I certify in connection with your proposed issue of bonds in the maximum aggregate principal amount of \$8,105,000 (the "Bonds") for the purpose of paying the costs of (a) improving City Hall by acquiring, equipping and installing an HVAC system including the installation of an air-cooled chiller and the retrofitting of the existing pneumatic system to digital controls, together with all necessary appurtenances thereto, (b) improving Cummins Avenue, Vine Street and Merchant Avenue, between certain termini, by constructing storm water sewers, together with all necessary appurtenances thereto, (c) improving N. Greenwood Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (d) improving Ballentine Avenue and George Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (e) improving Belmont Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (f) improving S. Greenwood Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (g) acquiring and equipping of an EMS vehicle for use by the City's fire department, (h) improving Latourette Street, between certain termini, by replacing existing storm water and sanitary sewers with new pipe and by removing and replacing pavement, curbs, sidewalks and drive approaches, together with all necessary appurtenances thereto, (i) improving N. Greenwood Street, between certain termini, by replacing existing storm water and sanitary sewers with new pipe and by removing and replacing pavement, curbs, sidewalks and drive approaches, together with all necessary appurtenances thereto, (j) improving Main and State Streets, between certain termini, by replacing existing storm water and sanitary sewers and pavement, together with all necessary appurtenances thereto, and (k) improving Ballentine Avenue and George Street, between certain termini, by replacing existing storm water sewers with new pipe and by repairing and replacing trenches, curbs and sidewalks, together with all necessary appurtenances thereto (collectively, the "Improvement"), that:

1. The estimated life or period of usefulness of each component purpose of the Improvement is at least five (5) years.

2. The maximum maturity of the Bonds, calculated in accordance with Section 133.20 of the Revised Code, is as follows:

- The maximum maturity of \$265,000 of the Bonds to be used for the component purpose described in clause (a) above is twenty (20) years, being my estimate of the life or period of usefulness of that portion of the Improvement; provided, however, since notes in anticipation of Bonds have been outstanding for a period beyond December 31, 2017, that period beyond December 31, 2017 shall be deducted from the maximum maturity of the Bonds and therefore, the maximum

maturity of the Bonds to be issued for that component purpose is nineteen (19) years.

- The maximum maturity of \$965,000 of the Bonds to be used for the component purpose described in clause (b) above is forty (40) years; provided, however, since notes in anticipation of Bonds have been outstanding for a period beyond December 31, 2017, that period beyond December 31, 2017 shall be deducted from the maximum maturity of the Bonds and therefore, the maximum maturity of the Bonds to be issued for that component purpose is thirty-nine (39) years.
- The maximum maturity of \$865,000 of the Bonds to be used for the component purpose described in clause (c) above is forty (40) years.
- The maximum maturity of \$175,000 of the Bonds to be used for the component purpose described in clause (d) above is forty (40) years.
- The maximum maturity of \$450,000 of the Bonds to be used for the component purpose described in clause (e) above is forty (40) years.
- The maximum maturity of \$495,000 of the Bonds to be used for the component purpose described in clause (f) above is forty (40) years.
- The maximum maturity of \$280,000 of the Bonds to be used for the component purpose described in clause (g) above is ten (10) years.
- The maximum maturity of \$1,105,000 of the Bonds to be used for the component purpose described in clause (h) above is at least twenty (20) years.
- The maximum maturity of \$1,315,000 of the Bonds to be used for the component purpose described in clause (i) above is at least twenty (20) years.
- The maximum maturity of \$770,000 of the Bonds to be used for the component purpose described in clause (j) above is at least twenty (20) years.
- The maximum maturity of \$1,420,000 of the Bonds to be used for the component purpose described in clause (k) above is at least twenty (20) years.

Dated: May \_\_\_\_, 2018

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Auditor  
City of Marion, Ohio