

August 12, 2020

VIA E-MAIL

Robert Landon, Auditor
City of Marion, Ohio
233 West Center Street
Marion, Ohio 43302

**Re: City of Marion, Ohio
(Not to Exceed) \$11,429,000 Various Purpose Refunding Bonds, Series 2020B
(Federally Taxable)**

Dear Robert:

Pursuant to your request and our discussions, I have prepared and enclose the initial additional proceedings for the captioned financing. The additional proceedings include one Bond Ordinance and the related Supplemental Fiscal Officer's Certificate for the taxable advance refunding of all or a portion of the City's outstanding Various Purpose Improvement Bonds, Series 2012. Please review the enclosed items and if satisfactory in all respects, process them as follows:

1. The **Supplemental Fiscal Officer's Certificate** to be dated, signed and presented by you to the City Council prior to Council's consideration of the related Bond Ordinance.

2. The **Bond Ordinance** to be considered and passed by City Council is to be effective immediately upon passage and approval by the Mayor. The Bond Ordinance authorizes the issuance of bonds in the maximum principal amount of \$11,429,000 (note that a maximum principal authorization preserves the flexibility to actually issue less for a particular purpose), for the purpose of refunding bonds previously issued for the purpose of (a) improving Columbia Street and Blaine Avenue, between certain termini, by constructing storm water sewers and sanitary sewers, (b) improving Oak Street, Millburn Avenue and Meadow Street, between certain termini, by constructing storm water sewers and sanitary sewers, widening and lowering the streets, installing curbs and drainage and replacing sidewalks and driveway approaches, (c) improving Robinson Avenue, between certain termini, by constructing storm water sewers, installing curbs and drainage, and resurfacing the street, (d) improving West Center Street, between certain termini, by constructing and rehabilitating sanitary sewers, (e) constructing and rehabilitating the sanitary sewer system in the Marion Plaza and in the

Robert Landon
August 12, 2020
Page 2

Royal Oaks subdivision, (f) improving the sanitary sewer system at the Marion Landfill by installing leachate collection pipes and pumps to collect and transport leachate from the original landfill cell to the existing leachate collection system, (g) constructing, equipping and furnishing an aquatic center, together with all necessary appurtenances thereto, (h) improving Greenwood Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto, (i) improving Latourette Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto and (j) improving Orchard Street, between certain termini, by constructing storm water sewers and sanitary sewers, together with all necessary appurtenances thereto. The Bond Ordinance allows the bonds for all of the component purposes to be consolidated for purposes of sale into a single bond issue to be called “Various Purpose Refunding Bonds, Series 2020B” and to refund the City’s outstanding Various Purpose Refunding Bonds, Series 2012.

The Bond Ordinances also provide that:

- Interest will be payable on June 1 and December 1 of each year commencing on a date to be determined by you in the Certificate of Award.
- Principal will be payable on December 1 in each of the years determined by you in the Certificate of Award consistent with certain parameters set forth in the Bond Ordinances.
- As you determined, the maximum maturity of the bonds for the aquatic center project is now 25 years, which will allow the City to push out that maturity of the bonds for that purpose if it so chooses (to 2037).
- You will determine in the Certificate of Award the actual aggregate principal amount of bonds to be sold (not exceeding the maximum combined permitted amount).
- The Bonds are to be dated as determined by you in the Certificate of Award, provided that their dated date shall not be more than sixty (60) days prior to the closing date.
- The Bonds may be issued in book-entry form if you determine that issuance in that form will facilitate the sale and delivery of the Bonds.
- The Bonds will not be tax-exempt unless the Internal Revenue Code permits tax-exempt advance refundings; in such case, the City shall take such actions that may be required for the interest on the Bonds to be and remain excluded from gross income for purposes of federal income tax purposes. At this time the Code does not permit such refundings but I have included language to allow for actions to be taken for the Bonds to be tax-exempt in case legislation is passed by the U.S. Congress to allow for such refundings.

Robert Landon
August 12, 2020
Page 3

- The Bonds may be consolidated with any other bond issues for purposes of sale.
- You may secure a bond rating and/or bond insurance.

The usual procedures relating to the passage of the Bond Ordinance should be followed.

The Bond Ordinance is drafted as emergency measure to be effective immediately upon passage and approval by the Mayor. Passage as an emergency measure requires the affirmative vote of two-thirds of all the members of Council for the Bond Ordinance. Council must read the Bond Ordinance on three separate days unless Council suspends that rule by the affirmative vote of three-quarters of all the members of Council.

3. Current drafts of the **Bond Purchase Agreement**, the **Bond Registrar Agreement**, the **Continuing Disclosure Agreement**, the **Escrow Agreement** and the **Preliminary Official Statement** are each enclosed and have been updated to reflect the additional taxable series to advance refund the 2012 bonds. These drafts should be placed on file with the Clerk of Council prior to the City Council's consideration of the Bond Ordinance. These documents should **not** be signed at this time.

4. The **Supplemental Engagement Letter** with Squire is also enclosed and should be on file with the Clerk of Council prior to City Council's consideration of the Bond Ordinance. If approved, it should be signed by the Mayor. This letter supersedes the prior Supplemental Engagement Letter and references the issuance of the two series of bonds.

For the transcript of proceedings, please send me, when available, (a) the executed Supplemental Fiscal Officer's Certificate, (b) a certified copy of the Bond Ordinance as passed by City Council, (c) the minutes of the City Council meeting(s) at which the Bond Ordinance is considered and passed, (d) proof of publication of the Bond Ordinance and (e) a signed copy of the supplemental engagement letter.

If you have any questions, please give me a call. Thank you.

Sincerely,



Allison M. Binkley

AMB/pf
Enclosures

copy (w/enc.): Scott Schertzer, Mayor
Mark Russell, Law Director
Marden Watts, Deputy Auditor

Robert Landon
August 12, 2020
Page 4

Cathy Chaffin, Service Director
Tarina Rose, Clerk of Council
Kathleen Clark, Fifth Third Securities, Inc.