

ORDINANCE NO. 132-23

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$422,000 NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY COSTS OF, IN COOPERATION WITH THE CONNEAUT PORT AUTHORITY, (A) ENGINEERING AND DESIGN OF A TRANSIENT MARINA, TOGETHER WITH ALL NECESSARY APPURTENANCES, (B) CONSTRUCTION OF SELF-STORAGE UNITS ON DAY STREET WHICH WILL BE OPEN TO THE PUBLIC, AND (C) ENGINEERING AND DESIGN OF DEEP WATER SLIPS, TOGETHER WITH ALL NECESSARY APPURTENANCES, AND APPROVING A FIFTH ADDENDUM TO THE COOPERATIVE AGREEMENT BETWEEN THE CITY AND THE CONNEAUT PORT AUTHORITY, AND DECLARING AN EMERGENCY.

WHEREAS, this Council has been asked by the Conneaut Port Authority (the Port Authority) to consider assisting in the funding of the costs of (a) engineering and design of a transient marina, together with all necessary appurtenances, (b) the construction of self-storage units on Day Street which will be open to the public, and (c) the costs of engineering and design of deep water slips, together with all necessary appurtenances; and

WHEREAS, the City has been asked by the Port Authority to assist in such project, and the Port Authority has agreed to pay to the City certain License Fees as defined in and pursuant to the terms of the Cooperative Agreement and the proposed Fifth Addendum thereto, as amended, a draft of which is currently on file with the Council; and

WHEREAS, pursuant to Ordinance No. 98-22 passed on December 12, 2022, a note in anticipation of bonds in the amount of \$372,000, dated December 21, 2022, was issued to mature on December 20, 2023 (the Outstanding Note); and

WHEREAS, this Council now finds and determines that the City should retire a portion of the Outstanding Note with the proceeds of the Notes described in Section 3 hereof; and

WHEREAS, the Director of Finance as fiscal officer of this City has certified to this Council that the estimated life or period of usefulness of each improvement described in Section 1 is at least five years, the estimated maximum maturity of the bonds described in Section 1 as Improvements 1, 2 and 3 is 10 years, and the maximum maturity of the notes described in Section 3 as Improvements 1 and 2 to be issued in anticipation of the bonds, is December 31, 2035, and for Improvement 3 is fifteen years from the date of issuance of the Notes authorized by this Ordinance;

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

SECTION 1. It is necessary to issue bonds of this City in the aggregate principal amount of \$422,000 (the Bonds) for the purpose of providing funds, in cooperation with the Port Authority, to pay costs of (a) engineering and design of a transient marina, together with all necessary appurtenances (Improvement 1), (b) the construction of self-storage units on Day Street which will be open to the public, together with all necessary appurtenances (Improvement 2), and (c)

engineering and design of deep water slips, together with all necessary appurtenances (Improvement 3, and together with Improvement 1 and Improvement 2, the Improvement).

SECTION 2. The Bonds shall be dated approximately December 1, 2024, shall bear interest at the now estimated rate of 7.50% per year, payable semiannually until the principal amount is paid, and are estimated to mature in 10 annual principal installments that are substantially equal. The first principal payment is estimated to be December 1, 2025. The first interest payment is estimated to be June 1, 2025.

SECTION 3. It is necessary to issue and this Council determines that notes in the aggregate principal amount of \$422,000 (the Notes) shall be issued in anticipation of the issuance of the Bonds for the purpose of providing funds for Improvement 3 and to retire the Outstanding Note. The Notes shall bear interest at a rate or rates not to exceed 8.00% per year (computed on a 360-day per year basis), payable at maturity and until the principal amount is paid or payment is provided for. If requested by the original purchaser, the Notes may provide that, in the event the City does not pay or make provision for payment at maturity of the debt charges on the Notes, the principal amount of the Notes shall bear interest at a different rate or rates not to exceed 10% per year from the maturity date until the City pays or makes provision to pay that principal amount. The rate or rates of interest on the Notes shall be determined by the Director of Finance in the certificate awarding the Notes in accordance with Section 6 of this ordinance.

SECTION 4. The debt charges on the Notes shall be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America if so requested by the original purchaser, and shall be payable, without deduction for services of the City's paying agent, at the main office of The Huntington National Bank, or at the principal office of a bank or trust company requested by the original purchaser of the Notes, provided that such request shall be approved by the Director of Finance after determining that the payment at that bank or trust company will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose (the Paying Agent). The Notes shall be dated the date of issuance and shall mature one year from that date, provided that the Director of Finance may, if it is determined to be necessary or advisable to the sale of the Notes, select a maturity date that is up to thirty days less than one year from the date of issuance by setting forth that maturity date in the certificate of award. If agreed to by the original purchaser, the Notes shall be prepayable without penalty or premium at the option of the City at any time prior to maturity as provided in this ordinance. Prepayment prior to maturity shall be made by deposit with the Paying Agent of the principal amount of the Notes together with interest accrued thereon to the date of prepayment. The City's right of prepayment shall be exercised by mailing a notice of prepayment, stating the date of prepayment and the name and address of the Paying Agent, by certified or registered mail to the original purchaser of the Notes not less than seven days prior to the date of that deposit, unless that notice is waived by the original purchaser of the Notes. If money for prepayment is on deposit with the Paying Agent on the specified prepayment date following the giving of that notice (unless the requirement of that notice is waived as stated above), interest on the principal amount prepaid shall cease to accrue on the prepayment date, and upon the request of the Director of Finance, the original purchaser of the Notes shall arrange for the delivery of the Notes at the designated office of the Paying Agent for prepayment and surrender and cancellation.

SECTION 5. The Notes shall be signed by the City Manager or the President of Council and the Director of Finance, in the name of the City and in their official capacities, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as requested by the original purchaser and approved by the Director of Finance, provided that the entire principal amount may be represented by a single note. The Notes shall not have coupons attached, shall be numbered as determined by the Director of Finance and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this ordinance. If determined by the Director of Finance to be advantageous to the City, the Notes may be issued in book-entry form and the City may enter into an agreement with the depository for purpose of using the book-entry system.

SECTION 6. The Notes shall be and hereby are awarded and sold at private sale at a price of not less than par. The Director of Finance shall determine the rate or rates of interest payable on the Notes and shall sign the Certificate of Award evidencing that rate and any other terms herein authorized, cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the original purchaser, to the original purchaser upon payment of the purchase price. The City Manager, the President of Council, the Director of Law, the Director of Finance, the Clerk of Council, and other City officials, as appropriate, are each 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 effect the issuance of the Notes as contemplated by this Ordinance. The Director of Finance is authorized, if it is determined to be in the best interest of the City, to combine the issue of Notes with one or more other note issues of the City into a consolidated note issue pursuant to Section 133.30(B) of the Revised Code.

SECTION 7. The proceeds from the sale of the Notes, except any premium and accrued interest, shall be paid into the proper fund or funds and those proceeds are appropriated and shall be used for the purpose for which the Notes are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

SECTION 8. The par value to be received from the sale of the Bonds or of any renewal notes and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used to pay the debt charges on the Notes at maturity and are pledged for that purpose.

SECTION 9. During the year or years in which the Notes are outstanding, there shall be levied on all the taxable property in the City, in addition to all other taxes, the same tax that would have been levied if the Bonds had been issued without the prior issuance of the Notes. 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 Notes or the Bonds when and as the same fall due. In each year, to the extent the income from the amounts payable by the Port Authority to the City as License Fees as defined in and pursuant to the terms of the Cooperative Agreement and the Addendum thereto, as amended, is available for the payment of debt charges on the Notes and

Bonds and is appropriated for that purpose, the amount of the tax shall be reduced by the amount of income so available and appropriated. In order to memorialize the License Fees, the City Manager is authorized to enter into the Fifth Addendum of the Cooperative Agreement, a draft of which is currently on file with Council.


SECTION 10. The Clerk of Council is directed to deliver a certified copy of this ordinance to the County Auditor.

SECTION 11. 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 Notes 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 Notes 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 10) of the City are pledged for the timely payment of the debt charges on the Notes; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

SECTION 12. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

SECTION 13. 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 sell the Notes, to retire the outstanding notes and thus preserve the credit of the City, this ordinance shall be in full force and effect immediately upon its passage.

Passed: 12-11-23, 2023



President of Council

Attest: 

Clerk of Council

FISCAL OFFICER'S CERTIFICATE

To the Council of the City of Conneaut, Ohio:

As fiscal officer of the City of Conneaut, I certify in connection with your proposed issue of \$422,000 notes (the Notes), to be issued in anticipation of the issuance of bonds (the Bonds) for the purpose of providing funds, in cooperation with the Port Authority, to pay costs of (a) engineering and design of a transient marina, together with all necessary appurtenances (Improvement 1), (b) the construction of self-storage units on Day Street which will be open to the public, together with all necessary appurtenances (Improvement 2), and (c) engineering and design of deep water slips, together with all necessary appurtenances (Improvement 3, and together with Improvement 1 and Improvement 2, the Improvement) (Improvement 3, and together with Improvement 1 and Improvement 2, the Improvement), that:

1. The estimated life or period of usefulness of the improvement is at least five years;

2. The estimated maximum maturity of the Bonds, calculated in accordance with Section 133.20 of the Revised Code, is 10 years for the Improvements, being my estimate of the life or period of usefulness of those improvements. If notes in anticipation of the Bonds are outstanding later than the last day of December of the fifth year following the year of issuance of the original issue of notes for such improvement, the period in excess of those five years shall be deducted from that maximum maturity of the Bonds.

3. The maximum maturity of the Notes for Improvements 1 and 2 is December 31, 2035, being the last day of the 15th year from the date of the original issue of notes issued for this purpose. The maximum maturity of the Notes for Improvement 3 is the last day of the 15th year from the date of the original issue of notes issued for this purpose.

Dated: December 11, 2023



Director of Finance
City of Conneaut, Ohio