

ORDINANCE NO. 15-23

**AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO ENTER INTO
A PROPERTY LEASE WITH HUNTINGTON PUBLIC CAPITAL
CORPORATION, FOR THE FINANCING OF A CASE MOTOR GRADER
AND DESITE SLG-108VFRB-III SCREENER IN THE AMOUNT OF
\$255,660.38, AND DECLARING AN EMERGENCY.**

Lessee: City of Conneaut ("Lessee")

Maximum Principal Amount Expected To Be Financed: \$255,660.38.

WHEREAS, the Lessee is a political subdivision of the state of Ohio (the "State") and is duly organized and existing pursuant to the constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to purchase, lease, acquire, and to encumber, real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements including any and all exhibits thereto ("Property Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Property Leases is appropriate and necessary to the functions and operations of the Lessee.

**Brief Description of Property:
Case 836C Motor Grader
DeSite SLG-108VFRB-III Screener**

WHEREAS, Huntington Public Capital Corporation or an affiliate or related entity ("Lessor") is expected to act as the lessor under the Property Leases.

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Property Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

BE IT ORDAINED, by the City of Conneaut, County of Ashtabula and State of Ohio:

SECTION 1. The Conneaut City Manager is herein authorized to execute the lease/purchase documents attached as Exhibit A, and any other necessary documents for the purpose of acquiring title to a Case 836C Motor Grader and DeSite SLG-108VFRB-III Screener

in the amount of \$255,660.38

SECTION 2. The aggregate original principal amount of the Property Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Property Leases and the Property Leases shall contain such options to purchase or prepay by the Lessee as set forth therein.

SECTION 3. The Lessee's obligations under the Property Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Property Lease and the Lessee's obligations under the Property Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State. In addition, the funds necessary to meet the principal and/or interest payments under the Property Leases for the current fiscal year are hereby appropriated.

SECTION 4. The Conneaut City Council anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The Council hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Ordinance is adopted by the Conneaut City Council for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Ordinance does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

SECTION 5. As to each Property Lease, the Lessee reasonably anticipates that it and entities controlled by it will not issue more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the calendar year in which each such Property Lease is issued and hereby designates each Property Lease as a qualified tax-exempt obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

SECTION 6. That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council or any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 7. This Ordinance is declared to be an emergency measure in the interests of public peace, health and safety, and to allow road work to begin as soon as the season allows, and if approved shall take effect immediately upon passage and signing by the President of Council.

Passed this 27 day of FEB, 2023.



President of Council

ATTEST:



Clerk of Council