

ORDINANCE NO. C-34-84

AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF \$38,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF EXPANDING AND IMPROVING THE MUNICIPAL WATER DISTRIBUTION SYSTEM

WHEREAS, pursuant to Ordinance No. C-23-83 passed May 16, 1983, notes in the principal amount of \$50,000 dated June 15, 1983, were issued for the purpose hereinafter stated, to mature June 15, 1984, and it appears advisable in lieu of issuing bonds at this time to issue new notes in anticipation of the issuance of such bonds; and

WHEREAS, the fiscal officer has certified to this council that the estimated life of the improvement to be constructed from the proceeds of bonds and notes hereinafter referred to exceeds five (5) years, the maximum maturity of bonds being forty (40) years and notes being eight (8) years.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GROVE CITY, COUNTY OF FRANKLIN, STATE OF OHIO THAT:

Section 1. It is hereby declared necessary to issue bonds of the City of Grove City, Ohio, (the "Municipality") in the principal sum of \$38,000 for the purpose of expanding and improving the municipal water distribution system and paying the costs of advertising, printing, legal services and other costs incidental thereto (the "Bonds").

Section 2. The Bonds shall be of the denomination of \$1,000 each, shall be dated approximately June 1, 1985, shall bear interest at the rate of ten per centum (10%) per annum, payable semiannually until the principal sum is paid and shall mature in forty (40) annual installments after their issuance.

Section 3. It is necessary to issue and this Council hereby determines that notes shall be issued in anticipation of the issuance of the Bonds and to retire the outstanding notes dated June 15, 1983.

Section 4. Such anticipatory notes (the "Notes") shall be in the amount of \$38,000, which sum does not exceed the amount of the Bonds, and shall bear interest at the rate of _____ per centum (7.75%) per annum, payable at maturity

the principal office of The Huntington National Bank, in the City of Columbus, Ohio, and shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this ordinance.

Section 6. Subject to rejection by the officers in charge of the Bond Retirement Fund, the Notes shall be, and hereby are, awarded and sold to The Huntington National Bank at the par value thereof and bearing the aforesaid rate of interest and the Clerk is hereby authorized and directed to deliver the Notes, when executed, to said purchaser upon payment of such purchase price and accrued interest to the date of delivery. The proceeds of such sale, except any accrued interest thereon, shall be deposited in the Treasury of this Municipality and used for the purpose aforesaid and for no other purpose. Any accrued interest shall be transferred to the Bond Retirement Fund to be applied to the payment of the principal and interest on the Notes in the manner provided by law.

Section 7. The Notes shall be the full general obligation of the Municipality and the full faith, credit and revenue of the Municipality are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity, together with interest thereon, and is hereby pledged for such purpose.

Section 8. During the years while the Notes are outstanding there shall be levied on all taxable property in the Municipality, in addition to all other taxes and inside of the limitations of Article XII, Section 2, of the Constitution of Ohio, a direct tax annually not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes.

Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and shall be collected by the same officer, in the same manner, and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. Funds derived from said levies hereby required shall be placed in a separate and distinct fund, which, together with interest collected on the same shall be irrevocably pledged for the payment of the principal and interest on the Notes or the Bonds when and as the same fall due; provided, however, that in each year to the extent that funds from other sources, and in particular, revenues of the municipal waterworks are lawfully available for the payment of the Notes and Bonds, and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of such funds so available and appropriated.

Section 9. The Municipality hereby covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute arbitrage bonds under Section 103(c) of the Internal Revenue Code and the

adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 11. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the Municipality have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the Municipality are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 12. The Clerk is hereby directed to forward a certified copy of this ordinance to the Auditor of Franklin County, Ohio.

Section 13. This ordinance shall take effect and be in force at the earliest date permitted by law.

Signed:

Jack E. Weigandt
Presiding Officer

Passed June 4, 1984

Attest:

Effective June 4, 1984

June A. Cook
Clerk of Council

Approved as to form:

R. E. Anderson
Legal Officer

CERTIFICATE

I, June A. Cook, Clerk of Council, hereby certify that the foregoing is a true copy of Ordinance No. C-34-84 duly adopted by the Council of the City of Grove City, Ohio, on the 4th day of June, 1984, and that a certified copy thereof was filed in the office of the County Auditor of Franklin County on the 7th day of June, 1984.

June A. Cook
Clerk of Council