

# THE CITY COUNCIL OF NORTH ROYALTON, OHIO

ORDINANCE NO. 14-75

INTRODUCED BY: Mayor Stefanik

AN ORDINANCE AMENDING ORDINANCE NO. 14-50, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION (LIMITED TAX) BONDS OF THE CITY OF NORTH ROYALTON, OHIO, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,450,000 FOR THE PURPOSE OF ADVANCE REFUNDING ALL OR A PORTION OF THE CITY'S GENERAL OBLIGATION (LIMITED TAX) VARIOUS PURPOSE BONDS, SERIES 2005, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, AND DECLARING AN EMERGENCY

WHEREAS: The Council of the City of North Royalton, Ohio (the "Council") has enacted Ordinance No. 14-50, authorizing the issuance and sale of general obligation (limited tax) bonds of the City of North Royalton (the "City"), in a principal amount not to exceed \$2,450,000 (the "Bonds") for the purpose of advance refunding all or a portion of the City's General Obligation (Limited Tax) Various Purpose Bonds, Series 2005, and authorizing the execution and delivery of an escrow agreement, and declaring an emergency; and

WHEREAS: The Council wishes to amend Ordinance 14-50 to provide for a private sale of the Bonds to the original purchaser as designated in the Certificate of Award by the City's Director of Finance and to eliminate the Paying Agent requirement.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORTH ROYALTON, COUNTY OF CUYAHOGA AND STATE OF OHIO, THAT:

Section 1. Section 4 of Ordinance No 14-50 of the City which reads:

Section 4. The Bonds shall be designated "Various Purpose General Obligation (Limited Tax) Refunding Bonds, Series 2014". Pursuant to Section 133.30(B), Ohio Revised Code, the Bonds may be combined with other bonds into a single consolidated issue of bonds for purposes of their sale as a single issue, to be designated "Various Purpose General Obligation (Limited Tax) Bonds, Series 2014." The Bonds shall contain a summary statement of purposes for which the Bonds are issued; shall state that they are issued pursuant to this Ordinance; shall be executed by the Mayor and by the Fiscal Officer, one or both of whose signatures may be a facsimile signature; shall be issued only in fully registered form; and shall be registered as to both principal and interest at the corporate trust office of the Registrar (as hereinafter defined). The Bonds shall be issued in the denominations and numbers as requested by the Original Purchaser (as hereinafter defined) and approved by the Fiscal Officer, and shall be numbered as determined by the Fiscal Officer. The principal of the Bonds shall be payable upon presentation and surrender to the Paying Agent. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name that Bond is registered (the "Holder") on the registration books of the City maintained by the Registrar and at the address appearing thereon at the close of business of the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any interest not timely paid (the "Defaulted Interest") shall cease to be payable to the person who is the Holder as of the Regular Record Date and shall be payable to the person who is the Holder at the close of business on a special record date for the payment of such defaulted interest. Such Special Record Date (the "Special Record Date") shall be fixed by the Council of the City whenever moneys become available for payment of the Defaulted Interest, and the Registrar shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than ten (10) days prior thereto to each Holder at his address as it appears on the registration books of the City maintained by the Registrar. The principal and interest on the Bonds is payable in lawful money of the United States of America without deduction for the services of the Registrar or Paying Agent.

No Bond shall be valid or become obligatory for any purpose unless and until an authentication certificate appearing on the Bond shall have been duly endorsed by the Registrar.

Any Bond, upon surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the Holder or his duly authorized attorney in such form as shall be satisfactory to the Registrar, at the option of the Holder thereof, may be exchanged for Bonds of any authorized denomination or denominations in an aggregate principal amount not exceeding the principal amount of the Bond so exchanged, and bearing interest at the same rate and maturing on the same date.

Any Bond may be transferred only upon the books kept for the registration and transfer of Bonds upon surrender thereof at the principal corporate trust office of the Registrar together with an assignment duly executed by the Holder or his duly authorized attorney in such form as shall be satisfactory to the Registrar. Upon the transfer of any such Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new

Bond, of any authorized denomination, in aggregate principal amount equal to the principal amount of such Bond, and bearing interest at the same rate and maturing on the same date.

In all cases in which Bonds shall be exchanged or transferred, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City and Registrar may make a charge for every such exchange or transfer of Bonds sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and the Registrar may require that such charge or charges shall be paid before any such new Bond shall be delivered.

The Bonds, pursuant to the terms set forth below, may also be issued to a Depository (as hereinafter defined) for use in a book-entry system (as hereinafter defined). The Fiscal Officer is hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the registration, authentication, immobilization, and transfer of Bonds, including arrangements for the payment of principal and interest by wire transfer, after determining that the execution thereof will not endanger the funds or securities of the City, which determination shall be conclusively evidenced by the signing of any such agreement.

If and as long as a book-entry system is utilized, (i) the Bonds shall be issued in the form of one fully registered Bond registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (ii) the beneficial owners 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 a book entry on the system maintained and operated by the Depository and its Participants (as hereinafter defined), 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 Council of 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 Fiscal Officer may attempt to have established a securities depository/book-entry relationship with another qualified Depository. If the Fiscal Officer does not or is unable to do so, the Fiscal Officer, after making provision for notification of the beneficial owners by the then Depository and any other arrangements he deems necessary, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver bond certificates in bearer or registered form, as he determines, 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 Council action or inaction, of those persons requesting such issuance.

As used in this Section and this Ordinance:

“Book-entry form” or “book-entry system” means a form or system under which (i) the beneficial right to principal and interest may be transferred only through a book entry and (ii) physical bonds in registered form are issued only to a Depository or its nominee as registered owner, with the bonds “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in that principal and interest.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining a book-entry system to record beneficial ownership of the right to principal and interest, and to effect transfers of bonds, in book-entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

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

is hereby repealed and amended to read as follows:

Section 4. The Bonds shall be designated “Various Purpose General Obligation (Limited Tax) Refunding Bonds, Series 2014”. Pursuant to Section 133.30(B), Ohio Revised Code, the Bonds may be combined with other bonds into a single consolidated issue of bonds for purposes of their sale as a single issue, to be designated “Various Purpose General Obligation (Limited Tax) Bonds, Series 2014.” The Bonds shall contain a summary statement of purposes for which the Bonds are issued; shall state that they are issued pursuant to this Ordinance; shall be executed by the Mayor and by the Fiscal Officer, one or both of whose signatures may be a facsimile signature; shall be issued only in fully registered form; and shall be registered as to both principal and interest at the corporate trust office of the Registrar (as hereinafter defined). The Bonds shall be issued in the denominations and numbers as requested by the Original Purchaser (as hereinafter defined) and approved by the Fiscal Officer, and shall be numbered as determined by the Fiscal Officer. The principal of the Bonds shall be payable upon presentation and surrender to the City. Interest on any Bond shall be

paid on each Interest Payment Date by check or draft mailed to the person in whose name that Bond is registered (the "Holder") at the close of business of the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any interest not timely paid (the "Defaulted Interest") shall cease to be payable to the person who is the Holder as of the Regular Record Date and shall be payable to the person who is the Holder at the close of business on a special record date for the payment of such defaulted interest. Such Special Record Date (the "Special Record Date") shall be fixed by the Council of the City whenever moneys become available for payment of the Defaulted Interest and the City shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than ten (10) days prior thereto to each Holder at his address as it appears on the registration books of the City. The principal and interest on the Bonds is payable in lawful money of the United States of America without deduction for the services of the City. Furthermore, notwithstanding the foregoing, if the entire principal amount of the bonds is represented by a single certificate, as authorized herein, payment of principal, any premium and interest may be made by wire or check or draft mailed to the person in whose name the Bond was registered on the Regular Record Date, with presentation and surrender of said certificate to be made to the City after payment of principal and interest at final maturity.

No Bond shall be valid or become obligatory for any purpose unless and until an authentication certificate appearing on the Bond shall have been duly endorsed by the City.

Any Bond, upon surrender thereof at the office of the Fiscal Officer of the City, together with an assignment duly executed by the Holder or his duly authorized attorney in such form as shall be satisfactory to the City, at the option of the Holder thereof, may be exchanged for Bonds of any authorized denomination or denominations in an aggregate principal amount not exceeding the principal amount of the Bond so exchanged, and bearing interest at the same rate and maturing on the same date.

Any Bond may be transferred only upon the books kept for the registration and transfer of Bonds upon surrender thereof at the office of the Fiscal Officer of the City together with an assignment duly executed by the Holder or his duly authorized attorney in such form as shall be satisfactory to the City. Upon the transfer of any such Bond, the City shall execute in the name of the transferee, and the City shall authenticate and deliver, a new Bond, of any authorized denomination, in aggregate principal amount equal to the principal amount of such Bond, and bearing interest at the same rate and maturing on the same date.

In all cases in which Bonds shall be exchanged or transferred, the City shall execute and authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and the City may require that such charge or charges shall be paid before any such new Bond shall be delivered.

Section 2. Section 5 of Ordinance No 14-50 of the City which reads:

Section 5. The Bonds shall be sold at private sale to The Huntington Investment Company (the "Original Purchaser"), in a manner and upon terms determined by the Fiscal Officer to be in the best interest of the City and shall be awarded by the Fiscal Officer, with the final purchase price, aggregate principal amount, interest rate or rates, redemption provisions, if any, and principal installments due at stated maturity or pursuant to Mandatory Sinking Fund Redemption Requirements as set forth in the Certificate of Award, in accordance with law, and the provisions of this Ordinance, provided that the purchase price shall not be less than 97% of par plus accrued interest to their date of delivery. The Mayor and the Fiscal Officer, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents, agreements, representations and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance. The services of Calfee, Halter & Griswold LLP, Bond Attorneys, Cleveland, Ohio, as Bond Counsel for the Bonds are hereby retained. The Director of Finance shall cause the Bonds to be prepared, and have the Bonds 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. Any premium received by the City and accrued interest shall be transferred to the City's Bond Retirement Fund to be applied to the payment of the principal and interest of the Bonds in the manner provided by law.

The Director of Finance is hereby authorized, if he determines it to be in the best interests of the City, to retain the services of a qualified financial advisor in connection with the issuance of the Bonds.

A preliminary official statement of the City relating to the original issuance of the Bonds is authorized to be distributed. The Mayor and Fiscal Officer, and either one of them, are authorized and directed to complete and sign, on behalf of the City and in their official capacities, an official statement, with such modifications, changes and supplements from the preliminary official statement as those officers or any one of them shall approve or authorize. Those officers are authorized, on behalf of the City and in their official capacities, to (i) determine, and to certify or otherwise represent, when the official statement is "deemed final" (except for permitted omissions) by the City as of its date or is a final official statement for purposes of SEC Rule 15c2-12(b)(1), (3) and (4), (ii) 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 (iii) complete and sign those official statements as so approved together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of those official statements.

If, in the judgment of the Fiscal Officer, the filing of an application for a rating on the Bonds by one or more nationally-recognized rating agencies is in the best interest of and financially advantageous to the City, the Fiscal Officer is authorized to prepare and submit those applications, to provide to each such agency such information as may be required for the purpose, and to provide further for the payment of the cost of obtaining each such rating 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.

is hereby repealed and amended to read as follows:

Section 5. The Bonds shall be sold at private sale to the original purchaser designated by the Fiscal Officer in the Certificate of Award (the "Original Purchaser"), and in a manner and upon terms determined by the Fiscal Officer to be in the best interest of the City and shall be awarded by the Fiscal Officer, with the final purchase price, aggregate principal amount, interest rate or rates, redemption provisions, if any, and principal installments due at stated maturity or pursuant to Mandatory Sinking Fund Redemption Requirements as set forth in the Certificate of Award, in accordance with law, and the provisions of this Ordinance, provided that the purchase price shall not be less than 97% of par plus accrued interest to their date of delivery. The Mayor and the Fiscal Officer, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents, agreements, representations and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance. The services of Calfee, Halter & Griswold LLP, Bond Attorneys, Cleveland, Ohio, as Bond Counsel for the Bonds are hereby retained. The Director of Finance shall cause the Bonds to be prepared, and have the Bonds 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. Any premium received by the City and accrued interest shall be transferred to the City's Bond Retirement Fund to be applied to the payment of the principal and interest of the Bonds in the manner provided by law.

The Director of Finance is hereby authorized, if he determines it to be in the best interests of the City, to retain the services of a qualified financial advisor in connection with the issuance of the Bonds.

If determined by the Fiscal Officer to be necessary or appropriate, this Council authorizes a preliminary official statement of the City relating to the original issuance of the Bonds to be distributed. The Mayor and Fiscal Officer, and either one of them, are authorized and directed to complete and sign, on behalf of the City and in their official capacities, an official statement, with such modifications, changes and supplements from the preliminary official statement as those officers or any one of them shall approve or authorize. Those officers are authorized, on behalf of the City and in their official capacities, to (i) determine, and to certify or otherwise represent, when the official statement is "deemed final" (except for permitted omissions) by the City as of its date or is a final official statement for purposes of SEC Rule 15c2-12(b)(1), (3) and (4), (ii) 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 (iii) complete and sign those official statements as so approved together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of those official statements.

If, in the judgment of the Fiscal Officer, the filing of an application for a rating on the Bonds by one or more nationally-recognized rating agencies is in the best interest of and financially advantageous to the City, the Fiscal Officer is authorized to prepare and submit those applications, to provide to each such agency such information as may be required for the purpose, and to provide further for the payment of the cost of obtaining each such rating 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.

Section 3. Section 6 of Ordinance No. 14-50 of the City which reads:

Section 6. The Fiscal Officer, in the Certificate of Award, shall designate a bank or trust company to act as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds (the "Registrar" or "Paying Agent," as applicable). The Fiscal Officer shall sign and deliver, in the name and on behalf of the City, a Bond Registrar Agreement between the City and the Registrar (the "Agreement"). The Fiscal Officer shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Agreement from the proceeds of the Bonds to the extent available and then from other moneys lawfully available and appropriated or to be appropriated for that purpose.

is hereby repealed and amended to read as follows:

Section 6. The Fiscal Officer shall act as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds.

Section 4. It is 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 such deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including the City's Charter, Codified Ordinances and any applicable provisions of Section 121.22 of the Ohio Revised Code.

Section 5. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the City, and for the further reason that the immediate issuance and sale of the Bonds herein authorized is necessary to realize savings to the City, and provided it receives the affirmative vote of at least two-thirds (2/3) of the membership of Council, this Ordinance shall take effect and be in force immediately upon its passage by the Council and approval by the Mayor; otherwise, it shall take effect and be in force after the earliest period allowed by law.

/s/ Larry Antoskiewicz  
PRESIDENT OF COUNCIL

APPROVED: /s/ Robert A. Stefanik  
MAYOR

DATE PASSED: June 3, 2014

DATE APPROVED: June 4, 2014

ATTEST: /s/ Laura J. Haller  
DIRECTOR OF LEGISLATIVE SERVICES

First reading suspended  
Second reading suspended  
Third reading June 3, 2014

YEAS: Antoskiewicz, Nickell, Petrusky, Langshaw,  
Marnecheck, Muller  
NAYS: none  
ABSENT: Kasaris