

ORDINANCE NO. 1077 AC CMS

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF A NOTE IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF IMPROVING THE MUNICIPAL WATERWORKS SYSTEM BY CONSTRUCTING NEW WATER MAINS AND NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

WHEREAS, to provide an adequate supply of water for domestic and other necessary uses, this Council finds it necessary to improve the municipal waterworks system by constructing new water mains and necessary appurtenances to replace existing lines which are of insufficient size and it is presently estimated that the cost of such improvements will be approximately \$225,000; and

WHEREAS, this Council has determined that the financing should be undertaken in installments, the first installment being a note for \$26,500 of July 26, 1974 and the second installment to be evidenced by the borrowing herein authorized; and

WHEREAS, the Auditor, as fiscal officer, has certified to this Council that the estimated life of the property and improvement hereinafter mentioned is at least five years, and that the maximum maturity of the bonds hereinafter referred to is forty years, and the maximum maturity of the note to be issued in anticipation of said bonds is five years if sold publicly, or one year if sold privately;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, Lorain County, Ohio:

Section 1. That for the purpose of improving the municipal waterworks system by constructing new water mains and necessary appurtenances thereto, it is necessary to issue bonds of the City of Oberlin; that it is further deemed necessary to issue, as a second installment, \$35,000 of such bonds to provide funds for such purpose.

Section 2. That said second installment shall be dated approximately October 1, 1976, shall bear interest at the rate of six per centum (6%) per annum, payable semi-annually, until the principal sum is paid, and shall mature in twenty-five substantially equal annual installments.

Section 3. That it is necessary to issue and this Council hereby determines that a second installment note in the principal amount of \$35,000 shall be issued in anticipation of such second installment bonds. Such anticipatory note shall bear interest at the rate of five and three-quarters per centum (5-3/4%) per annum, payable at maturity. Such note shall be dated the date of issuance and shall mature on or before one year from such date.

Section 4. Such note shall be executed by the City Manager and Auditor and bear the seal of the corporation. It shall be payable at the office of the Oberlin Savings Bank Company, and shall express upon its face the purpose for which it is issued and that it is issued pursuant to this ordinance.

Section 5. Subject to the rejection of such note by the officer in charge of the Bond Retirement Fund for investment in such fund, such note shall be and hereby is awarded and sold to the Oberlin Savings Bank Company, at the par value thereof together with any premium and accrued interest thereon; and the Auditor is hereby authorized and directed to deliver such note, when executed, to such purchaser upon payment of such purchase price. The proceeds from the sale of such note, except any premium and accrued interest shall be paid into the proper fund and used for the purpose for which such note is being issued under the provisions of this ordinance. Any premium and accrued interest received from such sale shall be transferred to the Bond Retirement Fund to be applied to the payment of the principal and interest of such note in the manner provided by law.

Section 6. The municipality hereby covenants that it will restrict the use of the proceeds of the note 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 it will not constitute arbitrage bonds under Section 103(d) of the Internal Revenue Code and the regulations prescribed under that section. The fiscal officer or any other officer, including the Clerk of Council, having responsibility with respect to the issuance of such note is authorized and directed to give an appropriate certificate on behalf of the municipality, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations regarding the amount and use of the proceeds of such note pursuant to said Section 103(d) and regulations thereunder.

Section 7. Such note shall be the full general obligation of this municipality and the full faith, credit and revenue of this municipality are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the bonds anticipated by such note and any excess funds resulting from the issuance of such note shall, to the extent necessary, be used for the retirement of such note at maturity, together with interest thereon, and are hereby pledged for such purpose.

Section 8. That during the years while such note runs there shall be levied on all the taxable property in this municipality, in addition to all other taxes, a direct tax annually not less than that which would have been levied if bonds had been issued without the prior issue of such note. Said tax shall be and is hereby 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 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. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with the interest collected on the same shall be irrevocably pledged for the payment of the principal and interest of such note or bonds in anticipation of which it is issued, when and as the same fall due, provided, however, that in each year to the extent the

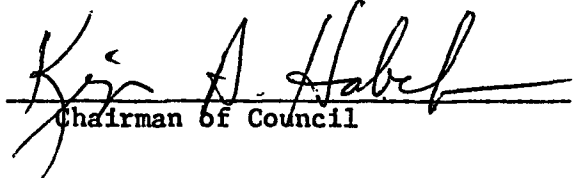
income from the waterworks system is available for the payment of such note and bonds and is appropriated for such purpose, the amount of such tax shall be reduced by the amount of the income so available and appropriated.

Section 9. It is hereby determined that all acts, conditions and things required to be done precedent to and in the issuance of such note, in order to make it a legal, valid and binding obligation of this municipality, have happened, been done and performed in regular and due form as required by law; that no limitation of indebtedness or taxation, either statutory or constitutional, will have been exceeded in the issuance of such note.

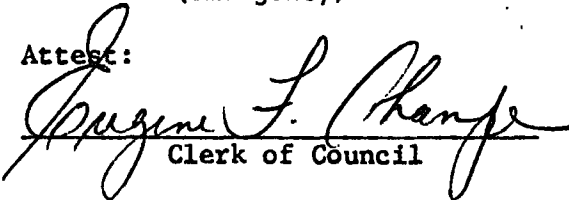
Section 10. The Clerk of this Council is hereby directed to forward a certified copy of this ordinance to the County Auditor.

Section 11. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of this municipality, and for the further reason that the funds to be provided by the second installment authorized herein are immediately required in order to proceed with the second phase of such improvements which must be made for the health and safety of the City and its inhabitants; wherefore, this ordinance shall be in full force and effect from and immediately after its passage.

Passed: October 21, 1974  
(Emergency)

  
Chairman of Council

Attest:

  
Clerk of Council

Posted: October 22, 1974