

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2025 – 031

BY: Mayor Perciak and All Members of Council

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALE OF NOT TO EXCEED \$7,550,000 OF NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS, TO PAY COSTS OF CONSTRUCTING, INSTALLING, RECONSTRUCTING AND REHABILITATING IMPROVEMENTS TO CITY BUILDINGS AND INFRASTRUCTURE FACILITIES, INCLUDING CONSTRUCTING AND INSTALLING ENERGY CONSERVATION MEASURES, AND INCLUDING ALL RELATED IMPROVEMENTS AND NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.**

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 the improvements described in Section 1 is at least five years, the estimated maximum maturity of the Bonds described in Section 1 is at least 20 years, and the maximum maturity of the Notes described in Section 3, to be issued in anticipation of the Bonds, is 240 months from the date of issuance of the Notes authorized in Section 3 hereof.

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

**Section 1.** It is necessary to issue bonds of this City in an aggregate principal amount not to exceed \$7,550,000 (the "Bonds") for the purpose of paying costs of constructing, installing, reconstructing and rehabilitating improvements to City buildings and infrastructure facilities, including constructing and installing energy conservation measures, and including all related improvements and necessary appurtenances thereto (collectively, the "Improvements").

**Section 2.** The Bonds shall be dated approximately April 1, 2026, shall bear interest at the now estimated rate of 6% per year, payable annually until the principal amount is paid, and are estimated to mature in 20 annual principal installments such that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is substantially equal. The first principal installment is estimated to be December 1, 2026.

**Section 3.** It is necessary to issue, and this Council determines that notes in an aggregate principal amount not to exceed \$7,550,000 (the "Notes") shall be issued in anticipation of the issuance of the Bonds and to pay costs of the Improvements. The principal amount of the Notes shall be the amount determined by the Director of Finance to be the amount necessary to pay costs of the Improvements after determining the amount of other funds available to the City and appropriated for the purpose. The Notes shall be dated the date of issuance and shall mature not later than one year from the date of issuance, with such maturity date as determined by the Director of Finance to be in the best interests and financial advantages of the City in the certificate awarding the Notes and signed in accordance with Section 6 hereof (the "Certificate of Award"). The Notes shall bear interest at a rate not to exceed 6% per year (computed on the basis of a 360-day year consisting of 12, 30-day months), payable at maturity and until the principal amount is paid or payment is provided for. The principal amount of and the rate of interest on the Notes shall be determined by the Director of Finance in the Certificate of Award.

**Section 4.** The debt charges on the Notes shall be payable in Federal Reserve funds of the United States of America and shall be payable, without deduction for services of the City's paying agent, at the designated corporate trust office or other office of a bank or trust company designated by the Director of Finance in the Certificate of Award, 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, or at the office of the Director of Finance if agreed to by the Director of Finance and the Original Purchaser (as defined in Section 6) (the "Paying Agent").

**Section 5.** The Notes shall be signed by the Mayor 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 in the Certificate of Award. The entire principal amount may be represented by a single note and may be issued as fully registered security (for which the Director of Finance will serve as note registrar) and in book entry or other uncertificated form in accordance with the Revised Code if it is determined by the Director of Finance that issuance of fully registered securities in that form is necessary and advisable to the issuance and sale of the Notes. 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. As used in this Section and this Ordinance:

"Book entry form" or "book entry system" means a form or system under which (i) the ownership of beneficial interests in the Notes and the principal of, and interest on, the Notes may be transferred only through a book entry, and (ii) a single physical Note certificate is issued by the City and payable only to a Depository or its nominee, with such Notes "immobilized" in the custody of the Depository or its agent for that purpose. The book entry maintained by others than the City is the record that identifies the owners of beneficial interests in the Notes and that principal and interest.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of beneficial interests in the Notes or the principal of, and interest on, the Notes and to effect transfers of the Notes, 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.

The Notes may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized, (i) the Notes may be issued in the form of a single Note made payable to the Depository or its nominee and immobilized in the custody of the Depository or its agent for that purpose; (ii) the beneficial owners in book entry form shall have no right to receive the Notes in the form of physical securities or certificates; (iii) ownership of beneficial interests in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (iv) the Notes 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 City.

If any Depository determines not to continue to act as a Depository for the Notes for use in a book entry system, the Director of Finance may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Director of Finance does not or is unable to do so, the Director of Finance, after making provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Notes from the Depository, and shall cause the Notes in bearer or payable to order form to be signed by the officers authorized to sign the Notes and delivered 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 City action or inaction, of those persons requesting such issuance.

The Director of Finance is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book entry system for the Notes, after determining that the signing thereof will not endanger the funds or securities of the City.

**Section 6.** The Notes shall be sold at not less than par by the Director of Finance at private or competitive sale, as determined to be in the best interest and financial advantages of the City, to the original purchaser as set forth in the Certificate of Award (the "Original Purchaser"), in accordance with law and the provisions of this Ordinance and the Note Purchase Agreement (as defined below). The Director of Finance shall sign the Certificate of Award evidencing that sale to the Original Purchaser, 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 Mayor, the Director of Finance, the Law Director, 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 consummate the transactions 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.

The Mayor and the Director of Finance shall sign and deliver, in the name and on behalf of the City, the Note Purchase Agreement between the City and the Original Purchaser (the "Note Purchase Agreement"), in form and substance consistent with the terms of this Ordinance and in accordance with the best interests and financial advantages of the City, providing for the sale to, and the purchase by, the Original Purchaser of the Notes. The Note Purchase Agreement, as described above, is approved, and such determinations set forth herein shall be conclusively evidenced by the execution of the Note Purchase Agreement by the officers authorized herein.

**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 10-mill limitation provided 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 proceeds from the City's municipal income tax are available for the payment of debt charges on the Notes and are appropriated for the purpose, the amount of the tax shall be reduced by the amount of the income so available and appropriated. The City hereby covenants that it will appropriate annually from municipal income taxes, and shall continue to levy and collect those municipal income taxes, in the amounts required to pay the principal of and interest on the Notes when and as the same shall fall due.

**Section 10.** The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the Code) or (ii) be treated other than as bonds to which Section 103 of the Code applies, and (b) the interest thereon will not be treated as an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Notes to be and remain excluded from gross income for federal income tax purposes (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Notes to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of those proceeds, and, as applicable of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Director of Finance, as the fiscal officer, or any other officer of the City having responsibility for issuance of the Notes is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Notes as the City is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in or available under Section 148 of the Code for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for



the Notes, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Notes, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Notes.

**Section 11.** The legal services of the law firm of McDonald Hopkins LLC be and are hereby retained. Those legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Notes and rendering at delivery a related legal opinion. In providing those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county or municipal corporation or of this City, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services. The Director of Finance is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

**Section 12.** The Clerk of Council is directed to deliver or cause to be delivered a certified copy of this Ordinance and a signed copy of the Certificate of Award to the County Fiscal Officer.

**Section 13.** 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 9) 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 14.** That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council; and that all 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.

**Section 15.** That this Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, property, health, safety and welfare of the City, and for the further reason that it is immediately necessary to issue the Notes authorized herein to provide funds to timely meet the City's obligations with respect to the Improvements which are necessary to preserve and properly maintain City-owned properties, to reduce energy consumption, and to conserve public funds. Therefore, provided this Ordinance receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise from and after the earliest period allowed by law.

  
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President of Council

Date Passed: March 17, 2025

Approved:   
\_\_\_\_\_  
Mayor

Date Approved: March 17, 2025

CITY OF STRONGSVILLE, OHIO  
ORDINANCE NO. 2025 - 031  
Page 6

	<u>Yea</u>	<u>Nay</u>
Carbone	<u>✓</u>	_____
Clark	<u>Absent</u>	_____
Kaminski	<u>✓</u>	_____
Kosek	<u>✓</u>	_____
Roff	<u>Absent</u>	_____
Short	<u>✓</u>	_____
Spring	<u>✓</u>	_____

Attest: *Jimena Piextko*  
Clerk of Council

Ord. No. 2025-031 Amended: \_\_\_\_\_  
1<sup>st</sup> Rdg. 03-17-25 Ref: \_\_\_\_\_  
2<sup>nd</sup> Rdg. Suspended Ref: \_\_\_\_\_  
3<sup>rd</sup> Rdg. Suspended Ref: \_\_\_\_\_  
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\_\_\_\_\_  
Public Hrg. \_\_\_\_\_ Ref: \_\_\_\_\_  
Adopted: 03-17-25 Defeated: \_\_\_\_\_



## FISCAL OFFICER'S CERTIFICATE

To the Council of the City of Strongsville, Ohio:

As fiscal officer of the City of Strongsville, I certify in connection with your proposed issue of notes (the "Notes") in anticipation of the issuance of bonds (the "Bonds") for the purpose of paying costs of constructing, installing, reconstructing and rehabilitating improvements to City buildings and infrastructure facilities, including constructing and installing energy conservation measures, and including all related improvements and necessary appurtenances thereto (the "Improvements"), that:

1. The estimated life or period of usefulness of each class of the Improvements described above 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 at least 20 years. In the event the amount of Bonds proposed to be expended for categories of permanent improvements comprising the Improvements have a useful life and period of usefulness less than 20 years, the maximum maturity of the Bonds would still be at least 20 years for the reason that a sufficient portion of the Bonds is proposed to be expended on categories of permanent improvements with a useful life and period of usefulness in excess of 20 years, including those with a useful life and period of usefulness of 30 years.

3. The maximum maturity of the Notes is 240 months from the date of issuance of the Notes.

Dated: March \_\_\_\_, 2025



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Director of Finance  
City of Strongsville, Ohio