

ORDINANCE NO. 41-2023

AN ORDINANCE AUTHORIZING THE CITY OF SPRINGDALE, OHIO TO ENTER INTO A FIVE-YEAR LEASE-PURCHASE AGREEMENT BY AND BETWEEN HUNTINGTON PUBLIC CAPITAL CORPORATION AND THE CITY OF SPRINGDALE, OHIO IN A PRINCIPAL AMOUNT OF \$190,000.00 TO FINANCE THE PURCHASE OF A WHEEL LOADER FOR THE CITY OF SPRINGDALE AND AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY

WHEREAS, the City of Springdale, Ohio (the “City”) desires to finance the purchase of a wheel loader for the purpose of providing public works services in the City (the “Property”); and

WHEREAS, the financing and leasing of the Property will be in the best interest of the City; and

WHEREAS, Huntington Public Capital Corporation, a division of The Huntington National Bank (“Huntington”) has agreed to purchase and/or finance the Property and to lease the Property to the City; and

WHEREAS, the City has agreed to lease the Property from Huntington; and

WHEREAS, the City hereby finds and determines that the execution of a Lease-Purchase Agreement in a form to be negotiated to the satisfaction of the Mayor and the Clerk of Council/Finance Director (the “Lease”) and in the principal amount not exceeding the amount stated above for the purpose of acquiring the Property to be described in the Lease, is appropriate and necessary to the functions and operations of the City.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Springdale, Ohio, ____ members elected thereto concurring:

SECTION 1. That for the purpose of providing a wheel loader for the City and the services rendered thereby, this Council hereby determines that it shall lease, under the Lease, the Property from Huntington.

SECTION 2. That the City is authorized to lease the Property through Huntington.

SECTION 3. That, for the purpose of providing the Property and payment of costs of issuance related to the Lease, this Council hereby authorizes and directs the Mayor and the Clerk of Council/Finance Director to negotiate, enter into, execute, and deliver, in each case on behalf of the City, the Lease and any exhibits thereto, in a principal amount of \$190,000.00 payable over a period of five years at an effective interest rate of five and thirty-five hundredths percent (5.35%) per annum. The remaining terms of the Lease shall be negotiated in a form approved by the Mayor and the Clerk of Council/Finance Director in a manner not inconsistent with this ordinance, and the execution thereof by such officials, or either of them, shall be deemed conclusive evidence of such approval. This Council hereby further authorizes and directs the Mayor and the Clerk of Council/Finance Director of the City to execute, on behalf of the City, all other related contracts, agreements, and certificates necessary and incidental to the Lease, and any exhibits thereto. Upon execution, the covenants and promises contained in the Lease and ancillary documents made on behalf of the City shall be conclusively binding on the City and in full force and effect from and after such execution.

SECTION 4. That the City’s obligations under the Lease shall be subject to annual appropriation or renewal by this Council as will be set forth in the Lease, and the City’s obligations under the Lease shall not constitute a general obligation of the City or indebtedness under the Constitution or laws of the State.

SECTION 5. That this Council hereby authorizes and directs the Mayor and the Clerk of Council/Finance Director of the City, or either of them, to execute and deliver a

non-arbitrage certificate and such other documents and certificates and to do all the acts and things required of it by the provisions of the Lease to the end that full and complete performance of all of the terms, covenants and provisions of the Lease shall be effected.

SECTION 6. That this Council hereby covenants that it will take such actions in such manner and to such extent, if any, as may be necessary to cause the interest component of rental payments under the Lease to be and remain excludable from gross income for federal income tax purposes. This Council will also submit the appropriate statements or filings to the Internal Revenue Service containing the information required by the Internal Revenue Code, including IRS Form 8038G.

SECTION 7. That, the obligations under the Lease are hereby designated “qualified tax-exempt obligations” for the purpose set forth in Section 265 of the Internal Revenue Code. The City does not anticipate issuing more than \$10,000,000 of qualified tax-exempt obligations during the calendar year 2023.

SECTION 8. The proceeds of the Lease shall be credited to the proper fund or funds as provided in the Lease, and those proceeds are appropriated and shall be used for the purpose for which the Lease is authorized and are hereby appropriated for that purpose.

SECTION 9. There is hereby appropriated, from unappropriated funds currently on deposit in the General Fund of the City, the sum of \$0 to pay the cost of lease payments due or coming due under the Lease for the initial term ending December 31, 2023, and the sum of \$5,350 to pay cost and expenses associated with the Property and the Lease.

SECTION 10. This Council hereby approves the issuance of the obligations for the financing of the Property.

SECTION 11. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were taken 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, Ohio Revised Code, and the rules of this Council adopted in accordance therewith.

SECTION 12. That this Ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II(D)(3)(d) of the Charter, be effective immediately. The reason for the declaration of emergency is the immediate issuance of said lease obligation is required for the orderly and timely financing of the Property referred to herein including obtaining a favorable rate of interest.

Passed this ____ day of October, 2023.

President of Council

Attest: _____
Clerk of Council/Finance Director

Approved:

Mayor

Date

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of Ordinance No. 41-2023.

Clerk of Council/Finance Director