

6:59pm-The Lord's Prayer & Moment of Silence

Shelby City Council Agenda
Monday, June 18, 2018
COUNCIL CHAMBERS
29 MACK AVENUE
Shelby, Ohio
7:00 p.m.

Call to Order and Pledge of Allegiance

Roll Call:

Mr. Roub _____ Mr. Roberts _____ Mr. Gates _____ Mr. Martin _____ Mr. McLaughlin _____

Motion to excuse Derrin Roberts

Moved _____ 2ND _____
Mr. Gates _____ Mr. Martin _____ Mr. McLaughlin _____ Mr. Roub _____

Dispense with Reading of Journal from June 4, 2018

Moved _____ 2ND _____
Mr. Gates _____ Mr. Martin _____ Mr. McLaughlin _____ Mr. Roub _____

Public Comment

Reports from Standing and Special Committees

Finance & Personnel Committee—Garland John Gates

Utilities & Streets Committee—Nathan Martin

Safety Committee—Derrin Roberts

Reports of City Officials

Steven L. Schag—Mayor

Steven T. Lifer—Director of Finance

Gordon M. Eyster—Law Director

Joe Gies—Project Coordinator

New Business

Unfinished Business

Future Use of Present Fire Station

West Main Street Sewer Project

Black Fork Advisory Committee Update—Councilman Martin

Legislation

ORDINANCE NO 9-2018

**VACATING RAILROAD STREET AND A PORTION OF
SANDUSKY STREET WITHIN THE CITY OF SHELBY,
RICHLAND COUNTY, OHIO**

3RD READING

Moved 2ND

Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

PASSAGE OF ORDINANCE

Moved 2ND

Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

AMENDED ORDINANCE NO 10-2018

AMENDING SECTION 1050.02 (RATES AND CHARGES FOR SERVICE) OF CHAPTER 1050 (ELECTRICITY) OF THE CODIFIED ORDINANCES OF THE CITY OF SHELBY, OHIO

3RD READING

Moved 2ND
Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

PASSAGE OF ORDINANCE

Moved 2ND
Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

ORDINANCE NO 11-2018

PROVIDING FOR THE ISSUANCE AND SALE OF \$48,000 OF BONDS TO PROVIDE FUNDS TO PAY COSTS OF FURNISHING, EQUIPPING AND OTHERWISE IMPROVING A NEW FIRE STATION, AND DECLARING AN EMERGENCY

Motion that the rule requiring that an ordinance be read on three separate occasions be suspended

Moved 2ND
Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

PASSAGE OF ORDINANCE

Moved 2ND
Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

ORDINANCE NO 12-2018

AMENDING SECTION 678.15 (b)(2)(I) (CONCEALED HANDGUN LICENSES: POSSESSION OF A REVOKED OR SUSPENDED LICENSE; ADDITIONAL RESTRICTIONS; POSTING OF SIGNS PROHIBITING POSSESSION), OF THE CODIFIED ORDINANCES OF THE CITY OF SHELBY, OHIO

1ST READING

Moved 2ND
Mr. Gates Mr. Martin Mr. McLaughlin Mr. Roub

Miscellaneous Business

Adjournment at _____ p.m.

Moved _____ 2ND _____

Mr. Gates _____ Mr. Martin _____ Mr. McLaughlin _____ Mr. Roub _____

5/11/2018
2nd Reading
4/14/2018

ORDINANCE NO. 9 -2018
(Sponsors: Councilmember Gates)

VACATING RAILROAD STREET AND A PORTION OF SANDUSKY STREET WITHIN THE CITY OF SHELBY, RICHLAND COUNTY, OHIO.

WHEREAS, on the 16th day of April 2018, the Council of the City of Shelby adopted Resolution No. 22-2018 declaring its intent to vacate Railroad Street and a portion of Sandusky Street; and

WHEREAS, notice of adoption of the above resolution has been given to the owners of property abutting said roadways effected by said resolution, notifying said property owners of the time and place at which objections could be presented to the Board of Revision of Assessments (pursuant to Section 105 of the Charter of the City of Shelby); and

WHEREAS, the Board of Revision of Assessments met on May 3, 2018 and voted to approve and recommend the vacation of Railroad Street and a portion of Sandusky Street; said hearing and procedure being in accordance with the provisions of Section 105 of the Charter of the City of Shelby, Ohio; and

WHEREAS, this Council is satisfied that there is good cause for vacating said roadways hereinafter described and that said vacation will not be detrimental to the general interest and public welfare.

WHEREAS, NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SHELBY, OHIO, A MAJORITY ELECTED THERETO CONCURRING:

Section 1: That Railroad Street and a portion of Sandusky Street as set forth in the plat and legal description as prepared by F.E. Krocka and Associates, Inc.- Nathan W. Sautter, Registered Surveyor on March 23, 2018 is hereby vacated.

Section 2: That Angela R. Phillips waived her rights to her half of Railroad Street by letter to the Shelby City Council dated February 22, 2018.

Section 3: That in accordance with Section 105 of the Charter of the City of Shelby, Ohio, the City shall retain any and all easements necessary for the maintenance of utilities currently located within said roadway.

Section 4: That all meetings and hearings concerning the adoption of this Ordinance have been in compliance with Codified Ordinance 220.01, Ohio Revised Code Section 121.22, and the Charter of the City of Shelby, Ohio.

Section 5: That this Ordinance shall be in full force and effect from and after its passage, approval by the Mayor, and the earliest period allowed by law.

PASSED: _____
Steven McLaughlin
Vice President of Council

APPROVED:

ATTEST: _____
Steven Lifer
Clerk of Council
Steven L. Schag
Mayor

Prepared by:


Gordon M. Byster
Director of Law

1st
5/21/2018
2nd Reading
6/4/2018

AMENDED ORDINANCE NO: 10 -2018
(Sponsors: Councilmembers Martin & McLaughlin)

AMENDING SECTION 1050.02 (RATES AND CHARGES FOR SERVICE) OF CHAPTER 1050 (ELECTRICITY) OF THE CODIFIED ORDINANCES OF THE CITY OF SHELBY, OHIO

WHEREAS, it is necessary to modify Section 1050.02 (Rates and Charges for Service) of Chapter 1050 (Electricity) so as to continue to provide municipal electric service to the customers of the Division of Electricity and Telecommunications of the City of Shelby; and

WHEREAS, it is in the interest of the public health, safety, morals, and general welfare of the citizens of the City of Shelby that Section 1050.02 (Rates and Charges for Service) of Chapter 1050 (Electricity) be amended and/or modified.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SHELBY, OHIO, A MAJORITY ELECTED THERETO CONCURRING:

Section 1: That section 1050.02 (Rates and Charges for Service) of Chapter 1050 (Electricity) be amended to read as follows:

§ 1050.02 RATES AND CHARGES FOR SERVICE.

(a) *Service schedules.*

(1) *Schedule A.*

A. *Availability of service.* Available for single phase electric service at 225 amps capacity (120-240 volts), maximum, through one meter to individual customers.

B. *Rates for service.*
Customer charge \$4.33
Distribution charge all kWh \$0.0195

C. *Riders.* Customers under this schedule shall be subject to the applicable Generation Charge, Fuel and Purchased Power and Transmission Cost Rider as specified in this tariff.

D. *Minimum charge.* The minimum charge shall be the customer charge.

E. *Terms of payment.* The net amount billed is due on the fifteenth day of the month.

(2) *Schedule A-D.*

A. *Availability of service.* Available for single phase electric service at 225 amps capacity (120-240 volts), maximum, through one meter to individual customers. In addition, customers under Schedule A-D must meet age, income and other prerequisites as determined by the Director of Public Service, subject to the approval of the City Council. Rates under this schedule for distribution charge and all riders, excluding customer charge and kWh taxes shall be reduced by 10% to eligible customers.

B. *Rates for service.*
Customer charge \$2.94
Distribution charge all kWh \$0.0176

C. *Riders.* Customers under this schedule shall be subject to the applicable Generation Charge, Fuel and Purchased Power and Transmission Cost Rider as specified in this tariff. The charges shall be discounted by 10%.

D. *Minimum charge.* The minimum charge shall be the customer charge.

E. *Terms of payment.* The net amount billed is due on the fifteenth day of the month.

(3) *Schedule B.*

A. *Availability of service.* Available for single phase electric service over 225 amps capacity (120-240 volts), minimum, or three phase electric service at 200 kW capacity, maximum, through one meter to individual customers.

B. *Rates for service.*

Customer charge (single phase)	\$5.57
Customer charge (three phase)	\$7.73
Customer charge (primary)	\$12.99
Distribution charge all kWh	\$0.0121
Demand charge all kWh	\$4.64

C. *Riders.* Customers under this schedule shall be subject to the applicable Generation Charge, Fuel and Purchased Power and Transmission Cost Rider as specified in this tariff.

D. *Minimum charge.* The minimum charge shall be the customer charge plus minimum demand charge.

E. *Demand.* The billing load for the month shall be the highest 15-minute integrated demand as determined by the instruments suitable for the purpose. Where energy is delivered through two meters, the monthly billing demand will be taken as the sum of the two demands separately determined. For purposes of billing, no demand shall be less than 15 kW.

F. *Terms of payment.* The net amount billed is due on the fifteenth day of the month.

G. *Credit for maintenance of primary service.* When the customer furnishes and maintains the complete substation equipment, including any and all transformers and/or switches and/or other apparatus necessary for the customer to take service at the voltage of the primary transmission or distribution line from which the customer is to receive service, a credit shall be applied as follows:

All delivery voltages: \$0.15/kVa

H. *Power factor.* The average power factor shall be determined for each month by comparing the kilowatt hours of power consumed during the month with the reactive power consumed during the month. When the average power factor, as determined by continuous measurement of lagging kVa is less than 90%, the billing demand (kVa) shall be determined by multiplying the maximum demand (kW) shown by the demand meter for the billing period, by the multiplier as indicated in the calculation below:

$$1 + (.9 - \text{pf})$$

where:

pf = customer's power factor

(4) *Schedule C.*

A. *Availability of service.* Available for three-phase electric service over 200 kW capacity through one meter to individual customers. Rates, terms and conditions for service to customers with requirements other than previously stipulated shall be offered only by special contract.

B. *Rates for service*

Customer charge (Three Phase)	\$10.52
Customer charge (primary)	\$20.08
Distribution charge all kWh	\$0.0082
Demand charge all kWh	\$2.47

C. *Riders.* Customers under this schedule shall be subject to the applicable Generation Charge, Fuel and Purchased Power and Transition Cost Rider as specified in this tariff.

D. *Minimum charge.* The minimum charge shall be the customer charge plus minimum demand charge.

E. *Demand.* The billing load for the month shall be the highest 15-minute integrated demand as determined by the instruments suitable for the purpose. Where energy is delivered through two meters, the monthly billing demand will be taken as the sum of the two demands separately determined. For purposes of billing, no demand shall be less than 81 kW.

F. *Terms of payment.* The net amount billed is due on the fifteenth day of the month.

G. *Credit for maintenance of primary service.* When the customer furnishes and maintains the complete substation equipment, including any and all transformers and/or switches and/or other apparatus necessary for the customer to take service at the voltage of the primary transmission or distribution line from which the customer is to receive service, a credit shall be applied as follows:

All delivery voltages: \$0.15/kVa

H. *Power factor.* The average power factor shall be determined for each month by comparing the kilowatt hours of power consumed during the month with the reactive power consumed during the month. When the average power factor, as determined by continuous measurement of lagging kVars, is less than 90%, the billing demand (kVa) shall be determined by multiplying the maximum demand (kW), shown by the demand meter for the billing period, by the multiplier as indicated in the calculation below:

$$1 + (.9 - pf)$$

where:

pf = customers' power factor

(5) *Schedule D.*

A. *Availability of service.* Available for electrical energy used for city-owned and operated facilities.

B. *Rates for service*

Customer charge	\$9.28
Distribution charge all kWh	\$0.0121

C. *Riders.* Customers under this schedule shall be subject to the applicable Generation Charge, Fuel and Purchased Power and Transmission Cost Rider as specified in this tariff.

D. *Unbilled service.* Service shall be provided without charge to the following facilities: Shelby City Hall, Shelby Municipal Court, Police Department, Sutter-Roush Rooms, Municipal Utilities Office, Fire Department, Marvin Memorial Library, Parks Department, Electric Distribution Department, Municipal Light Plant, Municipal Garage, Skiles Field, Girl Scouts' House, Log Cabin and Siegfried Field. Services shall be provided without charge for public street lighting and traffic-control devices.

(6) *Security light service.*

A. *Availability of service.*

1. Available to customers where utility's standard outdoor lighting unit can be installed on utility's existing pole and does not require any extension or addition to utility's existing secondary or primary distribution facilities, including transformer. Any relocation of a lighting unit shall be at customer's expense.
2. Where additional facilities are required, the customer shall pay, in advance, the total installation cost for the additional distribution facilities (poles, wires, transformer and appurtenances) as are required. In all cases, the lighting fixture itself, including lamp, will be installed, owned, operated and maintained by utility.
3. This service is available only where there is reasonable assurance that the service to be furnished will be permanent. Utility reserves the right to refuse to furnish such service when, in utility's opinion, the installation will not be of permanent character.
4. All applications for outdoor security lighting service shall be on a 12-month year-round service basis. Where the premises are occupied by a tenant, utility reserves the right to require the application for service to be made by the property owner with bills to be sent to the premises to the attention of the tenant. However, the property owner shall be responsible for the payment of the bills.

B. *Rates for service.*

40 watt LED	\$5.50
100 watt high pressure sodium	\$5.50
175 watt mercury vapor	\$7.50
400 watt metal halide	\$17.50
1,000 watt metal halide	\$43.00

C. *Additional facilities.* Where a pole is installed in order to provide service under this schedule, the customer shall be charged \$1.00 per month in addition to the rate for service.

(b) *Generation Charges, Fuel and Purchased Power, and Transition Cost Rider.*

The Transition Cost Rider, Generation Charge and Fuel and Purchased Power Charge shall be applied to the A, A-D, B, C and D Schedules. The rate design of the generation charge and fuel and purchased power charge may be changed from time to time as approved by Council.

(1) *Generation charge.* The generation charge shall be \$0.0062 kWh

(2) *Determination of fuel and purchased power charge.* The Fuel and Purchased Power Charge shall be derived every three months by dividing (1) the past 12 months' cost of fuel and purchased power, including the cost associated with transmission-related services (hereinafter referred to as "previous 12 months' cost", by (2) the sum of the past 12 months' net kilowatt hours generated and purchased multiplied by 0.94 (hereinafter referred to as "previous 12 months' net kWh").

$$\frac{\text{Previous 12 months' cost (numerator)}}{\text{Previous 12 months' net kWh} \times 0.94 \text{ (denominator)}} = \frac{\text{Fuel Purchased Power Charge}}{\text{Fuel Purchased Power Charge}}$$

(3) *Determination of Transition Cost Rider.*

A. The Transition Cost Rider shall be calculated and implemented upon the offering of Open Access Service.

B. Transition costs shall be calculated yearly. Transition costs are generally defined as the difference between purchased power costs of those sources where construction costs, market price at the time of contractual obligation, and/or other factors may cause the fixed and/or average cost of that power to be significantly higher than average market prices. The Transition Cost Rider may be adjusted each year based on projected market price, average cost of power from transition cost sources, fixed costs of contracted power supply, implementation costs of the offering of Open Access Service, and sales of the previous year. A reconciliation of over or under recovery of transition costs is taken forward to the next year as a debit or credit to transition costs. Projected transition cost recovery is allocated between demand and energy costs and credited to total demand and energy costs of generation. This credit ensures that there will be no double recovery of transition costs.

(4) *Project development and construction rider.* The rates and charges set forth in the current city electric rate schedule may be increased for the purpose of providing funding for the city's share of the developmental and/or construction costs associated with projects undertaken by the city independently or in conjunction with a third party in furtherance of the city's goal to provide the city's electric utility consumers with the most economic, environmentally sound and reliable source(s) of power.

(c) *Economic Development Incentive Rate*

(1) Applicable to commercial and industrial customers.

(a) To qualify, a new or existing customer shall meet the following criteria:

(1) New commercial customers shall have a monthly demand of at least 20 kW. Existing commercial customers shall add a monthly demand of at least 20 kW.

(2) New industrial customers shall have a monthly demand of at least 200 kW. Existing industrial customers shall add a monthly demand of at least 200 kW.

(3) New commercial customers shall employ at least two (2) full time equivalent Employees*. Existing commercial customers shall employ at least two (2) Additional full time equivalent employees*.

(4) New industrial customers shall employ at least five (5) full time equivalent employees*. Existing industrial customers shall add at least five (5) additional full time equivalent employees*.

*A full-time equivalent employee is defined as a person who works at least thirty-five (35) hours per week.

(5) New or existing customers shall pay a minimum \$2,000 annual income tax contribution to the City of Shelby.

(6) This section shall have a retroactive period from January 1, 2017.

(2) The economic development incentive rate shall not exceed five (5) years in duration. A year is defined as: twelve consecutive months from when the incentive rate was implemented to the utility account.

(3) The five (5) year economic development incentive rate shall be as follows:

Year 1 – Wholesale Quarterly Fuel & Purchase Power cost. Minimum demand charge, generation charge, distribution charge, customer charge, and kWh tax. A discount of \$0.01 per kWh cost will be applied to the rate schedule.

Year 2 – Wholesale Quarterly Fuel & Purchase Power cost. Minimum demand charge, generation charge, distribution charge, customer charge, and kWh tax. A discount of \$0.0075 per kWh cost will be applied to the rate schedule.

Year 3 – Wholesale Quarterly Fuel & Purchase Power cost. Minimum demand charge, generation charge, distribution charge, customer charge, and kWh tax. A discount of \$0.005 per kWh cost will be applied to the rate schedule.

Year 4 – Wholesale Quarterly Fuel & Purchase Power cost. Minimum demand charge, generation charge, distribution charge, customer charge, and kWh tax. A discount of \$0.0025 per kWh cost will be applied to the rate schedule.

Year 5 – Wholesale Quarterly Fuel & Purchase Power cost, minimum demand charge, generation charge, distribution charge, customer charge, and kWh tax.

Year 6 - and forward - current retail rate

(4) The Director of Public Service or his/her designee shall have the right to terminate a customer's economic development incentive rate at any time.

(5) The Director of Public Service or his/her designee shall review each economic development incentive rate customer annually. Each customer shall cooperate fully in said review.

(6) The Director of Public Service or his/her designee shall determine if a new or existing customer will qualify for the economic development incentive rate if the account does not meet all of the criteria, subject to council approval.

(d) *Miscellaneous charges (applicable to all customers).*

(1) *Reconnection charge.* When a customer has previously requested a disconnect and desires to be reconnected at the same address, or if a reconnection is made subsequent to a service disconnection made in violation of provisions of these rules and regulations, a reconnection charge of \$30.00 will be made if the reconnection is made during regular business hours. If the reconnection is requested and made after regular business hours, the charge is \$80.00.

(2) *Late payment charge.* If a bill payment is not received by the utility offices or by the utility's authorized agent on or before the specified payment date (the fifteenth of the month), a one-time, additional amount of 5% of the amount of the bill will become due and payable as part

of the customer's total obligation. If the fifteenth of the month falls on a Sunday or holiday where there is no postal service, the specified payment shall be the next business day from the fifteenth.

(3) *Dishonored check charge.* Whenever a customer pays a bill by check and the check is returned to the utility by the customer's financial institution for lack of sufficient funds in the customer's account, the customer will be assessed a dishonored check charge of \$25.00 for each check returned.

(4) *Meter test charge.* The utility shall test the meter at the request of the customer. The test shall be performed in the presence of the customer if he or she so requests. If the meter is found to be correct, the customer shall pay a fee of \$10.00 for the testing.

(5) *Service fee.* All service rendered to customer's equipment will be billed to the customer for labor and material required on the basis of cost plus 10% at the time of service.

(6) *Application fee.* An application fee of \$5.00 shall be assessed to customers at the time of application for service.

(e) *Kilowatt-hour tax adjustment.* The rates and charges set forth in the current city electric rate schedules shall be increased by an amount equal to the kilowatt-hour tax imposed on the city's electric distribution system under R.C. § 5727.81. The increase shall become effective with the bills that include May 1, 2001, as part of the usage period and shall thereafter be automatically adjusted to reflect any change in the kilowatt-hour tax imposed by R.C. § 5727.81 increase in the current schedule that reflects the following:

- (1) For the first 2,000 kWh delivered, the tax rate shall be \$0.00465 per kWh delivered.
- (2) For the next 2,001 to 15,000 kWh delivered, the tax rate shall be \$0.00419 per kWh.
- (3) For any kWh above 15,000, the tax rate shall be \$0.00363.

Section 2: That all other Sections of Chapter 1050 (Electricity) of the Codified Ordinances of the City of Shelby shall remain in full force and effect.

Section 3: That all meetings and hearings concerning the adoption of this Ordinance have been in compliance with Codified Ordinance 220.01, Ohio Revised Code Section 121.22, and the Charter of the City of Shelby, Ohio.

Section 4: That this Ordinance shall be in full force and effect from and after its passage, approval by the Mayor, and the earliest period allowed by law.

PASSED: _____

Steven D. McLaughlin
Vice President of Council

APPROVED: _____

ATTEST: _____

Steven T. Lifer
Clerk of Council

Steven L. Schag
Mayor

Prepared by:

Gordon M. Eyster
Director of Law

ORDINANCE NO. 11 -2018
(Sponsor – Councilmember Roberts)

PROVIDING FOR THE ISSUANCE AND SALE OF \$48,000 OF BONDS TO PROVIDE FUNDS TO PAY COSTS OF FURNISHING, EQUIPPING AND OTHERWISE IMPROVING A NEW FIRE STATION, AND DECLARING AN EMERGENCY.

WHEREAS, this Council has applied for financial assistance from the United States of America, acting through the Rural Housing Service, United States Department of Agriculture (the Federal Government or Original Purchaser), in order to provide funds to pay a portion of the cost of furnishing, equipping and otherwise improving a new fire station (the Project); and

WHEREAS, the City has received commitments from the Federal Government for a loan in the amount of \$48,000 (the Loan) and a grant in the amount of \$50,000 (the USDA Grant), proceeds of each of which will be applied by the City to the cost of the Project; and

WHEREAS, this Council has determined to issue the Bonds authorized in Section 1 hereof in order to evidence the Loan from the Federal Government for a portion of the cost of the Project on the favorable terms offered by the Federal Government; and

WHEREAS, the Federal Government has previously approved the form of this Ordinance providing for the purchase by it of the Bonds herein authorized; and

WHEREAS, the Director of Finance and Public Record, 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 and the maximum maturity of the Bonds described in Section 1 is ten years; and

WHEREAS, this Council has determined that this ordinance should be declared to be an emergency measure because it is necessary for the immediate preservation of the public peace, property, health and welfare of this City and for the further reason that it is required to be immediately effective to enable the City to take advantage of the favorable terms of the Loan offered by the Federal Government and to timely enter into and meet its obligations under contracts for the Project, which is required to provide a suitable facility for Fire Department operations and thereby to promote public safety;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SHELBY, OHIO, A TWO-THIRDS (2/3) MAJORITY ELECTED THERETO CONCURRING:

Section 1. It is necessary to issue bonds of this City in the aggregate principal amount of \$48,000 (the Bonds) to provide funds to pay a portion of the cost of furnishing, equipping and otherwise improving a new fire station.

Section 2. (a) The Bonds shall be issued in one lot and only as fully registered bonds, in the denominations of \$100 or any whole multiple of \$100 in excess thereof, but in no case as to a particular maturity date exceeding the principal amount maturing on that date; provided that, if the Original Purchaser (as defined in Section 6) shall so request, a single fully registered Bond, in printed or typewritten form, may be issued with multiple maturities of principal in amounts equal to the principal amounts of Bonds stated to mature on the respective dates upon which principal shall be payable. The Bonds shall be dated as of the date of their issuance.

(b) The outstanding principal amount of the Bonds, which shall be equal from time to time to the aggregate installments of purchase price paid by the Federal Government to the City from time to time pursuant to Section 6 hereof less the principal of the Bonds retired as provided in accordance with subsection (c) of this Section, shall bear the rate of interest per year (computed on the basis of a 365-day year), not exceeding 3.50% per year, as shall be determined and specified by the Director of Finance and Public Record in the certificate signed in accordance with Section 6 of this Ordinance (the Certificate of Award). Unless otherwise determined in the Certificate of Award, interest on the Bonds shall be payable annually on June 1 of each year (the Interest Payment Dates), commencing June 1, 2019, until the principal amount has been paid or provided for. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from the date of the Bonds.

(c) Unless otherwise specified by the Director of Finance and Public Record in the Certificate of Award, the Bonds shall mature on June 1 in the following years (the Principal Payment Dates) and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2019	\$3,800	2024	\$4,900
2020	4,300	2025	5,100
2021	4,400	2026	5,200
2022	4,600	2027	5,400
2023	4,700	2028	5,600

; provided that, subject to the limitations set forth in Sections 1 and 3, the principal amount of Bonds maturing on one or more of the Principal Payment Dates may be increased or decreased as specified by the Director of Finance and Public Record in the Certificate of Award, consistently with his determination of the best interest of and financial advantages to the City.

So long as a single fully registered Bond with multiple maturities of principal in amounts equal to the principal amounts of Bonds stated to mature on the respective dates upon which principal shall be payable the Bonds, registered in the name of the Original Purchaser, is held by the Original Purchaser, the principal of that Bond shall be subject to redemption by and at the sole option of the City, in whole or in part, at any time prior to maturity at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date. Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice to the Original Purchaser from the Director of Finance and Public Record, given upon the direction of this Council by passage of an ordinance. That notice shall specify the redemption date and the principal amount of Bonds of each maturity to be redeemed and shall be given at least 30 days prior to the redemption date or such shorter period as shall be acceptable to the Original Purchaser. If less than all of the outstanding principal of that Bond is called for optional redemption at one time, the principal shall be called in inverse order of maturities and in a whole multiple of \$100. In the event that notice of redemption shall have been given to the Original Purchaser as provided above, the City shall pay to the Original Purchaser on or prior to the redemption date, moneys that will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the principal of the Bond or portions thereof to be redeemed. The principal of the Bond and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of Section 4, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, have been provided to the Original Purchaser on or before the redemption date, so as to be available therefor on that date, then from and after the redemption date the Bond or the portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so provided on or before the redemption date, the Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

Section 3. The rate of interest per year to be borne by the Bonds, and the principal amount of Bonds maturing on each Principal Payment Date, shall be such that the total amount of principal and interest payments on the Bonds in any fiscal year in which principal is payable is not more than three times the total amount of those payments in any other such fiscal year.

Section 4. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar. Principal of the Bonds shall be payable when due upon presentation and surrender of the Bonds at the office of the Bond Registrar. Interest on the Bonds shall be payable on each Interest Payment Date by check or draft mailed or otherwise delivered to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register (as defined in Section 5 hereof), at the close of business on the 15th day of the calendar month preceding that Interest Payment Date. Notwithstanding the foregoing, if a single Bond with multiple maturities of principal in amounts equal to the principal amounts of Bonds stated to mature on the respective Principal Payment Dates is issued to represent the entire issue, principal and interest shall be payable upon presentation of the Bond to the Bond Registrar for the proper endorsement of such payments (and surrender upon final payment) or in such other manner as may be agreed upon by the Director of Finance and Public Record, in the name and on behalf of the City and as the Bond Registrar, and the Original Purchaser, including without limitation, so long as the Original Purchaser is the registered owner of the Bond, payment of (i) the principal of the Bonds payable on each Principal Payment Date by wire transfer of immediately available funds to the registered owner, without presentation or surrender thereof, to an account in the United States as the registered owner will direct in writing to the Bond Registrar, provided that in connection with the payment of the final installment of principal of the Bonds, the registered

owner shall present and surrender its Bond at the office of the Bond Registrar, and (ii) interest on payable the Bonds on each Interest Payment Date by wire transfer of immediately available funds to the registered owner to an account in the United States as the registered owner will direct in writing to the Bond Registrar.

Section 5. The Bonds shall be signed by the Mayor and the Director of Finance and Public Record, in the name of the City and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the authorized denominations and numbers as requested by the Original Purchaser and approved by the Director of Finance and Public Record, shall be numbered as determined by the Director of Finance and Public Record in order to distinguish each Bond from any other Bond, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to the Chapter 133 of the Ohio Revised Code and Section 133.03(C) thereof, this Ordinance and the Certificate of Award.

The Director of Finance and Public Record is hereby appointed to act as the paying agent, bond registrar, authenticating agent and transfer agent (herein referred to collectively as the "Bond Registrar") for the Bonds.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by Director of Finance and Public Record, as Bond Registrar.

So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep the Bond Register at the office of the Bond Registrar. The person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the office of the Bond Registrar together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of Bonds exchanged or transferred, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer.

Section 6. The Director of Finance and Public Record is authorized to sell the Bonds at private sale to the United States of America, acting through the Rural Housing Service, United States Department of Agriculture (the Original Purchaser) at a purchase price, not less than 100% of the aggregate principal amount thereof on terms provided for herein as shall be determined by the Director of Finance and Public Record in the Certificate of Award, plus accrued interest on the Bonds from their date to the Closing Date, and shall be awarded by the Director of Finance and Public Record, in accordance with law, the provisions of this Ordinance and his determination of the best interests of

and financial advantages to the City and its taxpayers, with and upon such other terms as are required or authorized by this Ordinance to be specified in the Certificate of Award.

The Director of Finance and Public Record shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared, signed, authenticated and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser. The Original Purchaser shall pay the purchase price of the Bonds in one or more installments, such installments to be noted by the Original Purchaser on a schedule attached to the Bonds.

The Mayor, the Director of Finance and Public Record, the Director of Law, the Clerk of Council and other City officials, as appropriate, each are 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.

Section 7. The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into a separate fund of the City, which fund is hereby established pursuant to Section 5705.10 of the Revised Code, and those proceeds are hereby appropriated and shall be used for the purpose for which the Bonds are being issued, including payment of financing costs incurred in connection with the issuance of the Bonds. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund to be applied to the payment of the principal of and interest on the Bonds in the manner provided by law.

Section 8. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be 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 Bonds to be and to remain excluded from gross income for federal income tax purposes, and (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 Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (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 Bonds are hereby designated as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code. In that connection, the City hereby represents and covenants that it, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which the City issues obligations, in or during the calendar year in which the Bonds are issued, (i) has not issued and will not issue tax exempt obligations designated as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code, including the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) has not issued, does not reasonably anticipate issuing, and will not issue tax exempt obligations (including the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the City first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as "qualified tax exempt obligations". Further, the City represents and covenants that, during any time or in any manner as might affect the status of the Bonds as "qualified tax exempt obligations", it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The City further represents that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax exempt obligations of different issuers.

The Director of Finance and Public Record, as the fiscal officer, or any other officer of the City having responsibility for issuance of the Bonds 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 Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections provided for or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds 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 or 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 Bonds, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on the Bonds or the tax status of the Bonds.

Section 9. There shall be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed 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 Bonds when and as the same fall due.

Section 10. This City Council hereby finds, determines, declares, ratifies and confirms its acceptance of the Loan and the USDA Grant and ratifies and confirms all actions of City officials and others relating to the application for and acceptance thereof, including all actions of any and all City officials relating thereto.

Section 11. The Clerk of Council is directed to promptly deliver a certified copy of this ordinance and a copy of the Certificate of Award to the County Auditor of Richland County, Ohio.

Section 12. This City Council determines that all acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the City of Shelby have been performed and have been met, or will at the time of delivery of the Bonds 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 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 13. The legal services of the law firm of Squire Patton Boggs (US) LLP 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 Bonds and rendering at delivery a related legal opinion, all as set forth in the form of engagement letter dated as of June 18, 2018, now on file in the office of the Director of Finance and Public Record. 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 Mayor is authorized and directed to sign and deliver the engagement letter, and the Director of Finance and Public Record 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 14. This Council finds and determines that all formal actions of this Council and of any committees concerning and relating to the passage of this ordinance were taken, and that all

deliberations of this Council and of any committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 15. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health and welfare of this City and for the further reason that this ordinance is required to be immediately effective to enable the City to take advantage of the favorable terms of the Loan offered by the Federal Government and to timely enter into and meet its obligations under contracts for the Project, which is required to provide a suitable facility for Fire Department operations and thereby to promote public safety; wherefore, this ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

PASSED: _____, 2018

Steven D. McLaughlin
Vice President of Council

APPROVED:

ATTEST: _____
Steven T. Lifer
Clerk of Council

Steven L. Schag
Mayor

Prepared by:

Gordon M. Eyster
Director of Law

FISCAL OFFICER'S CERTIFICATE

To the Council of the City of Shelby, Ohio:

As fiscal officer of the City of Shelby, I certify in connection with your proposed issue of not to exceed \$48,000 of bonds (the Bonds) to be issued to provide funds to pay costs of furnishing, equipping and otherwise improving a City fire station and its site (the improvements), that:

1. The estimated life or period of usefulness of each class of the improvements is at least five years.

2. The maximum maturity of the Bonds, calculated in accordance with Section 133.20 of the Revised Code, is ten years.

Dated: June 15, 2018

Director of Finance and Public Record
City of Shelby, Ohio

ORDINANCE NO. 12-2018
(Sponsor: Councilmember McLaughlin)

AMENDING SECTION 678.15 (b)(2)(I) (CONCEALED HANDGUN LICENSES: POSSESSION OF A REVOKED OR SUSPENDED LICENSE; ADDITIONAL RESTRICTIONS; POSTING OF SIGNS PROHIBITING POSSESSION), OF THE CODIFIED ORDINANCES OF THE CITY OF SHELBY, OHIO.

WHEREAS, the 131st Ohio General Assembly, passed Senate Bill 199, signed by the Governor, in December 2016, with an effective date of March 21, 2017, which allows local governments to enact an ordinance that permits a licensee to carry a concealed handgun into buildings within their governing authority; and

WHEREAS, ORC §2923.126 (B)(7) provides, "Any building that is a government facility of this state or a political subdivision of this state and that is not a building that is used primarily as a shelter, restroom, parking facility for motor vehicles, or rest facility and is not a courthouse or other building or structure in which a courtroom is located that is subject to division (B)(3) of this section, unless the governing body with authority over the building has enacted a statute, ordinance, or policy that permits a licensee to carry a concealed handgun into the building"; and

WHEREAS, Shelby Ordinance 678.15 (b)(2)(I) provides, "Any building that is a government facility of this state or a political subdivision of this state and that is not a building that is used primarily as a shelter, restroom, parking facility for motor vehicles, or rest facility and is not a courthouse or other building or structure in which a courtroom is located that is subject to division (B)(3) of this section"; and

WHEREAS, it is in the interest of the public health, safety, morals, and general welfare of the citizens of the City of Shelby that section 678.15 (Concealed Handgun Licenses) of Chapter 678 (Weapons and Explosives) be amended and/or modified.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL FOR THE CITY OF SHELBY, OHIO, A MAJORITY ELECTED THERETO CONCURRING:

Section 1: That Section 678.15 (b)(2)(I) of the Codified Ordinances of the City of Shelby be and is hereby amended as follows:

"Any building that is a government facility of this state or a political subdivision of this state and that is not a building that is used primarily as a shelter, restroom, parking facility for motor vehicles, or rest facility and is not a courthouse or other building or structure in which a courtroom is located that is subject to division (B)(3) of this section, unless the governing body with authority over the building has enacted a statute, ordinance, or policy that permits a licensee to carry a concealed handgun into the building".

Section 2: That all other sections of Chapter 678 (Weapons and Explosives) of the Codified Ordinances of the City of Shelby shall remain in full force and effect.

Section 3: That all meetings and hearings concerning the adoption of this Ordinance have been in compliance with Codified Ordinance 220.01, Ohio Revised Code Section 121.22, and the Charter of the City of Shelby, Ohio.

Section 4: That this Ordinance shall be in full force and effect from and after its passage, approval by the Mayor, and the earliest period allowed by law.

PASSED: _____

Steven D. McLaughlin
Vice President of Council

APPROVED:

ATTEST: _____

Steven T. Lifer
Director of Finance

Steven L. Schag
Mayor