

AMENDING Ordinance No. 0202-2022 to allow the City to provide for the defeasance of a portion of the City's outstanding general obligation bonds.

WHEREAS, on June 23, 2022, Council approved Ordinance No. 0202-2022, which provided for the issuance, sale and delivery of bonds in the principal amount of \$200,000,000 for the purpose of refunding all or a portion of certain outstanding general obligation bonds of the City; and

WHEREAS, the Director of Finance has recommended that the City have the ability to utilize cash defeasance as an option to pay the principal and/or interest of the authorized bonds in order to provide interest cost savings to provide flexibility for managing the City's debt obligations; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Sections 1, 2, 4, and 10 of Ordinance 0202-2022, approved by Council on June 23, 2022, are hereby amended as follows:

SECTION 1. That it is necessary to issue bonds of the City of Cincinnati, Ohio (the "City") in the principal amount of not to exceed \$200,000,000 for the purpose of refunding all or a portion of the Prior Bonds (such portion is referred to herein as the "Refunded Prior Bonds"), which were originally issued to pay the cost and expense of various improvements throughout the City, and refund previously outstanding bonds of the City, ~~and~~ and pay legal, advertising, printing and all expenses incidental to said improvements.

SECTION 2. That bonds of the City of Cincinnati, Ohio be issued in the principal amount of not to exceed \$200,000,000 for the purpose aforesaid. The bonds shall be designated "City of Cincinnati, Ohio Unlimited Tax Various Purpose General Obligation Refunding Bonds" (the "Series 2022B Bonds") or as otherwise determined by the Director of Finance including the issuance of tax-exempt and/or taxable series of bonds as further provided in and set forth in the fiscal officer's certificate (the "Fiscal Officer's Certificate"). The final principal amount of the Series 2022B Bonds shall be established by the Director of Finance, provided that the Director of Finance has received written certification from Davenport & Company LLC, (the "Financial Advisor") that the Refunding Savings Threshold (as defined below) has been met. "Refunding Savings Threshold" means, as a result of the refunding of the Refunded Prior Bonds with proceeds of the Series 2022B Bonds, an aggregate reduction in the debt service with respect to such Refunded Prior Bonds which has a present value at the time of sale of the Series 2022B Bonds equal to at least three percent (3.00%) of the refunded par amount of the Refunded Prior Bonds. Said Series 2022B Bonds shall be dated the date of delivery, be in the denomination of \$5,000 each, or any integral multiple thereof, designated as provided in the Fiscal Officer's Certificate, and numbered sequentially, and shall bear interest at the rate or rates not in excess of

six per centum (6.00%) per annum, payable December 1, 2023, and semiannually thereafter on June 1 and December 1 of each year until the principal sum is paid, all as determined by the Director of Finance and set forth in the Fiscal Officer's Certificate to be executed by the Director of Finance. Provided, however, that if said Series 2022B Bonds are sold bearing a different rate or rates of interest from that hereinbefore specified, said Series 2022B Bonds shall bear such rate or rates of interest as may be accepted by the Director of Finance. Said Series 2022B Bonds shall mature or be subject to mandatory sinking fund redemption on December 1 or such other date of each year, at such times and in such amounts, all as determined by the Director of Finance, within the limitations set forth in Chapter 133 of the Ohio Revised Code, without further action by this Council of the City of Cincinnati, State of Ohio (the "Council"). The Director of Finance will determine whether the Series 2022B Bonds are callable (and associated call features) or non-callable at the time of financing, with such determination to be set forth in the Fiscal Officer's Certificate to be executed by the Director of Finance.

Notice of the call for redemption of said Series 2022B Bonds, specifying the numbers of the Series 2022B Bonds to be redeemed, shall be sent by the Bond Registrar and Paying Agent (as defined below) by registered or certified mail to the registered holders thereof, not less than thirty (30) days nor more than sixty (60) days prior to the date of redemption, upon which date all interest upon said Series 2022B Bonds or portions thereof so called shall cease except those as to which default shall be made, upon presentation, in the payment of the redemption price. Prior to any notice of call for redemption, funds for such redemption shall be on deposit with the Bond Registrar and Paying Agent and the City shall direct the Bond Registrar and Paying Agent in writing to make any notice of call for redemption.

This Council hereby finds and determines that it is necessary to provide for and authorizes the defeasance of certain Outstanding General Obligation Bonds by the deposit of cash and/or Escrow Securities into an escrow fund pursuant to an escrow trust agreement, between the City and U.S. Bank, National Association, (herein as Escrow Trustee) to be applied to the refunding of such Outstanding General Obligation Bonds, including all appurtenant interest payments and all applicable redemption premiums, as the same shall become due on the such bonds on the interest payment dates, maturity dates or earlier redemption dates thereof as further provided in such escrow trust agreement.

This Council hereby determines that the defeasance of certain Outstanding General Obligation Bonds of the City will be for a proper public and municipal purpose and in the best interests of the City.

SECTION 4. That for the purpose of providing the necessary funds to pay the interest on the foregoing issue of Series 2022B Bonds promptly when and as the same falls due, and also to provide for the discharge of said Series 2022B Bonds at maturity and for the payment of mandatory sinking fund redemptions, there shall be and is hereby levied on all the taxable property in the City of Cincinnati, in addition to all other taxes, a direct tax annually during the period said Series 2022B Bonds are outstanding, outside of the limitations imposed by Article XII, Section 2, of the Constitution of Ohio and Section 5705.02 of the Ohio Revised Code, and by virtue of Section 4 of Article VIII of the Charter, in an amount sufficient to provide for the payment of said interest, when and as the same shall fall due, and also to discharge the principal of said Series 2022B Bonds at maturity and to pay mandatory sinking fund redemptions, which

tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Constitution of Ohio.

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 principal of and interest on said Series 2022B Bonds when and as the same fall due; provided, however, that to the extent that funds from other sources are available and considered appropriated for such purpose, such tax need not be levied.

With respect to certain of the Series 2022B Bonds, in addition to the tax pledge contained above, this Council, for the City, covenants to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect such municipal income taxes in, amounts necessary to meet debt service charges on the Series 2022B Bonds.

With respect to a portion of the Series 2022B Bonds, the City may covenant to annually appropriate Revenues, as defined and provided in the various ordinances identified below, as all such taxes and revenues, other than ad valorem property taxes, in amounts necessary to meet debt service charges on the Series 2022B Bonds.

SECTION 10. That with respect to the funding of any escrow or escrows necessary or appropriate in connection with the refunding of the Refunded Prior Bonds with the proceeds of the Series 2022B Bonds, or any cash defeasance by the City, the Director of Finance is hereby authorized to take any and all appropriate action for the acquisition, at the appropriate time, of U.S. government obligations for the credit of such escrow or escrows and if necessary, to execute an escrow agreement with the Bond Registrar and Paying Agent for the refunding and/or defeasance of the Refunded Prior Bonds. Such U.S. government obligations may be in the form or forms recommended in writing by the Financial Advisor to the City and approved by Dinsmore & Shohl LLP, or other nationally recognized bond counsel. The Financial Advisor is hereby specifically authorized to act as the bidding agent or to procure on behalf of the City a bidding agent, to purchase escrow securities such as open market treasuries and similar defeasance obligations for the credit of the escrow fund(s) as provided in any escrow agreement, as may be necessary, in order to fund, in part, any escrow or escrows in connection with refunding any Refunded Prior Bonds. Any attorney with Dinsmore & Shohl LLP, or other nationally recognized bond counsel, is hereby specifically authorized to execute and file on behalf of the City any subscriptions for United States Treasury Obligations, State and Local Government Series, as may be necessary, in order to fund, in part, any escrow or escrows in connection with refunding any Refunded Prior Bonds. In addition, the Fiscal Officer is hereby authorized to employ a verification agent with respect to the refunding and/or defeasance of any Outstanding General Obligation Bonds.

In addition, with respect to the defeasance of certain Outstanding General Obligation Bonds of the City by depositing cash and/or Escrow Securities into an escrow fund, such defeasance of certain Outstanding General Obligation Bonds will enable the City, in the

judgment of the Fiscal Officer, based on the written advice of the Financial Advisor, to obtain net present value debt service savings with respect to such defeasance.

Section 2. That all terms of Ordinance 0202-2022 not amended in this ordinance remain in full force and effect.

Section 3. That 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 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 of the Ohio Revised Code.

Section 4. That the Director of Finance is hereby authorized and directed to certify a copy of this ordinance to the County Auditor of Hamilton County, Ohio, according to law.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2022

Aftab Pureval, Mayor

Attest: _____
Clerk

New ordinance language underscored. Deleted ordinance language indicated by strikethrough.