



City Council
City of Mount Vernon
Mount Vernon, OH 43050

Scheduled

ORDINANCE 2026-4

Meeting 2/23/2026 7:30 PM

Finance & Budget

Mahan, Sevens

Category: Ordinance

Prepared By: Zac Sherman, Clerk of
Council

Doc ID: 2026-71

AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF NOT TO EXCEED \$29,000,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF CONSTRUCTING A POLICE STATION AND RELATED FACILITIES; FURNISHING AND EQUIPPING THE SAME; IMPROVING THE SITES THEREOF; AND ACQUIRING REAL PROPERTY AND INTERESTS THEREIN AS MAY BE NECESSARY IN CONNECTION THEREWITH; AND AUTHORIZING AND APPROVING RELATED MATTERS; AND DECLARING AN EMERGENCY.

WHEREAS, the Auditor (the “Auditor”) of the City of Mount Vernon, Ohio (the “City”) has certified to this Council of the City (the “Council”) that the estimated life of the improvements stated in the title of this Ordinance (the “Project”) that are to be financed with the proceeds of the bonds and notes herein described exceeds five years, with the maximum maturity of said bonds being 27 years and the maximum maturity of said notes being 20 years; and

WHEREAS, it appears advisable in lieu of issuing bonds at this time to issue notes in anticipation of the issuance of all or a portion of such bonds; and

WHEREAS, it is now deemed necessary to issue and sell not to exceed \$29,000,000 of such notes for the Project under authority of the general laws of the State of Ohio, including Ohio Revised Code Chapter 133, and in particular Section 133.05 thereof, for the purpose described in the title of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Mount Vernon, Ohio that:

SECTION 1: It is declared necessary to issue bonds (the “Bonds”) of the City in the principal sum of not to exceed \$29,000,000 for the purpose of paying the costs of the Project in the principal sum of not to exceed \$29,000,000 or such lesser amount as shall be determined by the Auditor and certified to this Council.

SECTION 2: The Bonds shall be dated prior to the maturity date of the Notes (as defined hereinbelow), shall bear interest at the maximum average annual interest rate presently estimated to be 6.50% or less per annum, payable semiannually until the principal sum is paid or provision has been duly made therefor, and shall mature in no more than 27 annual installments. Debt service payments on the Bonds in years in which principal of the Bonds is payable shall be as provided by law.

SECTION 3: It is necessary to issue, and this Council hereby determines that there shall be issued, notes (the “Notes”) in anticipation of the issuance of the Bonds, which Notes

shall be designated as “City of Mount Vernon, Ohio Police Facility Notes, Series 2026,” or as otherwise designated by the Auditor. The Notes may be issued in one or more series.

SECTION 4: The Notes shall be in the amount of not to exceed \$29,000,000, or such lesser amount as shall be determined by the Auditor and certified to this Council, which sum does not exceed the amount of the Bonds. The Auditor is authorized and directed to execute a Certificate of Fiscal Officer Relating to Terms of Notes (the “Certificate of Fiscal Officer”) setting forth the final terms of the Notes, consistent with the requirements of this Ordinance, as shall be determined by the Auditor.

The Notes shall be in such series and shall mature not later than one year following their issuance on such date or dates as shall be determined by the Auditor and certified to this Council in the Certificate of Fiscal Officer. The Certificate of Fiscal Officer shall indicate the dated date for the Notes, the purchase price for the Notes (which shall be not less than 97% of the aggregate principal amount thereof), the interest rates for the Notes (provided that the true interest cost for all Notes in the aggregate shall not exceed 6.00% per annum), and such other terms not inconsistent with this Ordinance as the Auditor shall deem appropriate. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months and payable at maturity, unless otherwise determined in the Certificate of Fiscal Officer. The Notes shall be issued as fully registered notes and may be issued in book-entry form, as set forth herein. The Notes shall be issued in minimum denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof unless otherwise determined by the Auditor, and the Notes shall be numbered as determined by the Auditor. Coupons shall not be attached to the Notes. The Notes shall be sold in a transaction exempt from the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission.

SECTION 5: The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Ordinance. The Notes shall be executed by the Mayor of the City (the “Mayor”) and by the Auditor in their official capacities, provided that either or both of their signatures may be a facsimile. The Notes shall be payable as to both principal and interest at the designated office of the Note Registrar (as defined hereinbelow). No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Auditor on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

SECTION 6: The Notes shall be the full general obligation of the City, and the full faith, credit and revenue of the City are hereby pledged for the prompt payment of the same. The par value to be received from the sale of the Bonds and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity, together with interest thereon, and are hereby pledged for such purpose.

SECTION 7: There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and inside the ten mill limitation, a direct tax (the “Debt

Service Levy”) for each year during which any of the Notes are outstanding, in an amount not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Notes as and when the same falls due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

SECTION 8: The Debt Service Levy 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 such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the premium, if any, and interest on and principal of the Notes and Bonds when and as the same falls due. Notwithstanding the foregoing, if the City determines that funds will be available from other sources for the payment of the Notes and the Bonds in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the City shall appropriate such funds to the payment of the Notes and the Bonds in accordance with law.

SECTION 9: The City hereby covenants, pursuant to Ohio Revised Code Section 133.05(B)(7), to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect municipal income taxes adequate to produce, amounts necessary to meet the debt charges on the Notes and the Bonds in each year until full payment is made.

SECTION 10: The Notes shall be sold to such purchaser or purchasers (collectively, the “Original Purchaser”) as the Auditor shall designate in the Certificate of Fiscal Officer at the purchase price set forth in the Certificate of Fiscal Officer, plus interest accrued, if any, to the date of delivery of the Notes to the Original Purchaser. The Auditor and the Mayor, or either of them individually, are authorized to execute on behalf of the Council a note purchase agreement or term sheet with the Original Purchaser, setting forth the conditions under which the Notes are to be sold and delivered, which agreement or term sheet shall be in such form, not inconsistent with the terms of this Ordinance, as the Auditor shall determine. The Auditor is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery.

The proceeds from the sale of the Notes, except any premium and accrued interest thereon, shall be used for the purpose aforesaid and for no other purpose. Any accrued interest received from the sale of the Notes shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Notes, or other obligations of the City, as permitted by law. Any premium received from the sale of the Notes may be used to pay the financing costs of the Notes within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund.

SECTION 11: The Auditor is authorized and directed to serve as authenticating agent, note registrar, transfer agent, and paying agent (collectively, the “Note Registrar”) for the Notes or to execute on behalf of the City a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Auditor and the Original Purchaser,

pursuant to which such bank or financial institution shall agree to serve as the Note Registrar for the Notes. Interest shall be payable at maturity by wire, check or draft mailed to the Registered Owner hereof, as shown on the registration books of the City maintained by the Note Registrar. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Auditor in such officer's discretion shall determine that it would be in the best interest of the City for such functions to be performed by another party, or the Auditor determines it necessary and appropriate to appoint a co-Note Registrar in addition to the Note Registrar, the Auditor may, and is authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar (or co-Note Registrar) shall promptly advise all noteholders of its identity and address. So long as any of the Notes remain outstanding, the City shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this Section (the "Note Register"). Subject to the provisions hereof, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the City nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Note, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

A Note may be transferred only on the Note Register upon presentation and surrender thereof at the office of the Note Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar. Upon that transfer, the Note Registrar shall complete, authenticate and deliver a new Note or Notes of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

In all cases in which Notes are exchanged or transferred hereunder, the City shall cause to be executed and the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of this Ordinance. The exchange or transfer shall be without charge to the owner; except that the City and the Note 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 Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Notes surrendered upon that transfer or exchange.

SECTION 12: For purposes of this Ordinance, the following terms shall have the

following meanings:

“Book-entry form” or “book-entry system” means a form or system under which (i) the beneficial right to payment of principal of and interest on the Notes may be transferred only through a book entry and (ii) physical Notes in fully registered form are issued only to a Depository or its nominee as registered owner, with the Notes “immobilized” to the custody of the Depository, and the book entry is the record that identifies the owners of beneficial interests in those Notes.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book-entry system to record beneficial ownership of securities and to effect transfers of securities in book-entry form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

All or any portion of the Notes may be initially issued to a Depository for use in a book-entry system, and the provisions of this Section shall apply, notwithstanding any other provision of this Ordinance: (i) there shall be a single Note of each maturity; (ii) those Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners in book-entry form shall have no right to receive Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Notes in book-entry form shall be shown by book entry on the system maintained and operated by the Depository, and transfers of the ownership of beneficial interests shall be made only by the Depository and by book entry; and (v) 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. Debt service charges on Notes in book-entry form registered in the name of a Depository or its nominee shall be payable in same day funds delivered to the Depository or its authorized representative (i) in the case of interest on each interest payment date if any interest is due and payable prior to the maturity of the Notes, and (ii) in all other cases, upon presentation and surrender of Notes as provided in this Ordinance.

The Note Registrar may, with the approval of the City, enter into an agreement with the beneficial owner or registered owner of any Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided above in this Ordinance, without prior presentation or surrender of the Note, upon any conditions which shall be satisfactory to the Note Registrar and the City. That payment in any event shall be made to the person who is the registered owner of that Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Note Registrar shall furnish a copy of each of those agreements, certified to be correct by the Note Registrar, to other paying agents for Notes and to the City. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Ordinance.

If requested, the Auditor, the Mayor, or any other officer of the City is authorized to execute, acknowledge and deliver, in the name of and on behalf of the City, an agreement among the City, the Note Registrar and a Depository to be delivered in connection with the

issuance of the Notes to such Depository for use in a book-entry system.

The City may decide to discontinue use of the book-entry system through the Depository. In that event, physical Note certificates will be printed and delivered to the Depository.

If any Depository determines not to continue to act as the Depository for the Notes for use in a book-entry system, the City and the Note Registrar may attempt to establish a securities depository/book-entry relationship with another qualified Depository under this Ordinance. If the City and the Note Registrar do not or are unable to do so, the City and the Note Registrar, after the Note Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Notes from the Depository and authenticate and deliver note certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing and delivering definitive Notes), if the event is not the result of action or inaction by the City or the Note Registrar, of those persons requesting such issuance.

SECTION 13: The Auditor may determine to issue all or any series or portion of the Notes as obligations that the interest thereon is excluded from the noteholders' gross income for federal income tax purposes, and the following provisions of this Section shall apply to such Notes (or series or portions thereof):

The City covenants that it will comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes so that the Notes will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it will restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Notes are issued, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Auditor, the Mayor, or any other officer of the City, is authorized and directed (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 permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Auditor, which action shall be in writing and signed by the Auditor, the Mayor, or any other officer of the City, on behalf of the City; (b) to take any and all actions, make or obtain calculations, 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 an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants

of the City regarding compliance by the City with Sections 141 through 150 of the Code and the Regulations.

The Auditor shall keep and maintain adequate records pertaining to the use and investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Notes that relates to the use of such proceeds, which limits the amount of Note proceeds that may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Auditor is authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

SECTION 14: The Auditor is authorized to obtain or update a rating or ratings on the Notes and the City if the Auditor determines that it is necessary or advisable in connection with the original issuance of the Notes. If the Auditor so determines, then the Auditor, the Mayor, or any other officer of the City are authorized and directed to take all steps necessary to obtain such rating or ratings, including paying the rating fees imposed by any rating agency and paying any travel expenses relating to obtaining such rating or ratings.

SECTION 15: **Ohio Market Access Program.** To the extent that the Auditor determines that it would be in the best interest of the City in conjunction with issuing the Notes to elect to utilize the Ohio Market Access Program (the "Program") that is administered by the Treasurer of State of the State of Ohio (the "Treasurer of State"), the Auditor and the Mayor, or either of them individually, are authorized to sign and deliver, in the name and on behalf of the City, a Standby Note Purchase Agreement (the "Standby Note Purchase Agreement") and a Paying Agent Agreement (referred to herein as the "Paying Agent Agreement" or the "Note Registrar Agreement"). The Standby Note Purchase Agreement is hereby authorized in the form presented to this Council with such changes not materially adverse to the City as may be approved by the officers of the City executing that Standby Note Purchase Agreement. The City acknowledges the agreement of the Treasurer of State in the Standby Note Purchase Agreement that, in the event the City is unable to repay the principal amount and accrued and unpaid interest of the Notes at their maturity, whether through its own funds or through the issuance of other obligations of the City, the Treasurer of State agrees (a) to purchase the Notes from the holders or beneficial owners thereof upon their presentation to the Treasurer of State for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of the City in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at a rate of the lower of the maximum interest rate provided by law or the one-year MMD (Municipal Market Data) Index for "AAA"-rated obligations plus 400 basis points, or the highest rate as may then be permitted by law, whichever is lower (the "Renewal Note Rate") (or such other rate methodology in effect as part of the Program), maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer of State's purchase of such renewal notes the City shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding general obligations of the City, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes within the ten-mill limitation imposed by law on all property subject to ad valorem taxes levied by the City, and (ii) interest on the renewal notes is excluded from gross

income for federal income tax purposes under Section 103 of the Code to the same extent that interest on the Notes is so excluded.

The Auditor and the Mayor are authorized to take all actions that may in their judgment reasonably be necessary to provide for the Standby Note Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Notes providing notice to the holders or beneficial owners of the existence of the Standby Note Purchase Agreement and providing instructions to such holders or beneficial owners regarding the presentation of the Note for purchase by the Treasurer of State at stated maturity.

SECTION 16: The Auditor and the Treasurer of the City (the "Treasurer") are authorized to make the deposits and fund transfers required, necessary, or advisable to accomplish the intent of this Ordinance.

SECTION 17: The Council hereby approves of the appointments of the law firm of Bricker Graydon Wyatt LLP to serve as Bond Counsel and Bradley Payne, LLC to serve as a municipal advisor to the City with respect to the issuance of the Notes. The respective fees to be paid to such firms shall be subject to review and approval by the Auditor and shall not exceed the fees customarily charged for such services.

SECTION 18: The Clerk of Council, the Auditor, the Director of Law, and any other officers of the Council or the City, or any of them individually, are authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to (i) a general certificate of the Clerk of Council and the Director of Law and (ii) a no-litigation certificate of the Mayor, the Auditor, and the Director of Law, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein. Except for the procedure for authenticating the Notes set forth herein, documents (including this Ordinance) executed, scanned and transmitted electronically and electronic and digital signatures shall be deemed original signatures for said transcript of the Notes, for the purposes of this Ordinance, and for all matters related thereto, with any such scanned, electronic, and digital signatures having the same legal effect as original signatures.

The Auditor, the Mayor, and any other officer of the City are authorized and directed to take such action (including, but not limited to, hiring such professionals and consultants as may be needed to facilitate the issuance of the Notes) and to execute and deliver, on behalf of this Council and the City, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this Ordinance, as they in their discretion shall deem necessary or appropriate.

SECTION 19: It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the full faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at

maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

SECTION 20: It is hereby found and determined that all formal actions of the Council concerning and relating to the passage of this Ordinance were taken in an open meeting of the Council, and that all deliberations of the 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 Ohio Revised Code Section 121.22.

SECTION 21: The Clerk of Council is directed to forward a certified copy of this Ordinance to the County Auditor of Knox County, Ohio.

SECTION 22: This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, welfare and safety, and for the further reason that this Ordinance is required to be immediately effective in order to issue and sell the Notes, which is necessary to enable the City to facilitate the timely execution of one or more contracts relating to the Project and to take advantage of currently prevailing interest rates. Therefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor, provided that it receives the affirmative vote of two-thirds of the members elected to the Council; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

Bruce E. Hawkins, Presidents of Council

PASSED: _____, 2026

ATTEST: _____
Zachary Sherman, Clerk of Council

APPROVED: _____, 2026

Matthew T. Starr, Mayor