

ORDINANCE NO. 802-2015

AN ORDINANCE APPROVING A LEASE IN THE PRINCIPAL AMOUNT OF \$315,000 FOR THE FINANCING OF THE ACQUISITION AND INSTALLATION OF EQUIPMENT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE; CREATING A SINKING FUND; AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO SUCH LEASE; AND MAKING CERTAIN DESIGNATIONS REGARDING SUCH LEASE.

WHEREAS, the City of Dry Ridge, Kentucky (the "Lessee") has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of the property for public purposes;

WHEREAS, the governing body of the Lessee (the "Governing Body") has previously determined, and hereby further determines, that the Lessee is in need of financing the acquisition and installation of police cruisers, an ambulance and a service truck (collectively, the "Project"), as further defined in the Lease hereinafter described; and

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee enter into a Lease Agreement (the "Lease") in the principal amount of \$315,000, with Heritage Bank (the "Lessor") for the financing of the Project and the leasing by the Lessee from the Lessor of the Project.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DRY RIDGE, KENTUCKY, AS FOLLOWS:

Section 1. Recitals and Authorization. The Lessee hereby approves the Lease Agreement (the "Lease") in the principal amount of \$315,000, in substantially the form presented to this Governing Body. The recitals to this Ordinance are incorporated herein as if set forth in this Section in their entirety and are hereby found and determined to be true and correct. It is further found and determined that the Project identified in the Lease is public property to be used for public purposes, that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease and all representations, certifications and other matters contained in the closing memorandum with respect to the Lease, or as may be required by Dinsmore and Shohl, LLP, as Bond Counsel, prior to delivery of the Lease, are hereby approved, ratified and confirmed. The Mayor and City Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. General Obligation Pledge. Pursuant to the Constitution of the Commonwealth and Chapter 66 of the Kentucky Revised Statutes, as amended (the "General Obligation Statutes"), the obligation of the Lessee created by the Lease shall be a full general obligation of the Lessee and, for the prompt payment of the Lease Payments, as defined in the Lease, the full faith, credit and revenue of the Lessee are hereby pledged. During the period the Lease is outstanding, there shall be and there hereby is levied on all the taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount

sufficient to pay the Lease Payments on the Lease when and as due, it being hereby found and determined that current tax rates are within all applicable limitations. 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; provided, however, that in each year to the extent that the other taxes or revenues of the Lessee are available for the payment of the Lease Payments and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes or revenues so available and appropriated.

Section 3. Sinking Fund. There is hereby established, or it is acknowledged that there has heretofore been established, a sinking fund (the "Sinking Fund") with the Lessee in accordance with the requirements of the Act, which is hereby ordered to be continued and maintained as long as the Lease shall remain outstanding. The funds derived from said tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds issued under KRS Chapter 66 and Tax Supported Leases, as defined in KRS Chapter 66, including the Lease, when and as the same fall due.

Section 4. Designation as Qualified TaxExempt Obligation. Pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986 (the "Code"), the Lessee hereby specifically designates the Lease as a "qualified taxexempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Lessee hereby represents that the Lessee (including all "subordinate entities" of the Lessee within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates that it will not designate in calendar year 2015, "qualified taxexempt obligations" in an amount greater than \$10,000,000.

Section 5. Severability. If any Section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such Section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 6. Open Meetings Law. This Governing Body hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this Governing Body, and that all deliberations of this Governing Body and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 7. Conflicts. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.


Section 8. Summary. The Summary and Notice of Adoption of this Ordinance (the "Summary"), attached as Exhibit A hereto, is hereby approved.

Section 9. Effective Date. This Ordinance shall take effect from and after its passage and publication of the Summary, as provided by law.

INTRODUCED, SECONDED AND ADOPTED, at a duly convened meeting of the Governing Body, held on September 11, 2015, after first reading held on September 8, 2015, signed by the Mayor of the Lessee, attested by the City Clerk, ordered published in summary form and filed and indexed as provided by law.



By: James Wells, Mayor

ATTEST:

By: _____
Amy Kenner, City Clerk