



City of Grand Island

Tuesday, November 8, 2016

Council Session

Item F-1

#9609 - Consideration of Approving Bond Ordinance for Public Safety Bond

Staff Contact: Renae Griffiths, Finance Director

Council Agenda Memo

From: Renae Griffiths, Finance Director

Meeting: November 8, 2016

Subject: Approving Public Safety Bond for Financing of 911 Facility and Fire Equipment

Presenter(s): William Clingman, Assistant Finance Director
Blaine Spady, Municipal Capital Advisors
Michael Rogers, Gilmore & Bell, P.C.

Background

The financing of an ambulance and quint fire truck for the Fire Department was originally approved in the 2016 budget. Financing was reaffirmed as a part of the 2017 budget as the equipment is not scheduled to be delivered until the 2017 fiscal year.

On July 26, 2016 an increase to the City telephone occupation tax was approved to finance the construction of a new emergency management/911 communications facility. An amount of \$3.4 million was approved in the 2017 budget for financing of this facility.

Discussion

Currently an RFQ is out to find a bond underwriter for the coming year. This RFQ closes at 4 PM on November 8, 2016. The selected underwriter will market and sell the public safety bonds and any other bonds through the 2017 year.

The public safety bonds that are to be issued will be done so at a later date when the underwriter has been selected. The description of the bond issuance to the underwriter in the RFQ is as follows:

This issue is all new money to finance the building of a new 911 call center and the purchase of a new ambulance and a new firetruck. The issue will be BQ with a PAR amount of approximately \$4,450,000 with a twenty (20) year term. The City will base the debt service of the Bond to reflect the shorter term financing of the ambulance and firetruck, and the longer term financing of the 911 call center. This structure will result in higher debt service payments during the first ten (10) years of the Bond retiring approximately \$2,590,000 and lower debt service payments in the last ten (10) years of the Bond retiring approximately \$1,860,000.

Should any excess funds be available due to savings realized through the design process for the 911 facility, then those excess funds will be used to purchase equipment related to public safety.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Take no action or fail to approve the ordinance. This would require using reserve cash instead of issuing bonds.

Recommendation

City Administration recommends that the Council approve the issuance of Bonds in the not to exceed the amount of \$4.55 million.

Sample Motion

Move to approve Ordinance No. 9609 that approves the issuance a Public Safety Bond.

ORDINANCE NO. 9609

AN ORDINANCE AUTHORIZING THE ISSUANCE OF PUBLIC SAFETY TAX ANTICIPATION BONDS OF THE CITY OF GRAND ISLAND, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FOUR MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$4,550,000) FOR THE PURPOSE OF PURCHASING PUBLIC SAFETY VEHICLES AND PUBLIC SAFETY EQUIPMENT, CONSTRUCTING IMPROVEMENTS TO PUBLIC SAFETY FACILITIES AND MISCELLANEOUS COSTS ASSOCIATED THEREWITH; DIRECTING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS AND DIRECTING THE DETERMINATION OF CERTAIN TERMS OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

Section 1. The Mayor and Council of the City of Grand Island, Nebraska, hereby find and determine: that it is necessary for the City to provide funds for the purpose of purchasing and maintaining public safety vehicles and public safety equipment, constructing improvements to public safety facilities and paying miscellaneous costs associated therewith (the "Project"); that in order to pay the cost of the Project, it is necessary and advisable for the City to issue its Public Safety Tax Anticipation Bonds in the amount of not to exceed \$4,550,000; that the taxable valuation of all taxable property within the City as most recently determined, is \$2,933,977,196; that the City has previously issued and outstanding its Public Safety Tax Anticipation Refunding Bonds, Series 2011, in the outstanding principal amount of \$1,585,000 (the "Outstanding Bonds"); that other than the Outstanding Bonds, the City currently has no bonds outstanding under the provisions of Sections 18-1201 and 18-1202 R.R.S. Neb. 2012 (the "Act"); that pursuant to Section 18-1201 Reissue Revised Statutes of Nebraska, 2012, as amended, the Mayor and Council of the City of Grand Island do hereby provide for the levying of a special tax, all as more specifically described in Section 10 hereof; that the annual debt service on the Outstanding

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| Approved as to Form | ☐ _____ |
| November 4, 2016 | ☐ City Attorney |

Bonds and the bonds herein authorized shall not in any year exceed \$1,450,000; that all conditions, acts and things required by law to exist or to be done precedent to the issuance of Public Safety Tax Anticipation Bonds, Series 2016 (the "Series 2016 Bonds") in the stated principal amount of not to exceed \$4,550,000 pursuant to the Act do exist and have been done as required by law.

Section 2. (a) The Mayor and Council further find and determine that (i) it is necessary, desirable, advisable and in the best interest of the City to issue the Series 2016 Bonds in order to provide funds to pay the costs of the Project; and, (ii) all conditions, acts and things required by law to exist or to be done precedent to the issuance of the Series 2016 Bonds, in the aggregate stated principal amount of not to exceed \$4,550,000 pursuant to the Act, and other applicable statutes, do exist and have been done as required by law. To provide funds for the purpose of paying the costs of the Project as set forth in Section 1 hereof, there shall be and there are hereby ordered issued the Public Safety Tax Anticipation Bonds, Series 2016, of the City, in the aggregate stated principal amount of not to exceed Four Million Five Hundred Fifty Thousand Dollars (\$4,550,000).

(b) The Series 2016 Bonds or any portion thereof are hereby authorized to be sold (a) through a private placement to a bank or (b) pursuant to a negotiated sale with an underwriter as determined by an Authorized Officer (herein defined), as initial purchaser (the "Underwriter"). In connection with such sale, the Mayor, Finance Director or City Administrator (each, an "Authorized Officer") are hereby authorized to specify, determine, designate, establish and appoint, as the case may be, in one or more written designations which may be included in a bond purchase agreement (each, a "Designation"), (i) whether the Series 2016 Bonds will be sold through a private placement to a bank or through a negotiated sale with the Underwriter, (ii) the aggregate purchase price of the Series 2016 Bonds and the underwriting discount which shall not

exceed 1.00% of the aggregate stated principal amount thereof, (iii) the form and contents of any bond purchase agreement in connection with such sale, (iv) the title, dated date, aggregate principal amount (including the aggregate principal amounts of serial bonds and term bonds, if any), which aggregate stated principal amount shall not exceed \$4,550,000, and the final maturity date, which shall not be later than December 31, 2036, (v) the principal amounts maturing in each year, (vi) the rate or rates of interest to be borne by each principal maturity, provided that the true interest cost of the Series 2016 Bonds shall not exceed 3.00%, (vii) the principal payment dates and interest payment dates, (viii) whether the Series 2016 Bonds will be subject to redemption prior to their stated maturity, and if subject to such optional redemption, the provisions governing such redemption, including a redemption price not to exceed 104% of the principal amount then being redeemed plus accrued interest to the date of redemption, (ix) the amount and due date of each sinking fund installment for any of the Series 2016 Bonds issued as term bonds, (x) the designation of the Paying Agent and Registrar and the form and content of any agreement between the City and such entity and (xi) all other terms and provisions of the Series 2016 Bonds not otherwise specified or fixed by this Ordinance.

(c) The Series 2016 Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof (or such other denominations as may be determined in the Designation). The Series 2016 Bonds shall bear date of original issue of the date of delivery thereof. Interest on the Series 2016 Bonds, at the respective rates for each maturity, shall be payable semiannually on such dates as shall be determined in the Designation (each of said dates an "Interest Payment Date") and the Series 2016 Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the fifteenth day immediately preceding the Interest Payment Date (the "Record

Date”), subject to the provisions of Section 4 hereof. The Series 2016 Bonds shall be numbered from 1 upwards in the order of their issuance. No Series 2016 Bond shall be issued originally or upon transfer having more than one principal maturity. The initial bond numbering and principal amounts for each of the Series 2016 Bonds issued shall be designated by the City’s Treasurer as directed by the initial purchaser thereof. Payments of interest due on the Series 2016 Bonds prior to maturity shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Series 2016 Bond, as of the Record Date for such Interest Payment Date, to such owner’s registered address as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and accrued interest thereon due at maturity shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Series 2016 Bonds to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Series 2016 Bond as the absolute owner of such Series 2016 Bond for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Series 2016 Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Series 2016 Bond in accordance with the terms of this Ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Series 2016 Bonds or claims for interest to the extent of the sum or sums so paid.

Section 3. The Authorized Officers are hereby authorized to designate the Paying Agent and Registrar for the Series 2016 Bonds in the Designation, which Paying Agent and Registrar may be the City Treasurer or a bank or trust company. If the Paying Agent and Registrar is a

bank or trust company, said Paying Agent and Registrar shall serve in such capacities under the terms of an agreement entitled "Paying Agent and Registrar's Agreement" between the City and said Paying Agent and Registrar and the Mayor and City Clerk are hereby authorized to execute said agreement. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Series 2016 Bonds at its designated office. The names and registered addresses of the registered owner or owners of the Series 2016 Bonds shall at all times be recorded in such books. Any Series 2016 Bond may be transferred pursuant to its provisions at the office of said Paying Agent and Registrar by surrender of such Series 2016 Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar on behalf of the City will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Series 2016 Bond or Series 2016 Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Series 2016 Bonds by this Ordinance, one Series 2016 Bond may be transferred for several such Series 2016 Bonds of the same interest rate and maturity, and for a like aggregate principal amount, and several such Series 2016 Bonds may be transferred for one or several such Series 2016 Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Series 2016 Bond, the surrendered Series 2016 Bond shall be canceled and destroyed. All Series 2016 Bonds issued upon transfer of the Series 2016 Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the Series 2016 Bonds surrendered and shall be entitled to all the benefits and protection of this Ordinance to the same extent as the Series 2016 Bonds upon transfer of which they were delivered. The

City and said Paying Agent and Registrar shall not be required to transfer any Series 2016 Bond during any period from any Record Date until its immediately following Interest Payment Date.

Section 4. In the event that payments of interest due on the Series 2016 Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Series 2016 Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 5. If the date for payment of the principal of or interest on the Series 2016 Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Grand Island, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 6. The Series 2016 Bonds shall be subject to redemption prior to maturity as determined in the Designation.

Section 7. The Series 2016 Bonds shall be in substantially the following form:

“Ordinance”).

Any or all of the bonds of said issue maturing on or after _____, 20__, are subject to redemption at the option of the City, in whole or in part, on _____ or at any time thereafter, at the principal amount thereof together with accrued interest on the principal amount redeemed to the date fixed for redemption. Such optional redemption shall be made from time to time as shall be directed by the Mayor and Council of the City. The City may select the Series 2016 Bonds for optional redemption in its sole discretion.

Notice of redemption shall be given by mail to the registered owner of any Series 2016 Bond called for redemption in the manner specified in the Ordinance authorizing said issue of bonds. Individual bonds may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof.

This bond is transferable by the registered owner or such owner’s attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Ordinance, subject to the limitations therein prescribed. The City, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of _____, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said City, including this bond, does not exceed any limitation imposed by law. The City has agreed to make a special levy of taxes as permitted by Section 18-1201 R.R.S. Neb., 2012, as amended, (the “Act”) of not more than 5¢ per \$100 of taxable value on all the taxable property within the City, which tax shall be sufficient in rate and amount to fully pay the principal and interest of this bond, the other bonds of this issue and other bonds outstanding pursuant to the Act, as the same become due. The City agrees that said bonds shall be secured by such tax so assessed and levied and shall be payable out of the funds derived from such tax.

[AS PROVIDED IN THE ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE ORDINANCE, “DTC”), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE

ORDINANCE TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT AND REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE ORDINANCE.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREOF IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.]

This bond shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Mayor and Council of the City of Grand Island, Nebraska, have caused this bond to be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk and by causing the official seal of the City to be imprinted hereon or affixed hereto, all as of the date of original issue specified above.

CITY OF GRAND ISLAND, NEBRASKA

(Do Not Sign)
Mayor

ATTEST:

(Do Not Sign)
City Clerk

(SEAL)

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This bond is one of the series designated therein and has been registered to the owner named in said bond and the name of such owner has been recorded in the books of record maintained by the undersigned as Paying Agent and Registrar for said issue of bonds.

Paying Agent and Registrar

(Form of Assignment)

For value received _____ hereby sells, assigns and transfers unto _____ (Social Security or Taxpayer I.D. No. _____) the within bond and hereby irrevocably constitutes and appoints _____, attorney, to transfer the same on the books of registration in the office of the within mentioned Paying Agent and Registrar with full power of substitution in the premises.

Dated: _____

Registered Owner(s)

Signature Guaranteed

By _____
Authorized Officer(s)

Note: The signature(s) on this assignment MUST CORRESPOND with the name(s) as written on the face of the within bond in every particular, without alteration, enlargement or any change whatsoever, and must be guaranteed by a commercial bank or a trust company or by a firm having membership on the New York, Midwest or other stock exchange.

Section 8. Each of the Series 2016 Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk and shall have imprinted thereon the City's seal. If the Series 2016 Bonds are sold through a private placement with a bank, the following provisions relating to the Depository shall not apply. If the Series 2016 Bonds are sold through a negotiated sale with the Underwriter, the Series 2016 Bonds shall be issued initially as "book-entry-only" bonds under the services of The Depository Trust Company (the "Depository"), with one typewritten bond per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a Letter of Representations (the "Letter of Representations") in the form required by the Depository (which may be in the form of a blanket letter, including any such letter previously executed and delivered), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer and payment of the Series 2016 Bonds. With respect to the issuance of the Series 2016 Bonds as "book-entry-only" bonds, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Series 2016 Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a Series 2016 Bond from a Bond Participant while the Series 2016 Bonds are in book-entry form (each, a "Beneficial Owner") with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Series 2016 Bonds,

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Series 2016 Bonds, or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Series 2016 Bonds. The Paying Agent and Registrar shall make payments with respect to the Series 2016 Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Series 2016 Bonds to the extent of

the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Series 2016 Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Series 2016 Bonds or (ii) to make available Series 2016 Bonds registered in whatever name or names as the Beneficial Owners transferring or exchanging such Series 2016 Bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the Series 2016 Bonds be delivered to the ultimate beneficial owners of the Series 2016 Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Series 2016 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Series 2016 Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Series 2016 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Series 2016 Bond and all notices with respect to such Series 2016 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Series 2016 Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Series 2016 Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee;

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

If for any reason the Depository is terminated or resigns and is not replaced, the City shall immediately provide a supply of printed bond certificates, duly executed by manual or facsimile signatures of the Mayor and City Clerk and sealed with the City's seal, for issuance upon the transfers from the Depository and subsequent transfers. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for

issuance of replacement certificates upon transfer, the City agrees to order printed an additional supply of such certificates and to direct their execution by manual or facsimile signatures of its then duly qualified and acting Mayor and City Clerk and by imprinting thereon or affixing thereto the City's seal. In case any officer whose signature or facsimile thereof shall appear on any Series 2016 Bond shall cease to be such officer before the delivery of such bond (including such certificates delivered to the Paying Agent and Registrar for issuance upon transfer), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such bond. The Series 2016 Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The Series 2016 Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration, and authentication of the Series 2016 Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to a bank, in the case of a private placement, or to the Underwriter, as initial purchaser thereof, in the case of a negotiated sale. The Series 2016 Bonds are hereby authorized to be sold to a bank, in the case of a private placement, or to the Underwriter, in the case of a negotiated sale, for a sum to be determined in the Designation, plus accrued interest, if any, thereon to date of payment and delivery. Such purchaser and its agents, representatives and counsel (including bond counsel for the City) are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the Series 2016 Bonds, including without limitation, authorizing the release of the Series 2016 Bonds by the Depository at closing. The officers of the City (or any one of them) are hereby authorized to execute and deliver a Bond Purchase Agreement, in the case of a negotiated sale with the Underwriter, or any other form of purchase agreement or term sheet as may be required in a private placement, for and on behalf of the City. Said initial purchaser shall have the right to direct the registration of the Series 2016

Bonds and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. The City Clerk shall make and certify a transcript of the proceedings of the Mayor and Council with respect to the Series 2016 Bonds, a copy of which shall be delivered to the initial purchaser thereof. The officers of the City are further authorized to do any and all things necessary and appropriate in connection with the issuance of the Series 2016 Bonds.

Section 9. The proceeds of the Series 2016 Bonds shall be applied to the payment of the costs of the Project as described in Section 1 hereof upon order of the Mayor and Council. Accrued interest received from the sale of the Series 2016 Bonds, if any, shall be applied to pay interest first falling due on said Series 2016 Bonds. Expenses of issuance of the Series 2016 Bonds may be paid from the proceeds of the Series 2016 Bonds.

Section 10. The City agrees that it shall, pursuant to Section 18-1201 R.R.S. Neb. 2012, as amended, levy a special tax so long as any of the Series 2016 Bonds remain outstanding of not more than 5¢ per \$100 of taxable value on all the taxable property within the City. The City further agrees that such tax shall be levied in such amount so that in each calendar year in which payments of principal and interest fall due on the Series 2016 Bonds and the Outstanding Bonds, the anticipated amount to be collected from such tax shall be an amount of not less than 112% of the total amount of principal and interest payable on the Series 2016 Bonds and the Outstanding Bonds in such calendar year. The Series 2016 Bonds and the Outstanding Bonds shall be secured by such tax and shall be payable out of the funds derived from such tax. On receipt of such taxes, the City Treasurer shall hold such tax in a separate fund for the purpose of paying the Series 2016 Bonds and the Outstanding Bonds.

Section 11. The City hereby covenants to the purchasers and holders of the Series 2016 Bonds hereby authorized that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the Series 2016 Bonds, which would cause the Series 2016

Bonds to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and further covenants to comply with said Sections 103(b) and 148 and all applicable regulations thereunder throughout the term of said bond issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax exempt status (as to taxpayers generally) of interest payable on the Series 2016 Bonds. The City hereby designates the Series 2016 Bonds as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not reasonably expect to issue tax-exempt bonds or other tax-exempt obligations aggregating in principal amount more than \$10,000,000 during calendar 2016, taking into consideration statutory exceptions for refunding issues and excluding for such purposes any and all "private activity bonds" issued by the City in such year within the meaning of Section 141 of the Code other than "qualified 502(c)(3) bonds" as defined in Section 145 of the Code.

Section 12. The City's obligations under this Ordinance with respect to any or all of the Series 2016 Bonds herein authorized shall be fully discharged and satisfied as to any or all of such Series 2016 Bonds and any such Series 2016 Bond shall no longer be deemed to be outstanding hereunder if such Series 2016 Bond has been purchased by the City and canceled or when the payment of the principal of and interest thereon to the date of maturity (a) shall have been made or caused to be made in accordance with the terms thereof or (b) shall have been provided for by depositing with a national or state bank having trust powers, or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "U.S. Government Obligations") in such amount and bearing interest payable and maturing

or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payment; provided. Any money so deposited with such bank or trust company may be invested or reinvested in U.S. Government Obligations at the direction of the City, and all interest and income from U.S. Government Obligations in the hands of such bank or trust company in excess of the amount required to pay principal of and interest on the Series 2016 Bonds for which such monies or U.S. Government Obligations were deposited shall be paid over to the City as and when collected.

Section 13. In the case of a negotiated sale with the Underwriter, the Authorized Officers are hereby directed and authorized to approve, deem final and deliver a Preliminary Official Statement and a final Official Statement in connection with the Series 2016 Bonds, all in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. In the case of a private placement with a bank, the Authorized Officers are hereby directed and authorized to approve, deem final and deliver any form of private placement memorandum that may be required or requested by the bank purchasing the Series 2016 Bonds.

Section 14. This Ordinance shall be in force and take effect from and after its passage and publication in pamphlet form as provided by law.

PASSED AND APPROVED this 8th day of November, 2016.

City Clerk

Mayor

(SEAL)