

## PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2020

NEW ISSUE

Rating: S&P “\_\_\_” [(Expected)]  
 (\_\_\_\_\_) Insured  
 Underlying Rating: S&P “\_\_\_”  
 See **RATING[S and Appendix G]**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; [and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended,] and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see **TAX MATTERS** herein.*

\$ \_\_\_\_\_  
**CITY OF MARION, OHIO**  
**GENERAL OBLIGATION (Limited Tax)**  
**VARIOUS PURPOSE REFUNDING BONDS, SERIES 2020**

**Dated:** Closing Date

**The Bonds.** The Bonds are unvoted general obligations of the City, issued to refund certain securities issued previously to finance permanent improvements, as described under **THE BONDS – AUTHORIZATION AND PURPOSE**. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the City’s levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law.

**[Bond Insurance.** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by \_\_\_\_\_. See **Appendix G.**]

**[Bond Insurer Logo]**

**Book-Entry Only.** The Bonds will be initially issued only as fully-registered bonds, one for each maturity, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee (“DTC”). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC, or as otherwise described in this Official Statement. See **Appendix E.**

**Payment.** Principal and interest will be payable to the registered owner (DTC), principal upon presentation and surrender at the designated corporate trust office of **[U.S. Bank National Association, in Columbus, Ohio]** (the “Bond Registrar”) and interest transmitted by the Bond Registrar on each interest payment date (June 1 and December 1 of each year, beginning December 1, 2020) to the registered owner (DTC) as of the 15th day of the calendar month next preceding that interest payment date.

**PRINCIPAL MATURITY SCHEDULE**  
 (see inside cover)

**Prior Redemption.** Bonds maturing on or after December 1, 20\_\_ are subject to optional redemption by the City prior to maturity, beginning December 1, 20\_\_, and Term Bonds (if any) are subject to mandatory redemption, all as described in this Official Statement. See **CERTAIN TERMS OF THE BONDS – Prior Redemption.**

*The Bonds are offered when, as and if issued, and accepted by Fifth Third Securities, Inc. (the “Underwriter”), subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Bond Counsel to the City. The Bonds are expected to be available for delivery to DTC or its agent on September \_\_, 2020.*



This Official Statement has been prepared by the City in connection with its original offering for sale of the Bonds. The Cover includes certain information for quick reference only. *It is not a summary of the Bond issue.* Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is \_\_\_\_\_, 2020, and the information herein speaks only as of that date.

\* Preliminary, subject to change.

**PRINCIPAL MATURITY SCHEDULE\***  
**ON DECEMBER 1**

\$ \_\_\_\_\_ SERIAL BONDS

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Price</b>	<b>CUSIP<sup>®(a)</sup> No. 569832</b>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

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\* Preliminary, subject to change.

## **CITY OF MARION, OHIO**

### **CITY OFFICIALS**

Scott Schertzer, Mayor  
Robert Landon, Auditor  
Thomas Pannett, Treasurer  
Mark D. Russell, Law Director

#### **City Council:**

Todd Schneider, President  
Leslie Cunningham  
Josh Daniels  
Joshua Feliciano  
Kai Meade  
Michael Neff  
Ayers Ratliff  
Jason Schaber  
Kathy Swanger  
Michael Thomas

Tarina Rose, Clerk of Council

### **PROFESSIONAL SERVICES**

Squire Patton Boggs (US) LLP, Bond Counsel

**[U.S. Bank National Association]**, Bond Registrar and Escrow Trustee

Fifth Third Securities, Inc., Underwriter

\_\_\_\_\_, Verification Consultant

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## **REGARDING THIS OFFICIAL STATEMENT**

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the Cover (as defined herein). No dealer, broker, sales person or other person has been authorized by the City to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the City in connection with the original offering of the Bonds. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the City for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since its date.

This Official Statement contains statements that the City believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the City’s control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The City undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE CITY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE CITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE BONDS FOR SALE.

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as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance and other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The Ohio Municipal Advisory Council ("OMAC") has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the Cover, which public offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

[\_\_\_\_\_ (the "Bond Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer and the municipal bond insurance policy (the "Policy") supplied by the Bond Insurer and presented under the heading **SECURITY AND SOURCES OF PAYMENT – Bond Insurance** and in **Appendix G**.

The City, the Bond Counsel and the Underwriter have not independently verified, make no representation regarding, and do not accept any responsibility for the accuracy or completeness of the information regarding the Bond Insurer and the Policy supplied by the Bond Insurer and presented under the heading **SECURITY AND SOURCES OF PAYMENT – Bond Insurance** and in **Appendix G**.]

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## INTRODUCTORY STATEMENT

This Official Statement has been prepared by the City of Marion, Ohio (the “City”) in connection with its original issuance and sale of the Bonds identified on the Cover (the “Bonds”). Certain information concerning the Bonds, including their authorization, purpose, terms and security and sources of payment, and the City is provided in this Official Statement.

This Introductory Statement briefly describes certain information relating to the Bonds and supplements certain information on the Cover. It is not intended as a substitute for the more detailed discussions in this Official Statement. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

All financial and other information in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources and except for certain information on the Cover and under **UNDERWRITING** [and in **Appendix G**]. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. See also **REGARDING THIS OFFICIAL STATEMENT**.

This Official Statement should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement:

- “Beneficial Owner” means the owner of a book-entry interest in the Bonds, as defined in **Appendix E**.
- “Council” means the City Council of the City.
- “County” means the County of Marion, Ohio.
- “County Auditor” means the Auditor of the County.
- “Cover” means the cover page and the inside cover page of this Official Statement.
- “Debt charges” means the principal (including any mandatory sinking fund deposits and mandatory redemption payments) and interest payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”

- “Fiscal Year” means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2020”) means the Fiscal Year ending on December 31 in that year.
- “Revised Code” means the Ohio Revised Code.
- “State” or “Ohio” means the State of Ohio.

The Bonds are issued by the City of Marion, Ohio. They are authorized by Chapter 133 of the Revised Code and legislation passed by the Council. The Bonds are issued to refund certain securities issued previously to finance permanent improvements. See **THE BONDS – AUTHORIZATION AND PURPOSE**.

The Bonds are general obligations of the City, the full faith and credit and general property taxing power of which are pledged to the payment of debt charges. Unless paid from other sources, debt charges are to be paid from the proceeds of the City’s levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law. The City expects that a portion of the debt charges will be paid from municipal income tax revenues and revenues of the storm water and sanitary sewer systems. See **SECURITY AND SOURCES OF PAYMENT**.

The Authorizing Legislation (see **THE BONDS – AUTHORIZATION AND PURPOSE**) provides that the Bonds will be issued in the denomination of \$5,000 or in whole multiples of \$5,000. The Bonds will be initially issued only as fully-registered bonds, one for each maturity, issuable under a book-entry system and registered initially in the name of The Depository Trust Company, New York, New York, or its nominee (DTC). See **CERTAIN TERMS OF THE BONDS – General; Book-Entry System and Appendix E**.

Principal and interest will be payable to the registered owner (DTC). Principal will be payable on presentation and surrender at the designated corporate trust office of the Bond Registrar. See **BOND REGISTRAR AND ESCROW TRUSTEE**. Interest will be transmitted by the Bond Registrar on each interest payment date (June 1 and December 1, beginning December 1, 2020) to the registered owner as of the 15th day of the calendar month next preceding that interest payment date.

The Bonds maturing on or after December 1, 20\_\_\* are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City) on any date on or after December 1, 20\_\_\*, in integral multiples of \$5,000, at par plus, in each case, accrued interest to the redemption date. The Term Bonds (if any) are subject to mandatory prior redemption, as described in this Official Statement. See **CERTAIN TERMS OF THE BONDS – Prior Redemption**.

The opinion as to the validity of the Bonds and the tax-exempt status of the interest on the Bonds will be rendered by Squire Patton Boggs (US) LLP (“Bond Counsel”). See **OPINION OF BOND COUNSEL, TAX MATTERS and Appendix D**.

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\* Preliminary, subject to change.

## THE BONDS – AUTHORIZATION AND PURPOSE

The Bonds are to be issued pursuant to Chapter 133 of the Revised Code, ordinances passed by the Council and a certificate of award provided for by those ordinances (collectively, the “Authorizing Legislation”).

Bonds in the amount of \$ \_\_\_\_\_ \* are being issued and, together with other available funds of the City, will be used to current refund all or a portion of the City’s outstanding Various Purpose Refunding Bonds, Series 2010A, dated June 22, 2010, currently outstanding in the amount of \$3,540,000 and maturing on December 1 in the each of the years 2022, 2024, 2026, 2028 and 2030 (collectively, the “Refunded 2010A Bonds”) which were originally issued to (a) advance refund the City’s outstanding Various Purpose Improvement Bonds, Series 2000 for the purpose of (i) improving the City storm water system by constructing and replacing storm water sewers on Executive Drive, Littleton Street, Kentucky Avenue, Michigan Avenue, Fleetwood Avenue, Van Buren Street, Jefferson Street, Richland Road, Church Street, Clover Avenue, Homer Street, Kensington Place, Merchant Avenue, Spencer Street, Bartram Avenue, Avondale Avenue, Barks Road East, Catalina Drive, Reed Avenue, McKinley Lane and Oakland Boulevard Ditch, between certain termini, together with all necessary appurtenances, (ii) improving the City sanitary sewer system by constructing new sanitary sewer lines, manholes and lift for Church Street, Clover Avenue, Homer Street, Kensington Place, Merchant Avenue, Spencer Street, Bartram Avenue, Avondale Avenue, Vernon Heights Boulevard, Barks Road East and Reed Avenue, between certain termini, and (iii) prepaying, through a single lump sum, the City’s accrued liability to the Police and Fireman’s Disability and Pension Fund of the State of Ohio and authorizing an agreement with the Pension Fund with respect to that lump sum payment and (b) to pay the costs of (i) constructing and extending Lakes Boulevard, improving Barks Road between Delaware Avenue and State Route 529, constructing a portion of Wellness Drive and constructing certain public infrastructure related to Delaware Avenue, (ii) improving Forest Lawn Boulevard and Blaine Avenue, between certain termini, by constructing storm water sewers and sanitary sewers, and (iii) acquiring and installing a comprehensive financial management, utility billing, community development, community access, human resources and payroll computer program and equipment, together with all necessary appurtenances thereto.

Bonds in the amount of \$ \_\_\_\_\_ \* are being issued and, together with other available funds of the City, will be used to current refund all or a portion of the City’s outstanding Various Purpose Improvement Bonds, Series 2010B, dated October 12, 2010, currently outstanding in the amount of \$5,405,000 and maturing on December 1 in the years 2021 through 2030 (collectively, the “Refunded 2010B Bonds” and together with the Refunded 2010A Bonds, the “Refunded Bonds”) which were originally issued, in part, to retire the City’s outstanding Various Purpose Notes, Series 2009B, to pay the costs of (a) constructing, equipping and furnishing a central garage building, (b) constructing a main trunk sanitary sewer and improving the Qu Qua Ditch, Mary Street, High Street, Vine Street, North Greenwood Street, State Street, Clinton Street, Silver Street, Waterloo Street, Oakgrove Avenue, Franconia Avenue, Pennsylvania Avenue and Woodrow Avenue between certain termini, by constructing sanitary sewers, (c) improving Clinton Street, Silver Street, Waterloo Street, Oakgrove Avenue, Franconia Avenue, Pennsylvania Avenue and Woodrow Avenue, between certain termini, by constructing storm water sewers, (d) replacing the

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\* Preliminary, subject to change.

roof on City Hall, (e) acquiring and installing a new generator, (f) acquiring and installing a new records management system for the Police Department and (g) acquiring and equipping a new pumper truck for the Fire Department, together with all necessary appurtenances.

Certain proceeds from the sale of the Bonds (which may include premium) will be used by the Underwriter to provide for the payment of certain financing costs on behalf of the City. Any premium received by the City (in excess of that necessary to fully fund the Escrow Fund as described below and after the payment of those financing costs) from the sale of the Bonds, and any interest accrued on the Bonds will be deposited in the Bond Retirement Fund. Moneys in that Fund are used to pay debt charges on City debt obligations. See also the discussion under **VERIFICATION OF MATHEMATICAL COMPUTATIONS**.

### **Use of Proceeds – Refunding**

Proceeds from the sale of the Bonds that will be used to refund the Refunded Bonds will be deposited in an Escrow Fund held by [U.S. Bank National Association] (the “Escrow Trustee”), pursuant to an Escrow Agreement between the City and the Escrow Trustee dated September \_\_, 2020 (the “Escrow Agreement”). The money deposited in the Escrow Fund will be (a) held in cash to the extent not needed to make the investments described in (b) below, and (b) invested in direct obligations of or obligations guaranteed as to payment by the United States (within the meaning of Section 133.34(D) of the Revised Code) that mature or are subject to redemption by and at the option of the holder, in amounts sufficient, together with any uninvested cash in the Escrow Fund but without further investment or reinvestment, for the payment of (i) interest on the Refunded Bonds when due on December 1, 2020, and (ii) the principal amount of the Refunded Bonds upon their prior optional redemption on December 1, 2020, as provided in the Authorizing Legislation. The Authorizing Legislation provides for an irrevocable call for optional redemption of the Refunded Bonds on December 1, 2020, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

## **CERTAIN TERMS OF THE BONDS**

### **General; Book-Entry System**

The Bonds will be dated their date of original issuance, will be payable in the principal amounts and on the dates and will bear interest (computed on the basis of a 360-day year and twelve 30-day months) at the rates and be payable on the dates, at the place and in the manner, all as described on the Cover.

The Bond Registrar will act as the paying agent for the Bonds and will keep all books and records necessary for registration, exchange and transfer of the Bonds. See **BOND REGISTRAR AND ESCROW TRUSTEE**.

The Bonds will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (“DTC”), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Bonds. For discussion of the book-entry system and DTC and the replacement of Bonds in the event that the book-entry system is discontinued, see **Appendix E**.

## **Prior Redemption\***

The Bonds are subject to mandatory and optional redemption as follows.

### **Mandatory Redemption**

Any bonds sold as Term Bonds will be subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the Mandatory Sinking Fund Redemption Requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 of the years determined in the Authorizing Legislation.

Term Bonds redeemed by other than mandatory redemption, or purchased for cancellation may be credited against the applicable mandatory redemption requirement for the corresponding Term Bonds.

### **Optional Redemption**

The Bonds maturing on or after December 1, 20\_\_ are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City) on any date on or after December 1, 20\_\_, in integral multiples of \$5,000, at par plus, in each case, accrued interest to the redemption date.

### **Selection of Bonds and Book-Entry Interests to be Redeemed**

If fewer than all outstanding Bonds are called for optional redemption at one time, the Bonds to be called will be called as selected by, and selected in a manner as determined by, the City.

If less than all of an outstanding Bond of one maturity under a book-entry system is to be called for redemption (in the amount of \$5,000 or any whole multiple), the Bond Registrar will give notice of redemption only to DTC as registered owner. The selection of the book-entry interests in that Bond to be redeemed is discussed below under **CERTAIN TERMS OF THE BONDS – Prior Redemption – Notice of Call for Redemption; Effect.**

If bond certificates are issued to the ultimate owners, and if fewer than all of the Bonds of a single maturity are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of \$5,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Bond Registrar.

In the case of a partial redemption by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal will be treated as if it were a separate Bond of the denomination of \$5,000.

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\* Preliminary, subject to change.

### **Notice of Call for Redemption; Effect**

The Bond Registrar is to cause notice of the call for redemption, identifying the Bonds or portions of Bonds to be redeemed, to be sent by first-class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Bond to be redeemed at the address shown on the Register on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Bonds.

On the date designated for redemption, Bonds or portions of Bonds called for redemption shall become due and payable. If the Bond Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Bond (or portion of a Bond) so called for redemption will cease to accrue on that date.

So long as all Bonds are held under a book-entry system by a securities depository (such as DTC), a call notice is to be sent by the Bond Registrar only to the depository or its nominee. Selection of book-entry interests in the Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Bonds or portions of Bonds. See **Appendix E**.

### **SECURITY AND SOURCES OF PAYMENT**

The Bonds will be unvoted general obligation debt of the City payable from the sources described, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

#### **Basic Security**

The basic security for payment of the Bonds is the requirement that the City levy ad valorem property taxes within the ten-mill limitation imposed by Ohio law to pay debt charges on the Bonds. The State constitution specifically prohibits a subdivision such as the City from incurring general obligation indebtedness unless the authorizing legislation makes provision "for levying and collecting annually by taxation an amount sufficient to pay" the debt charges on the bonds. (Ohio Constitution Article XII Section 11.)

The Ohio Supreme Court has stated:

"Section 11 of Article XII of the Constitution of Ohio imposes a mandatory duty upon the State and its political subdivisions to pay the interest and principal of their indebtedness before provisions are to be made for current operating expenses." *State ex rel. Nat'l City Bank v. Bd. of Ed. of the Cleveland City School District*, 52 Ohio St. 2d 81, 85 (1977).

Under State law, the levy for debt charges on unvoted general obligations of the City is to be placed before and in preference to all other levies and for the full amount of those debt charges. See the further discussions under **AD VALOREM PROPERTY TAXES** and **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS**.

Ohio law requires the City to levy and collect that property tax to pay debt charges on the Bonds as they come due, unless and to the extent those debt charges are paid from other sources, such as described below.

The Authorizing Legislation provides further security by making a pledge of the full faith and credit and the general property taxing power of the City for the payment of debt charges on the Bonds as they come due. All funds of the City are included in that pledge, except those specifically limited to another use or prohibited from that use by the Ohio Constitution, or Ohio or federal law, or revenue bond trust agreements. Those exceptions as to portions of the Bonds include tax levies voted for specific purposes or expressly pledged to certain obligations, special assessments pledged to particular bonds or notes, and certain utility revenues. A similar pledge is made in each ordinance authorizing voted or unvoted general obligation debt.

#### **Additional Sources of Payment**

The Authorizing Legislation also contains specific covenants that debt charges will be paid from municipal income taxes, in accordance with Section 133.05(B)(7) of the Revised Code. See **Debt Tables A and C**. Those include covenants to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect those income taxes, in amounts necessary to meet the debt charges on portions of the Bonds. See **MUNICIPAL INCOME TAX**.

The City expects that the debt charges on the \$ \_\_\_\_\_\* portion of the Bonds relating to storm water sewer system improvements (\$ \_\_\_\_\_)\* and sanitary sewer system improvements (\$ \_\_\_\_\_)\* will in fact be paid, to the extent available, from revenue of the City's storm water sewer system and sanitary sewer system, respectively.

#### **Enforcement of Rights and Remedies**

In addition to the right of individual bondholders to sue upon their particular Bonds, Ohio law authorizes the holders of not less than 10% in principal amount of the outstanding Bonds, whether or not then due and payable or reduced to judgment, to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the City to assess, levy, charge, collect and apply the unvoted property taxes and other pledged receipts to pay debt charges, and to perform its duties under law. Those bondholders may, in the case of any default in payment of debt charges bring action to require the City to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights. [Section 133.25(C)] See also **Appendix E**.

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\* Preliminary, subject to change.

The State has pledged to and agreed with holders of securities such as the Bonds that

“...the state will not, by enacting any law or adopting any rule, repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the power or duty of a subdivision to exercise, perform, carry out, and fulfill its responsibilities or covenants under this chapter [Chapter 133, the State’s Uniform Public Securities Law] or legislation or agreements as to its Chapter 133. securities, including a credit enhancement facility, passed or entered into pursuant to this chapter, or repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the rights and remedies of any such holders fully to enforce such responsibilities, covenants, and agreements or to enforce the pledge and agreement of the State contained in this division, or otherwise exercise any sovereign power materially impairing or materially inconsistent with the provisions of such legislation, covenants, and agreements.” (Section 133.25(D) of the Revised Code.)

## **Bankruptcy**

Federal and State laws provide procedures for the adjustment of indebtedness of political subdivisions, such as the City. Chapter 9 of the U.S. Bankruptcy Code would permit the City to make such an adjustment if (i) it were “insolvent” (*i.e.*, the City was not paying its debt charges as they came due or it was unable to pay those debt charges as they became due), (ii) it met certain other criteria (*e.g.*, having negotiated in good faith with its creditors and failed to reach agreement or such negotiation was impractical because of time restrictions, the number of creditors or other reasons) and (iii) it were authorized under State law (by legislation or by a governmental officer) to seek relief under Chapter 9. The State’s Uniform Public Securities Law provides that the City or any other subdivision must obtain the approval of the State Tax Commissioner in order to file a bankruptcy petition stating that it is insolvent and “that it desires to effect a plan for the composition or adjustment of its debts and to take such further proceedings” under the Bankruptcy Code. That law also states:

“No taxing subdivision shall be permitted, in availing itself of such acts of congress [the Bankruptcy Code], to scale down, cut down, or reduce the principal sum of its securities, except that interest thereon may be reduced in whole or in part.” (Section 133.36 of the Revised Code.)

The County may also initiate proceedings under the Bankruptcy Code. Because it collects, distributes or otherwise provides revenues to the City, the City’s financial condition could be affected by such an action.

## **[Bond Insurance]**

[Concurrently with the issuance of the Bonds, \_\_\_\_\_ (the “Bond Insurer”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as **Appendix G** to this Official Statement.



The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.]

### **Refunding**

State law authorizes the refunding of all or a portion of the Bonds. If the City places in escrow either money or direct obligations of, or obligations guaranteed as to payment by, the United States, or a combination of both, that with investment income thereon will be sufficient for the payment of debt charges on the refunded Bonds, those Bonds will no longer be considered to be outstanding. They will also not be considered in determining any direct or indirect limitation on City indebtedness, and the levy of taxes to pay debt charges on them will not be required. For this purpose, direct obligations of or obligations guaranteed by the United States include rights to receive payments or portions of payments of the principal of or interest or other investment income on (i) those U.S. obligations and (ii) other obligations fully secured as to payment by those U.S. obligations and the interest or other investment income on those obligations.

### **LITIGATION**

**[DIRECTOR OF LAW TO CONFIRM]** To the knowledge of the appropriate City officials, no litigation or administrative action or proceeding is pending, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes, to pay the debt charges on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, signed or delivered, or the validity of the Bonds. No petitions for referendum with respect to the Authorizing Legislation or any other measure authorizing the payment of or security for the Bonds, or the carrying out of the government purposes to which the Bond proceeds are to be applied, and no petitions seeking to initiate any measure affecting the same or the proceedings therefor, have been filed. The City will deliver to the Underwriter a certificate to that effect at the time of original delivery of the Bonds to the Underwriter.

The City is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security for the Bonds, or the permanent improvements being financed. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the Director of Law, have a material adverse effect on the Bonds, the security for the Bonds, or those improvements or the City's operating revenues. The City has a public records proceeding that is not covered by insurance but the City has moneys available for that case in the General Fund.

Under current Ohio law, City money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the City.

See also **THE CITY – City Facilities; Insurance.**

### **OPINION OF BOND COUNSEL**

Certain legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest on the Bonds (see **TAX MATTERS**) are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the City. The signed legal opinion of Bond

Counsel, substantially in the form attached hereto as **Appendix D**, dated and premised on law in effect on the date of issuance of the Bonds, will be delivered on the date of issuance of the Bonds. The text of the opinion to be delivered may vary from the text as set forth in **Appendix D** if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

[Bond Counsel expresses no opinion as to the Statement of Insurance on the Bonds or as to the insurance referred to in that Statement and in this Official Statement in **Appendix G**.]

The opinion of Bond Counsel and any other legal opinions and letters of counsel to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Bond Counsel assisted in drafting those portions of this Official Statement under the captions **CERTAIN TERMS OF THE BONDS** (excluding the information concerning the book-entry system there and in **Appendix E**), **SECURITY AND SOURCES OF PAYMENT** [(excluding the information under **Bond Insurance** and **Appendix G**)] and **TAX MATTERS**. Bond Counsel and others, including the Underwriter, have assisted the City with its preparation of certain other portions of this Official Statement. Bond Counsel and the Underwriter, however, have not been engaged to, and will not, independently confirm or verify that information or any other information provided by the City or others, and will not express an opinion as to the accuracy, completeness or fairness of any such information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Bonds that may be prepared or made available by the City or others to potential or actual purchasers of the Bonds, to owners of the Bonds, including Beneficial Owners, or to others.

In addition to rendering its opinion, Bond Counsel will assist in the preparation of and advise the City concerning documents for the bond transcript. The City has also retained the legal services of that law firm from time to time as special counsel in connection with matters that do not relate to City financings. Squire Patton Boggs (US) LLP also serves and has served as bond counsel for one or more of the political subdivisions that the City territorially overlaps and has also served as counsel to the Underwriter in connection with matters that do not relate to the City.

### **TAX MATTERS**

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; [and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code]; and (ii) interest on, and any

profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City's certifications and representations or the continuing compliance with the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the Cover, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

### **Original Issue Discount and Original Issue Premium**

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

***Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.***

## **CERTAIN INVESTMENT CONSIDERATIONS – COVID-19 AND MARKET CONDITIONS**

### **Coronavirus (COVID-19)**

**[CITY TO REVIEW AND SUPPLEMENT AS NEEDED]** The spread of the strain of coronavirus commonly known as COVID-19 is altering the behavior of businesses and people in a manner that is having negative effects on global, state and local economies. There can be no assurances that the spread of COVID-19 will not materially adversely affect the financial condition of the City. Potential impacts to the City associated with the COVID-19 transmission include, but are not limited to, reductions in commercial and manufacturing activity and increases in unemployment, with corresponding decreases in major revenues from sources such as municipal income taxes, real property taxes and lodging taxes. The degree of any such impact on the City's operations and finances is extremely difficult to predict due to the evolving nature of the transmission of COVID-19, including uncertainties relating to (i) the duration of the outbreak, (ii) the severity of the outbreak and (iii) the ultimate geographic spread of the outbreak, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact.

In response to the COVID-19 outbreak, the City has been and continues to actively monitor its revenue collections, and is currently evaluating possible mitigation and expense reduction measures, which may include but will not necessarily be limited to (i) suspension of hiring, except for specific critical and predesignated positions, (ii) deferring non-essential discretionary spending, (iii) limiting approvals of contracts and task orders to those that are essential to key capital projects and critical tasks, (iv) limiting overtime to those activities that are necessary for safety, critical operations, or emergency management, and (v) furloughs or reduced work schedules for certain employees, any or all of which may be implemented to the extent that the City experiences a reduction in revenue collections.

**[CITY – WHAT ACTIONS HAS THE CITY TAKEN TO MITIGATE COVID-19, IN PARTICULAR ON THE FINANCES OF THE CITY? WHAT DATA IS AVAILABLE – REVENUES AND EXPENDITURES – TO SHOW THE EFFECT OF COVID-19 ON THE CITY?]**

### **Market for the Bonds**

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds and no assurance that a secondary market for the Bonds will develop or, if developed, will not be disrupted at any time. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

### **ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEY SECURITY**

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Bonds are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies (including domestic for life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or

other funds of the State and State subdivisions and taxing districts, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Fire), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Bonds are acceptable under Ohio law as security for the repayment of the deposit of public money.

Beneficial Owners of the Bonds should make their own determination as to such matters as legality of investment in or pledgability of book-entry interests.

### UNDERWRITING

The Bonds are being purchased by Fifth Third Securities, Inc. (the "Underwriter"), at a price of \$ \_\_\_\_\_, plus any interest accrued on the Bonds, resulting in a gross underwriting spread of \$ \_\_\_\_\_ from the public offering prices of the Bonds set forth on the Cover (the "Offering Prices"). In its bond purchase agreement with the City, the Underwriter has agreed to pay certain costs of issuance of the Bonds on behalf of the City[, including the costs of the bond insurance premium]. The Underwriter has provided the information in this Official Statement pertaining to the Offering Prices and to the offering of the Bonds in the seventh paragraph of **REGARDING THIS OFFICIAL STATEMENT**. As noted in that paragraph, the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the Offering Prices. The Offering Prices may be changed after the initial offering by the Underwriter. The purchase of the Bonds by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Bonds, if any are purchased.

### RATING[S]

The Bonds have been rated "\_\_\_" by S&P Global Ratings. The rating assigned is shown on the Cover. No application for a rating has been made by the City to any other rating service.

[S&P Global Ratings is expected to assign its municipal bond rating of "\_\_\_" to the Bonds, with the understanding that concurrently with delivery of the Bonds a Municipal Bond Insurance Policy insuring the scheduled payment when due of principal of and interest the Bonds will be issued by \_\_\_\_\_. See **Appendix G**. No application was made to any other rating service for the purpose of obtaining an additional rating on the Bonds.]

The ratings reflect only the views of the rating service, and any explanation of the meaning or significance of the ratings may only be obtained from the rating service. The City furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the City. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment

circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the Bonds.

The City expects to furnish the rating service with information and materials that may be requested. The City, however, assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Bonds.

### **TRANSCRIPT AND CLOSING CERTIFICATES**

A complete transcript of proceedings and a certificate (described under **LITIGATION**) relating to litigation will be delivered by the City when the Bonds are delivered by the City to the Underwriter. The City at that time will also provide to the Underwriter a certificate, signed by the City officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of this Official Statement and to its being a "final official statement" in the judgment of the City for purposes of SEC Rule 15c2-12(b)(3).

### **CONTINUING DISCLOSURE AGREEMENT**

The City has agreed, for the benefit of the holders and Beneficial Owners from time to time of the Bonds, in accordance with SEC Rule 15c2-12 (the "Rule"), to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the "Continuing Disclosure Agreement"). See **Appendix F** for the proposed form of the Continuing Disclosure Agreement. The foregoing information, data and notices can be obtained from Robert Landon, Auditor, City of Marion, Ohio (telephone (740) 383-5254; telecopy (740) 387-3433; email [rlandon@marionohio.org](mailto:rlandon@marionohio.org)).

The performance by the City of the Continuing Disclosure Agreement will be subject to the annual appropriation by the City of any funds that may be necessary to perform it. The Continuing Disclosure Agreement will remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the City remains an obligated person with respect to the Bonds within the meaning of the Rule.

Within the last five years, the City believes that it has complied in all material respects with prior continuing disclosure agreements entered into pursuant to the Rule, but the City notes that the City's continuing disclosure agreements require annual audited financial statements to be filed if and when available; audited financial statements are available publicly, and without charge, on the website of the Ohio Auditor of State. During the last five years, the City filed its audited financial statements with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system when they became publicly available on the Ohio Auditor of State's website with the exception of the City's audited financial statements for Fiscal Year 2014 which was filed on EMMA on November 5, 2015, resulting in those audited financial statements being filed approximately 37 days after their public release on the Ohio Auditor of State's website.



The City has put policies and procedures in place to ensure that all filings are made in a timely manner going forward.

The City acknowledges the recent amendments to the Rule that took effect on February 27, 2019. The Continuing Disclosure Agreement has been prepared to comply with the Rule, as amended.

## **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Prior to the delivery of the Bonds, \_\_\_\_\_, an independent public accounting firm, will deliver a report on the mathematical accuracy of certain computations contained in schedules provided to them by the Underwriter. These computations will relate to the adequacy of the money and maturing principal amounts of the direct obligations of or obligations guaranteed as to payment by the United States held in the Escrow Fund for the payment of (i) interest on the Refunded Bonds when due on December 1, 2020, and (ii) the principal of the Refunded Bonds being called for prior optional redemption on December 1, 2020 (at a redemption price of 100% of the principal amount optionally redeemed), all in accordance with the terms of the Escrow Agreement.

## **BOND REGISTRAR AND ESCROW TRUSTEE**

[**U.S. Bank National Association**] will act as bond registrar, paying agent, transfer agent and authenticating agent for the Bonds (the “Bond Registrar”) and as escrow trustee for the Refunded Bonds (the “Escrow Trustee”). The Bond Registrar will keep all books and records necessary for registration, exchange and transfer of the Bonds, in accordance with the terms of agreements between it and the City. The Bond Registrar is a national banking association. It has designated its [**Columbus, Ohio**] corporate trust office in connection with the Bonds.

## **THE CITY**

### **General Information**

The City is located in (and is the County seat of) Marion County in central Ohio, approximately 50 miles north of the City of Columbus, Ohio, 90 miles southeast of Toledo, Ohio and 115 miles southwest of Cleveland, Ohio. It was incorporated as a village in 1830 and became a city in 1890.

The City’s 2010 census population of 36,837 placed it as the largest city in the County. See **THE CITY – Economic and Demographic Information – Population**.

The City's area is approximately 11.82 square miles, broken down by land use as follows.

Type of Real Property	Percent of Assessed Valuation of Real Property
Residential	78.53%
Commercial/Industrial	21.25
Public Utility	0.05
Agricultural	0.17
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

The City is served by diversified transportation facilities, including seven State and U.S. highways and I-71 located 25 miles east of the City. The City is served by CSX and Norfolk Southern Railroads. Public mass transit for the area is provided by the Marion Area Transit System. The City owns the Marion Municipal Airport which is located to the east and outside of the City. It is designed for general use.

Banking and financial services are provided to the City area by offices of local commercial banks and savings banks, two of which have their principal offices in the City.

One daily newspaper, *The Marion Star*, serves the City. The City is within the broadcast area of four television stations and three local AM and FM radio stations. Multichannel cable TV service, including educational, governmental and public access channels, is available to all City residents.

The educational systems and institutions discussed below operate independently of the City government. The City is not involved in the operation or financial matters of any educational system or institution.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include: the Marion Campus of The Ohio State University and Marion Technical College. There are 10 other colleges and universities within a 60-minute drive.

The City and its area residents are served by the Marion General Hospital, which is jointly owned by the City and the County. It is leased to Marion General Hospital, Inc. and is operated by OhioHealth. It has 250 beds and is the largest medical center within a 40-mile radius of the City.

The City is known as the home of the 29<sup>th</sup> President of the United States, Warren G. Harding (1921-1923). The Harding Home and Museum and the Harding Memorial draw visitors from all over the country.

The main branch of the Marion Public Library is located in the City, with three branches located in villages within the County. It has approximately 316,720 items available for checkout with a total circulation of 371,488.

Entertainment assets include the Palace Theater, which offers performing arts, musical events and films. Its central location in the City and its architecture were key factors in the theater's privately supported restoration program.

The City maintains 18 parks, which contain more than 365 acres. Park facilities include an aquatic center with a lazy river, slides and a concession stand, bike and jogging trails, tennis courts, baseball diamonds, softball fields, soccer fields, volleyball courts, picnic areas with shelters and numerous playground facilities.

### **City Government**

The City operates under and is governed by the mayor-council form of government in accordance with general laws. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a nine-member Council, three of whom are elected at-large and six are elected from wards. The presiding officer is the President who is elected by the voters for a two-year term. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The other elected officials are all elected to a four-year term.

The Mayor appoints the Public Works, Safety and Service Directors as well as all department heads with the exception of the Airport Director and the Parks Director, who are appointed by the Mayor after recommendation by the Board of Airport Commissioners and the Board of Park Commissioners, respectively. There are 19 boards and commissions in the City. The Mayor appoints and removes certain members to all but six of those boards and commissions. The appointment of members to each of the Board of Airport Commissioners, the Design Review Board, the Marion County General Health District Board, the Marion Enterprise Zone-Co., the Tax Incentive Review Council and the Marion Port Authority Board of Directors requires Council approval.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

All elected officials serve part-time, except the Mayor, the Auditor and the Law Director. The current elected officials, and some of the major appointed officials, are: [CITY TO UPDATE]

### ELECTED

Office	Name	Years in Office	Years Service with the City	Vocation in Private Life
Mayor	Scott Schertzer	12.5	19.5	Full-time
Auditor	Robert Landon	0.5	1.5	Full-time
Law Director	Mark D. Russell	25.5	27.5	Full-time
Treasurer	Thomas Pannett	13.0	13.0	Retired Teacher/Administrator
Members of Council:	Todd Schneider <sup>(a)</sup>	1.5	1.5	Assistant Principal
1 <sup>st</sup> Ward	Kai Meade	0.5	0.5	
2 <sup>nd</sup> Ward	Ayers Ratliff	13.5	13.5	Racing Communications
3 <sup>rd</sup> Ward	Jason Schaber	8.0	8.0	Business owner
4 <sup>th</sup> Ward	Joshua Feliciano	0.5	0.5	
5 <sup>th</sup> Ward	Leslie Cunningham	4.5	4.5	Customer Service
6 <sup>th</sup> Ward	Kathy Swanger	0.5	0.5	
At-Large	Josh Daniels	6.5	6.5	Real Estate/Builder
At-Large	Michael Neff	0.5	0.5	
At-Large	Michael Thomas <sup>(b)</sup>	0.5	0.5	

(a) President of Council.

(b) Michael Thomas was appointed to the Council by the Democratic Central Committee after the resignation by Rebecca Gustin.

### APPOINTED

Office	Name	Years in Position	Years Service with the City
Director of Public Safety	Randy Caryer	0.5	39.0
Interim Director of Public Service	Cathy Chaffin	0.5	18.5
Director of Public Works	Jim Bischoff, P.E.	2.0	9.0
Clerk of Council	Tarina Rose	2.5	2.5

The present terms of all elected officials expire on December 31, 2021, except the terms of the Mayor, the Auditor and the Law Director, which expire on December 31, 2023. All appointed officials serve at the pleasure of the Mayor.

## **Employees**

**[CITY TO UPDATE]** As of July 1, 2018, the City has 367 full-time positions, of which 292 are currently filled. The City also has approximately 17 part-time employees (permanent and interim) and 47 seasonal employees that are employed at the City's Aquatic Center (open approximately 12 weeks each year). The number of full-time employees has increased by 11 since December 31, 2013. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

Full-time employees are represented by the following bargaining units: **[CITY TO UPDATE]**

<b>Bargaining Unit</b>	<b>Agreement Expiration</b>	<b>Number of Employees</b>
Fraternal Order of Police - Blue	12/31/2020	36
Fraternal Order of Police - Gold	12/31/2020	15
United Steelworkers of America	12/31/2020	18
AFSCME	03/31/2019	69
International Association of Firefighters	03/31/2020	53

**[WHAT IS THE STATUS OF CONTRACTS THAT HAVE EXPIRED? WHAT IS THE STATUS OF CONTRACTS THAT WILL EXPIRE LATER THIS YEAR? WHERE IN THE NEGOTIATION PROCESS ARE THEY?]**

The remaining full-time City employees have not elected or are not eligible to join a bargaining unit.

There have been no layoffs, salary freezes, furloughs or work-stoppages since 2013. **[IS THIS TRUE GIVEN COVID-19?]**

The Council by ordinance establishes salaries, wages and other economic benefits for City employees, the terms of which generally are the products of negotiations with representatives of the employees or bargaining unit. Increases in economic benefits have been provided on an annual basis.

In the City's judgment, its employee relations have been and are excellent.

## **Retirement Expenses**

**[CITY TO UPDATE/CONFIRM]** Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund ("OP&F") covers uniformed members of the police and fire departments. All other eligible City employees are covered by the Ohio Public Employees Retirement System ("OPERS").

The City "picks-up" 6% of the pensions for all elected officials as well as the Safety and Service Director.

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. In 2012, the General Assembly passed five separate pension reform measures intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The reform legislation passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began on July 2, 2013. With certain transition provisions applicable to certain current employees, the reform legislation has, among other changes, increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent. The OP&F reform legislation also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

In 2019, City employees covered by OPERS contributed at a statutory rate of 10.0% of earnable salary. The City's statutory contribution rate for those employees is 14.0% of the same base. In 2019, City employees covered by OP&F contributed at a statutory rate of 12.25% of earnable salary. The City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates have been and are now the maximums permitted under current State law.

For further information on these pension plans and for Fiscal Years 2018 and 2019 reporting with respect to employer pensions, see the Notes to the [Fiscal Year 2018 Financial Statements included in **Appendix C-1** and the Notes to the Fiscal Year 2019 Financial Statements included in **Appendix C-2**, respectively]. Financial and other information for OPERS and OP&F can also be found on the respective website for each retirement system including its Comprehensive Annual Financial Report.

The City's current employer contributions to OPERS and OP&F, and the payments toward the accrued OP&F liability, have been treated as current expenses and included in the City's operating expenditures, except to the extent paid from the proceeds of the "Police and Fire Pension" levy referred to under **AD VALOREM PROPERTY TAXES – Tax Rates**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

## City Facilities; Insurance

**[CITY TO UPDATE]** The City owns several buildings including: City Hall, a three-story building that houses administrative offices, Municipal Court and the Police Department; three operating fire stations; 18 parks with over 365 acres and various recreational facilities; a sewage treatment plant consisting of thirteen buildings and eleven lift stations; two City garages used for the maintenance and storage of the City's fleet of vehicles; the Marion Municipal Airport consisting of five buildings, ten hangars and two runways with parallel taxiways; an additional building that houses the Drug Task Force Unit and that is also used during the summer months by the Marion City School District to distribute food to families in need; the Marion Area Transit Center which is used as a local transfer point and which operates as a Greyhound agent; and the Marion Senior Center which is used for senior citizens activities.

The City currently carries real property and contents casualty insurance in the amount of \$55,855,896, with a deductible of \$1,000.

The City also maintains a variety of liability insurance coverages with varying deductibles. The liability insurance on City vehicles has a combined single-limit bodily injury and property damage coverage in the amount of \$5,000,000 per occurrence (with no deductible or aggregate). The City also carries public official and employee liability insurance coverage with a \$5,000,000 limit of liability for public officials and \$1,000,000 for employees for each loss. The City is part of a joint, self-insured pool. The current policy is in effect through [April 1, 2019].

## Economic and Demographic Information

### Population

Recent Census population has been: **[SPB TO UPDATE]**

Year	City	County
1970	38,646	64,724
1980	37,040	67,974
1990	34,075	64,274
2000	35,318	66,217
2010	36,837	66,501
2018 <sup>(a)</sup>	36,268	65,344

(a) U.S. Census Bureau Selected Source Characteristics in the United States 5-Year estimated 2012-2016.

2010 Census figures show the following breakdown by age groups of the population of the City:

Under 5	5-19	20-34	35-44	45-54	55-64	65+	Total
2,431	6,662	8,238	5,100	5,536	4,245	4,625	36,837

Educational attainment for the City's and the County's population (25 years or older) is set forth in the following table. **[SPB TO UPDATE]**

	City	County
Less than 9th Grade	788 (3.1%)	1,264 (2.7%)
9th to 12th Grade (no diploma)	3,478 (13.7%)	4,928 (10.7%)
High School graduate (includes GED)	11,285 (44.5%)	19,912 (43.1%)
Some college, no degree	5,877 (23.2%)	10,524 (22.8%)
Associate degree	1,571 (6.2%)	3,858 (8.4%)
Bachelor degree	1,481 (5.8%)	3,558 (7.7%)
Graduate or professional degree	906 (3.6%)	2,118 (4.6%)

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2012-2016.

### Industry and Commerce

**[CITY TO UPDATE]** Marion Community Area New Development Organization ("Marion CANDO!"), a nonprofit corporation, works primarily in the area of industrial development and recruitment. See **THE CITY – Community and Economic Development**. Marion CANDO! focuses on bringing capital investment and new jobs to the area and set a goal for 2017 of bringing \$50 million of new capital investment and 400 new jobs to the City in 2017. Those goals were surpassed. In total, \$300 million of new capital investments were made and 700 new jobs were created in the City in 2017.

The companies investing within the City include Nucor Steel, Marion Industries, the Marion Industrial Center/Intermodal Facility, Central Ohio Farmers' Cooperative, Sakamura USA, Whirlpool, OhioHealth, RobotWorx, Morral Companies and Humble/Robinson Venture. POET Biorefining also made significant investments in the area although it is located just outside of City limits.

Nucor Steel and POET Biorefining are two of the biggest contributors, investing a combined \$205 million in the community. Nucor Steel, located in the southern part of the City, invested \$85 million to modernize its 100-year old manufacturing facility. During this modernization it also created 45 new jobs. POET Bioethanol, located just outside the northwest corner of the City, invested \$125 million to double its ethanol production from 70 million gallons per year to 140 million gallons per year. The ethanol produced is used as a gasoline additive. Over 40 jobs were created as part of this expansion effort.

Marion Industries, located in the City's Dual Rail Industrial Park, recently received a prestigious award from Honda for its just-in-time delivery system. As a result of increasing orders from Honda, Marion Industries will add about 20 new jobs in the next several years. The Marion Industrial Center/Intermodal Facility ("MIC"), located just outside of the City's eastern edge, has leased space to Consolidated Brands for its five-state distribution of international beverages. About 10 rail cars arrive each day with products to be unloaded and shipped to distribution centers within and outside of the City. Over 20,000 cars are stored for distribution to Midwest dealers. The MIC is also a storage area for Volkswagen recalls.



Central Ohio Farmers' Cooperative, located in the City, is expanding its production facilities with the installation of soybean cookers. Currently, dairy and pork producers bring in soy meal from outside of the State. This expansion project will allow the feed to be produced in the City and will add three jobs. Local soybean farmers will also be able to supply their soybeans to this facility.

Sakamura USA, also located in the City's Dual Rail Industrial Park, doubled the size of its production facility to 30,000 square feet. As a result, it added six jobs to the facility. This facility is the company's U.S. headquarters. Sakamura production equipment is used by automotive parts manufacturers and is serviced from and in the City.

Whirlpool Corporation ("Whirlpool"), located west of the City in the County, recently hired 300 new employees to start two new production lines for ventless dryers. The Marion facility produces more dryers a day than any other facility in the world. In 2017, Whirlpool added wind turbines to its Marion facility which supplies up to 20% of that facility's energy needs; the \$10.5 million investment builds upon the company's commitment to advances in sustainable manufacturing. Completion of these projects has the potential to make Whirlpool one of the largest Fortune 500 consumers of on-site wind energy in the U.S. About six years ago, Whirlpool also invested in its facility by constructing a one-million square foot warehouse.

In 2015, Morral Companies constructed a 17,000 square foot building to its existing facility that is used for the bulk processing of fertilizer. The facility, just outside the City, cost approximately \$500,000. In addition, it has invested about \$20 million in a new automated fertilizer packaging/production facility and created a couple of additional jobs.

The Humble/Robinson Venture is the construction of a new 160,000 square foot distribution center. The building is a speculative investment based on the identified need for new distribution center space outside of the City in the County. Groundbreaking for the first 160,000 square foot building is planned for the fall of 2018. The buildings are being designed for distribution facilities that could be modified for manufacturing facilities, as needed. It is part of a new 70-acre commercial and industrial park.

Kroger is investing in a marketplace in the same southern area of the City to become a regional shopping destination. The new 124,000 square foot facility is estimated to cost about \$20 million. The marketplace will provide the typical lineup of grocery items offered by Kroger but will also feature a large variety of other goods and fresh food offerings.

The City continues to improve infrastructure to become more business friendly. In 2012, the Northwest Industrial Corridor, a road that creates a link to west side industry, was opened. Construction of an overpass on State Route 309 is currently underway. The overpass will enhance access to the intermodal facility and will become a CSX select site after completion scheduled for the fall of 2018.

An estimated \$1.5 million has been invested in the downtown area of the City by the food industry and another \$2 million has been invested in the downtown area for medical facilities. Amato's Pizza and North High Brewing Co. are investing approximately \$1.5 million in a pizza shop and craft brewery. Amato's Pizza, a Delaware, Ohio restaurant, is expanding to a second

location in the City. North High Brewing Co. is planning to relocate most of its production facilities from Columbus to the City; craft beers will be sold locally and also shipped to locations in Columbus.

Another important aspect of the City's economic development plan is workforce development, an area of critical importance for employers. The City works in collaboration with Marion Technical College, The Ohio State University at Marion, Tri-Rivers Career Center, OhioMeansJobs, OhioHealth and other workforce resources. This workforce development program engages educational institutions from K-12 and local colleges and universities with local businesses. The Marion Area Workforce Accelerator Collaborative brings all of the County's school districts and higher education institutions together with businesses to identify current and future needs. Under Ohio law, each Ohio school district is required to form a business advisory committee. The various school districts in the area received approval from the Ohio Department of Education to form one business advisory committee to avoid duplication and to operate more efficiently. For example, the Marion City School District, OhioHealth and Marion Technical College work together on a medical technician program. OhioHealth faces a shortage of medical technicians. Students as young as ninth grade can select a medical technician career and earn an associate's degree from Marion Technical College along with a high school diploma. If the student chooses to work at OhioHealth, OhioHealth has a tuition assistance program for medical technicians to continue their education at a four-year institution.

The Marion City School District has created a program, Pathways to Success, which received accolades from the Governor's Office of Work Force Transformation, Ohio Economic Development Association and the Ohio Department of Education. The program assists students with exploring various career paths and directing them toward a career that is a good fit by providing them with tools to help them succeed. For example, approximately 20% of students that participate are accepted to a two-year college degree program and 43% are accepted to a four-year college degree program.

Tri-Rivers Career Center, the joint vocational school in the City, houses an automation/robotics training resource, RAMTEC, that is second-to-none. This program was the original RAMTEC in the State and serves as the training location for all 24 RAMTEC programs in the State. The Marion RAMTEC program continues to attract prospective manufacturers. The program has certified more than 300 adults in industrial robotics and automation. Currently, 81 Whirlpool associates are in the maintenance and tooling apprenticeship program. In 2018, 19 of the 20 program graduates are working in the engineering, robotics and/or maintenance field. Of that number, 15 were working before they graduated from high school, 17 of those 20 graduates graduated with college credit from Marion Technical College, and the 2018 graduates received more than \$8,000 worth of industrial certifications. In 2017, 11 of the members of that graduating class were working in the field earning an average wage of \$21.74 per hour.

**[ANYTHING COVID-19 RELATED THAT NEEDS TO BE DISCUSSED HERE?]**

## Employment and Income

The following table shows comparative average monthly employment and unemployment statistics for the indicated periods.

Year <sup>(a)</sup>	Employed in		Unemployment Rate			
	City	County	City	County	State	U.S.
2015	12,800	26,300	5.9%	5.1%	4.9%	5.3%
2016	12,900	26,300	5.8	5.1	5.0	4.9
2017	12,900	26,600	5.7	5.1	5.0	4.4
2018	13,200	27,200	4.9	4.4	4.5	3.9
2019	13,200	27,300	4.6	4.1	4.1	3.7
2020						
Jan.	13,000	26,800	5.4	4.9	5.0	4.0
Feb.	13,200	27,200	4.8	4.3	4.7	3.8
Mar.	12,900	26,700	5.4	4.8	5.6	4.5

(a) Not seasonally adjusted.

Source: Ohio Department of Job and Family Services.

**[CITY TO UPDATE]** The following table lists the employers (private and public) having the largest work forces within the City **[(as of December 31, 2019 – IS THERE MORE RECENT INFO AVAILABLE THAT INCLUDES COVID-19 DATA?)]**.

Employer	Nature of Activity or Business	Approximate Number of Employees
Marion General Hospital	Hospital	1,625
Marion City Schools	School District	930
Marion County	Government	641
Marion Industries	Manufacturing	548
North Central Correctional Institute	Privately Operated State Correctional Facility	523
Marion Correctional Institute	Government – State Correctional Facility	446
Marion Area Physicians	Medical	387
City of Marion	Government	376
Nucor Steel	Manufacturing	276
US Yachiyo	Manufacturing	149

Source: City Auditor.

[Potentially add a footnote that data does not reflect effect of COVID-19]

**[SPB TO UPDATE]** The median family and household incomes, as reported by the Census Bureau in its “2012-2016 American Community Survey 5-Year Estimates,” are set forth in the following table.

	<b>Median Income</b>	
	<b>Family</b>	<b>Household</b>
City	\$45,768	\$34,932
County	53,902	43,557
State	64,433	50,674
United States	67,871	55,322

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the Marion City School District (which overlaps the City) filing Ohio personal income tax returns for calendar year 2016 was \$35,614, compared to the averages of \$77,989 for all Ohio school districts (for all tax returns filed, the 2016 State average for tax returns that indicated school districts was \$60,793) and \$46,458 for all school districts in the County.

The income per household in the City and County is estimated to be distributed as set forth in the following table. **[SPB TO UPDATE]**

<b>Income and Benefits<sup>(a)</sup></b>	<b>City</b>	<b>County</b>
Less than \$10,000	1,087 (8.6%)	1,691 (6.9%)
\$10,000 to \$14,999	1,332 (10.5%)	1,832 (7.5%)
\$15,000 to \$24,999	2,188 (17.2%)	3,203 (13.1%)
\$25,000 to \$34,999	1,746 (13.8%)	3,200 (13.1%)
\$35,000 to \$49,999	1,862 (14.7%)	3,745 (15.3%)
\$50,000 to \$74,999	2,386 (18.8%)	4,708 (19.3%)
\$75,000 to \$99,999	1,145 (9.0%)	2,899 (11.9%)
\$100,000 to \$149,999	659 (5.2%)	2,333 (9.6%)
\$150,000 to \$199,999	160 (1.3%)	514 (2.1%)
\$200,000 or more	123 (1.0%)	293 (1.2%)

(a) In 2016 inflation-adjusted dollars.

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2012-2016.

The U.S. Census Bureau also estimates that 21.9% of people in the City and 17.4% of people in the County have incomes that fall below the poverty level.

### Housing and Building Permits

The following is U.S. Census Bureau information concerning housing in the City, with comparative County and State statistics. [SPB TO UPDATE]

	Median Value of Owner-Occupied Homes	% Constructed Prior to 1940	Number of Housing Units		% Change
			2000	2018	
The City	\$73,200	40.4%	14,713	14,914	+1.37%
County	93,400	31.0	26,298	27,783	+5.65
State	131,900	20.7	4,783,051	5,146,944	+7.61

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2012-2016.

Ohio Department of Taxation figures for average sale prices of residential property in the County and the City are shown in the following table. [SPB TO UPDATE]

Year	County	City
2013	\$96,750	\$75,250
2014	102,000	75,100
2015	105,250	79,450
2016	107,500	77,900
2017	N/A	N/A

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the City are shown in the following table. [CITY TO UPDATE]

Year	Number	Value
2015	525	\$1,494,217
2016	454	971,414
2017	568	2,096,809
2018	—	—
2019	—	—

### Utilities; Public Safety and Services

Water service within the City is provided by Ohio-American Water Company and is purchased directly by the consumers. Sewage collection and disposal is provided by the City. Electricity is obtained from First Energy, and natural gas is supplied by Columbia Gas of Ohio, Inc. Telephone service is provided by Verizon. Fire protection is provided by the City. Solid waste collection is provided by the City and trash from the City is sent to the Marion County Transfer Station.

## Community and Economic Development

[CITY TO UPDATE] In 1993, the City and the County entered into an agreement for the creation of the Marion County Regional Planning Commission (the “Planning Commission”) to act as the economic development office for the City and the County.

The Planning Commission receives the majority of its funding from the City and the County, and the County Auditor serves as its fiscal agent. The Planning Commission is primarily responsible for recommending changes and variances from zoning laws. It also administers the County’s subdivision regulation and all the numerous grants for both the City and the County.

Marion CANDO! works primarily in the area of industrial development and recruitment and is funded through private donations and government dollars provided by the City and County. See **THE CITY – Economic and Demographic Information – Industry and Commerce**. Marion CANDO! partners with Columbus 2020 to attract and retain new industry and basic economic employment. This includes an active retention and expansion effort. Marion CANDO! coordinates follow-up information and action, and on its U.S. and international trips, Columbus 2020 visits the corporate headquarters of the local company to thank them for operating in the County and the Columbus region. The Chamber of Commerce also hosts safety and business information sessions. Marion CANDO!, the Chamber of Commerce, the Regional Planning Commission and Marion Downtown Inc. assist, when they can, with retail and other commercial requests. The Chamber of Commerce also works with area businesses on retention of jobs and businesses.

The City continues to work with the Federal Aviation Administration (“FAA”) on projects to improve the Marion Municipal Airport. The City is currently working with the FAA on the construction of a new terminal. The total project is expected to cost \$963,000. Approximately \$546,000 will be provided through an FAA grant, \$30,000 from a grant from the Ohio Department of Transportation and \$387,000 from the City. Over the past few years the City has sold land at the airport and used the proceeds of those land sales (\$174,000) as part of the City’s contribution toward the project. The City also has an Airport Industrial Park Fund which will provide an additional \$158,000 of funding for the project. The balance of the City’s contribution will be paid from the City’s General Fund. Construction will begin in 2019. Many local businesses regularly use the Marion Municipal Airport, including Whirlpool, Nucor, POET Biorefining, Bradley (Mills Corp) and Anderson Windows; other businesses including OSP, the Ohio Department of Natural Resources, Marcus Construction, Fisher Ag, Growmark (and other various agriculture based companies), Synergy, Pipeline and Transmission Line Patrols, Marion Industries, Wendy’s, Planet Fitness, and private charters occasionally use the Marion Municipal Airport.

The City also owns the 90-acre Airport Industrial Park, which is adjacent to the Airport, and houses businesses such as SilverLine Building Products, The Royal Group, Columbia Gas of Ohio, and ReConserve. ReConserve, a recycler of food byproducts that creates ingredients for livestock feed, constructed a new 67,000 square foot plant in the industrial park in 2015. The investment of \$6.5 million was the result of the company’s relocation from Upper Sandusky; the relocation included the transfer of 16 positions and the creation of seven new positions.

The Ohio State University at Marion has invested \$11 million for the construction of a science and engineering building and continues to work with Marion Technical College on a campus renovation project of approximately \$6 million.

The City was the home of President Harding. Harding 2020, a \$7 million renovation project is currently underway to restore his home and add a two-story building that will house a museum and library. This has been a publicly, and privately, coordinated effort.

New residential developments in the City include the construction of private student housing on University Drive near The Ohio State University at Marion campus. The new student housing includes 60 units and was constructed with an estimated cost of \$4.5 million.

## **FINANCIAL MATTERS**

### **Introduction**

The City's Fiscal Year corresponds with the calendar year.

The main sources of City revenue have been and are property taxes, income taxes and State distributions, as described below.

The responsibilities for the major financial functions of the City are divided among the Mayor, the Auditor, the Treasurer and the Council.

Other important financial functions include general financial recommendations and planning by the Mayor, budget preparation by the Mayor with the assistance of the Auditor; and express approval of appropriations by the Council.

The Auditor is the City's fiscal and chief accounting officer. In this role, that officer's duties include keeping the books and accurate statements of all money received and expended and of all taxes and assessments; at the end of each Fiscal Year, or more often if requested by the Council, to examine all accounts of City officers and departments; and ensuring that the amount set aside for any appropriation is not overdrawn, or the amount appropriated for any one item of expense is not drawn upon for any other purpose, or a voucher is only paid if sufficient funds are in the City treasury to the credit of the fund on which the voucher is drawn. The Auditor is responsible for receiving, maintaining custody of and disbursing all City funds.

The Auditor has charge of the financial affairs of the City, including the keeping and supervision of all City accounts and the custody and disbursements of all City funds and moneys. The Auditor is elected.

For property taxation purposes, assessment of real property is by the County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

## **Budgeting, Property Tax Levy and Appropriations Procedures**

Detailed provisions for budgeting, property tax levies and appropriations are made in the Revised Code, including a requirement that the City levy a property tax in a sufficient amount, with any other money available for the purpose, to pay the debt charges on securities payable from property taxes.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget is then presented for review by the county budget commission, which is comprised of the county auditor, treasurer and prosecuting attorney. A county budget commission may, however, waive the requirement for a tax budget and require an alternative form of more limited information required by the commission to perform its duties. The Marion County Budget Commission has not waived the requirement of a tax budget from the City and other subdivisions in the County.

The county budget commission then determines and approves levies for debt charges outside and inside the ten-mill limitation. The Revised Code provides that “if any debt charge is omitted from the budget, the commission shall include it therein.”

The county budget commission then certifies to each subdivision its action on the tax budget together with the estimate by the county auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the taxing authority (the Council in the case of the City) approves the tax levies and certifies them to the county auditor. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two equal installments, the first usually by February and the second in July.

The Council adopts a permanent appropriation measure in January for that Fiscal Year. Although called “permanent,” the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission’s official estimates of resources, and the County Auditor must certify that the City’s appropriation measures do not appropriate money in excess of the amounts set forth in those estimates.

## **Financial Reports and Audits**

The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the “State Auditor”). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

City receipts and expenditures are compiled on a cash-basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio political subdivisions. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full



accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

The City has issued a Comprehensive Annual Financial Report (“CAFR”), including General Purpose and Basic Financial Statements (“Basic Financial Statements”), for each of the Fiscal Years 2013 through [2019]. The CAFRs for Fiscal Years 2013 through Fiscal Year [2018] were awarded the Government Finance Officers Association’s Certificate of Achievement for Excellence in Financial Reporting, which is awarded to those governmental reporting agencies that comply with the Government Finance Officers Association reporting standards. The City has submitted its 2019 CAFR to Government Finance Officers Association for consideration.

Audits are made by the State Auditor, or by certified public accountants at the direction of the State Auditor, pursuant to Ohio law, and examinations or audits are made under certain federal program requirements. No other independent examination or audit of the City’s financial records is made.

[SPB TO UPDATE] [The most recent audit (including compliance audit) of the City’s accounts was completed through Fiscal Year 2018. The Fiscal Year 2018 Basic Financial Statements of the City are set forth as **Appendix C-1**; they have been audited by the State Auditor, as stated in their report appearing in those statements. One material weakness in internal controls was included in that compliance audit relating to the City’s physical inventory of capital assets. The City failed to conduct an annual physical inventory within the required period of time. The City has taken steps to correct this weakness. The Fiscal Year 2019 Basic Financial Statements of the City are set forth as **Appendix C-2**. The compliance audit of internal controls has been completed. Two material weaknesses in internal controls were included in that compliance audit relating to the City’s Federal Community Development Block Grant (“CDBG”): (1) the first material weakness relates to the City’s failure to follow the proper method of procurement for small purchase procedures, and (2) the second material weakness relates to the City’s failure to spend CDBG drawdowns below a \$5,000 balance within 30 days of the draw. The City will take steps to correct these weaknesses.]

Annual financial reports are prepared by the City and are filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for an audited comparative cash-basis summary, prepared by the City, of General Fund receipts and expenditures for the last five Fiscal Years and estimated for Fiscal Year 2020. All funds receipts and expenditures for the two prior Fiscal Years are set forth in **Appendix B**. See **Appendix C-1** for the audited [Basic Financial Statements for Fiscal Year 2018, including the audit letter/independent accountant’s report. See **Appendix C-2** for the audited Basic Financial Statements for Fiscal Year 2019 including the audit letter/independent accountant’s report.]

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the State Auditor since their date.

## Deposits and Investments

**[CITY TO UPDATE IF NEEDED]** The Auditor is responsible for the City's investments and is charged with the day-to-day responsibility of carrying out the investment objectives and practices of the City. The City does have an Investment Board which is made up of the Mayor, Auditor and Law Director. Under recent and current practices, investments are made in direct obligations of the United States, obligations guaranteed by the United States (including obligations of certain federal agencies), certificates of deposit, repurchase agreements (with the underlying securities held on the City's behalf by third-party institutions or in the customer safekeeping account of the Federal Reserve account of the City's depository institutions), and certain of the City's own bonds and notes.

The City from time to time also invests in STAR Ohio (State Treasury Asset Reserve), which is an investment pool managed by the Ohio Treasurer of State. STAR Ohio is similar in concept to a registered investment company issuing redeemable securities, commonly called a "money market mutual fund." A treasurer, governing board or investment authority of a subdivision may deposit public money of the subdivision with the Treasurer of State. Subdivision is defined in Section 135.5(E)(2) of the Revised Code as any county, municipal corporation, school district, township, municipal or school district sinking fund, special taxing or assessment district and other district or local authority electing or appointing a treasurer. The Treasurer of State can invest the public money deposited in STAR Ohio in the same types of instruments as are provided for the investment of interim money of the State.

The City does not invest in any securities that would be characterized as derivatives or in reverse repurchase agreements and purchases all investments with the intent to hold to maturity.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**[CITY TO UPDATE]** As of **[June 30, 2019]**, the City had the following investments.

	Investments	% of Portfolio
State Investment Pool (STAR Ohio)	\$1,092,570.31	8.52%
Money Market	478,171.10	3.73
Certificates of Deposit	4,876,820.73	38.03
U.S. Treasury/Agency Securities	6,041,268.10	47.10
Savings	<u>335,978.73</u>	<u>2.62</u>
Total	\$12,824,808.97	100.00%

## Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Auditor will

directly invest in securities as follows: not more than 20 percent of the value (computed at the time the investment is made) of investments to mature or be redeemable within 10 years from the date of purchase and the balance of all investments to mature or be redeemable within five years from the date of purchase.

### **Credit Risk**

The City's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or backed by the enterprises of the United States Government. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

### **Concentration of Credit Risk**

The City places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of total investments is listed in the table above.

### **Financial Outlook**

The City's General Fund cash balance as of December 31 for each of the years 2015 through 2019 and estimated for 2020 are shown in **Appendix A**.

**[CITY TO UPDATE]** The State of Ohio has recently reduced the City's allocation of the Local Government Funds. This reduction is not anticipated to materially affect City finances, as it accounts for less than 1% of total general fund revenues. The State of Ohio has also eliminated the estate tax revenue for local governments. Although City revenues from this source could be material in any specific year, it has been extremely unpredictable and has varied dramatically from year to year. As a result, the City has not typically included estimates for such receipts in its budgeting process.

### **GENERAL FUND**

The General Fund is the City's main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives money from many sources, but primarily from ad valorem property taxes and income taxes levied by the City and State local government distributions. **Appendices A and B** provide further information regarding other revenue sources for the General Fund and other City funds.

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## AD VALOREM PROPERTY TAXES

### Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the City.

Collection Year	Real <sup>(a)</sup>	Public Utility <sup>(b)</sup>	Total Assessed Valuation
2016	\$342,734,040	\$30,764,640	\$373,498,680
2017 <sup>(c)</sup>	350,660,330	33,446,790	384,107,120
2018	350,771,790	34,230,780	385,002,570
2019	353,290,670	35,128,510	388,419,180
2020 <sup>(d)</sup>	380,847,740	36,061,190	416,908,930

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Tangible personal property of all public utilities and real property of railroads.
- (c) Reflects triennial update.
- (d) Reflects sexennial reappraisal.

Source: County Auditor.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

[CITY TO UPDATE] Since January 1, 2010, 252.529 acres were annexed to the City.

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Based on County Auditor records of assessed valuations for the 2020 collection year, the largest City ad valorem property taxpayers and the respective percentages of share of the City's total assessed valuation are:

<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Total Assessed Valuation</b>	<b>% of Total Assessed Valuation</b>
<i><b>Real</b></i>			
Marion General Hospital	Hospital	\$8,370,900	2.01%
DOFASCO Marion Inc.	Real Estate	3,093,460	0.74
Store Master Funding	Manufacturing	2,656,450	0.64
Marion Plaza	Retail	2,160,630	0.52
US Yachiyo Inc.	Manufacturing	2,147,120	0.52
Nucor Steel	Manufacturing	2,078,070	0.50
Michael Maynard	Real Estate	1,722,110	0.41
Kinman Real Estate	Real Estate	1,435,850	0.34
<i><b>Public Utility</b></i>			
Aqua Ohio	Water	\$16,809,000	4.03%
Ohio Edison Company	Electric	9,959,800	2.39
Columbia Gas of Ohio	Gas	5,418,540	1.30
All Others		\$361,057,000	86.60%
Total		\$416,908,930	100.00%

Pursuant to statutory requirements for sexennial reappraisals, in 2019 the County Auditor adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in the 2019 duplicate (collection year 2020) and in the ad valorem taxes distributed to the City in 2020 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values.

The "assessed valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of the phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and the 2002 reduction of the percentages of true value of electric utility production equipment and natural gas utility

property assessed for taxation, as described above, eligible local governments have received reimbursement payments from the State to account for the loss of property tax revenue. The City no longer receives reimbursement payments from the State to compensate for tax revenue losses as a result of those reductions.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

**[CITY TO UPDATE]** The City currently has three tax increment financing (“TIF”) areas within the City – the Kroger Marketplace (formerly SBR/Management Expansion) TIF, Delaware/Barks Road TIF and Barks Road TIF; the latest of these expires in 2036. These three TIFs are located in the southern portion of the City. The City collects approximately \$383,874 of payments in lieu of taxes (“TIF payments”) annually from these three TIFs; of that amount, \$208,932 is used to pay debt service on outstanding bonds of the City which financed public infrastructure improvements relating to those TIFs. Once the related portions of those City bonds mature, the City will continue to place revenue from the TIF payments into the TIF fund and use the moneys for related public improvements along the southern corridor of the City.

**[CITY TO UPDATE]** Tax abatement opportunities for real property are available in the City. For example, over the last 10-15 years, industrial tax abatements under the Enterprise Zone program have created 497 jobs in the City and encouraged investment of \$10,392,000 in real property and \$48,937,000 in personal property.

### **Overlapping Governmental Entities**

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the City are listed below. The “(\_\_\_\_%)” figure is that approximate percentage of a recent tax (assessed) valuation of the overlapping entity that is located within the City.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services and judicial). (32.36%)
- A portion of the following school districts:
  - Marion City School District (K-12 educational responsibilities). (94.34%)
  - Elgin Local School District (K-12 educational responsibilities). (0.47%)

- Pleasant Local School District (K-12 educational responsibilities). (19.29%)
- Ridgedale Local School District (K-12 educational responsibilities). (2.57%)
- River Valley Local School District (K-12 educational responsibilities). (2.82%)
- Tri-Rivers Career Center Joint Vocational School District (the “Career Center”) (vocational education program). (19.19%)
- Township of Marion (66.54%) (limited functions allocated to townships by Ohio law).

Source: OMAC.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the County, school districts and the Career Center may, as may the City, levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS – Indirect Debt and Unvoted Property Tax Limitations**.

#### **Tax Rates**

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the City and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

**TAX TABLE A**  
**Overlapping Tax Rates**

<b>Collection Year</b>	<b>City</b>	<b>County<sup>(a)</sup></b>	<b>Marion City School District</b>	<b>Tri-Rivers JVSD</b>	<b>Marion Township</b>	<b>Total</b>
2016	4.20	11.17	41.12	4.40	0.10	60.99
2017	4.20	11.17	40.77	4.40	0.10	60.64
2018	4.20	11.17	40.91	4.40	0.10	60.78
2019	4.20	11.17	40.30	4.40	0.10	60.17
2020	4.20	12.67	40.30	4.40	0.10	61.67

(a) Includes 2.40 mills for General Fund, 4.85 mills for Developmental Disabilities Board, 1.00 mill for Mental Health Board, 3.62 mills for Children Services and .80 mills for Council on Aging.

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 [*Section 319.301 of the Revised Code (HB 920 and later acts)*; *Ohio Const. Art. XII, Sec. 2a*] to limit in part the effect of increasing property values on the growth of those property taxes.

As noted above, all of the City's property tax levies, as levies inside the ten-mill limitation, are exempt from those tax credit provisions. The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on voted general obligations, or from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting "effective tax rate" reflects the aggregate of those reductions, and is the rate on the basis of which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2020 tax collection year of 61.67 mills within the City (in that portion of the City within the Marion City School District) is reduced by reduction factors of 0.289898 for residential/agricultural property and 0.221839 for all other real property, which results in "effective tax rates" of 43.791993 mills for residential and agricultural property and 47.989196 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State's General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after its effective date, and for other taxes (or increases in taxes) not levied for tax year 2013. See **AD VALOREM PROPERTY TAXES – Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

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The following are the rates at which the City levied property taxes for the general categories of purposes for recent years, both inside and outside the ten-mill limitation. The City does not currently levy any taxes outside the ten-mill limitation.

**TAX TABLE B  
City Tax Rates**

**Inside the Limitation**

<b>Collection Year</b>	<b>Operating</b>	<b>Police and Fire Pension</b>	<b>Total</b>
2016	3.60	0.60	4.20
2017	3.60	0.60	4.20
2018	3.60	0.60	4.20
2019	3.60	0.60	4.20
2020	3.60	0.60	4.20

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS – Indirect Debt and Unvoted Property Tax Limitations**.

**Collections**

The following are the amounts billed and collected for City ad valorem property taxes on real and public utility property for the tax collection years shown.

<b>Collection Year</b>	<b>Current Billed</b>	<b>Current Collected</b>	<b>Current % Collected</b>	<b>Delinquent</b>	
				<b>Current</b>	<b>Accumulated</b>
2015	\$1,447,461	\$1,422,034	98.24%	\$149,502	\$240,496
2016	1,487,097	1,415,854	95.21	186,857	274,379
2017	1,487,155	1,456,683	97.95	147,083	344,625
2018	1,497,449	1,474,789	98.49	151,475	340,234
2019	1,598,918	1,462,344	91.46	248,962	379,321

Source: County Auditor.

Included in the “Current Billed” and “Current Collected” figures above are payments made from State revenue sources under two statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. The Homestead Exemption is available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses’ deaths. The Homestead Exemption exempts \$25,000 of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability. The

Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner's ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the City's tax collections for 2019 was \$66,636.74 for the elderly/disabled homestead payment and \$121,556.75 for the rollback payment.

Legislation passed by the State's General Assembly in 2013 made the Homestead Exemption subject to means testing beginning January 1, 2014, and eliminated the Property Tax Rollback Exemption and related reimbursements with respect to new or replacement tax levies approved at elections after its effective date, and for other taxes (or increases in taxes) not levied for tax year 2013. See **AD VALOREM PROPERTY TAXES – Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

### **Delinquencies**

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties.

Under the Revised Code, taxes levied on property become a lien of the State on the first day of January, annually, and that lien continues until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments are generally payable in two equal installments – with the first half installment due no later than January in the year following their levy and the second half installment due no later than July in the year following their levy. Current year billed taxes not paid when due are generally subject to a 10% penalty, subject to remission of one-half of the penalty if those taxes are paid within 10 days following the due date.

The county auditor is required to prepare a list and duplicate of delinquent lands ("delinquent lands duplicate") immediately after each settlement with the county treasurer of taxes collected and to certify the delinquent lands duplicate to the county treasurer. Taxes, including penalties, interest and other charges, that remain unpaid after the last day that the second half installment of current taxes may be paid without penalty in any year become "delinquent taxes" and the properties to which they relate comprise the delinquent lands duplicate. If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes were levied. Under State law, the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land duplicate, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may execute a written delinquent tax agreement with the county treasurer to arrange a payment plan that provides for payments of tax, interest, and penalties over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; however, a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

As required by law, the County deposits 5% of all collections of certified delinquent taxes and assessments into the delinquent real estate tax and assessment collection fund. Money in that fund is divided equally between the County Treasurer and Prosecuting Attorney and is used solely in connection with the collection of delinquent taxes and assessments.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the City, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS – Security for General Obligation Debt; Bonds and BANs.**

The following table sets forth the number of delinquent parcels in the City and the number of parcels against which foreclosures were commenced by the County for delinquent taxes.

<b>Tax Collection Year</b>	<b>Total Nonexempt Parcels</b>	<b>Parcels Certified as Delinquent<sup>(a)</sup></b>
2015	14,534	263
2016	14,487	404
2017	14,452	203
2018	14,392	329
2019	14,428	259

(a) Certified delinquent to the County Prosecuting Attorney in the year. Parcels must be delinquent one year prior to certification.

Source: County Auditor.

There is no one taxpayer that accounts for more than 5% of any of the delinquencies of ad valorem real property taxes or special assessments identified above for tax collection year 2019.

### **OTHER MAJOR GENERAL FUND REVENUE SOURCES**

In addition to ad valorem property taxes, major sources of revenue to the General Fund include the City's income tax and State and local government assistance distributions, with the

largest source being the income tax. The Appendices provide further information regarding other revenue sources for the General Fund and other funds.

### **Municipal Income Tax**

Ohio law authorizes a city or village to levy a municipal income tax on both business income and employee wages and salaries at a rate of up to 1.00% without voter authorization. An income tax rate in excess of 1.00% requires approval by the voters. In 1988, City electors authorized an income tax at the rate of 0.75%. In 2012, voters approved an additional 0.25% income tax for police and fire services to begin on January 1, 2013. The City, pursuant to Council action and that voter authorization, currently levies the tax at the rate of 2.00%. This tax on business income and individuals' salaries and wages is collected and administered by the City. For taxable years beginning on or after January 1, 2018, taxpayers subject to a municipal net profit tax may elect to file one municipal net profit tax return that covers its total municipal net profit tax liability to all municipal corporations through the Ohio Business Gateway for processing by the Ohio Department of Taxation. The Ohio Department of Taxation will provide all administrative functions for those centrally-filed returns and will distribute payments to the appropriate municipalities, as well as address audits and appeals. The State will charge a processing fee to municipalities for taxpayers electing a centralized filing.

The tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council, or by vote of the electors initiated by petition of 10% of the number of electors of the City who voted for governor at the next preceding election, following initiated ordinance procedures. Under current law, the Council could reimpose a 1.00% tax without authorization by the electors.

Annual income tax receipts have been and for 2020 are estimated to be: **[CITY TO UPDATE]**

<b>Total</b>	<b>Receipts</b>	<b>Tax Rate</b>
2015	\$15,853,336	2.00%
2016	15,530,894	2.00
2017	15,957,695	2.00
2018	16,843,898	2.00
2019	_____	—:—
2020 (est.)	_____	—:—

Residents are currently permitted, as a credit against their City income tax liability, up to a 50% tax credit for taxes paid to other cities.

Based on employer payments of corporate and withheld personal income taxes, no employer contributed more than 5% of the City income taxes collected in 2019.

Certain of the income subject to the municipal income tax is also subject to the State income tax.

## State Local Government Funds

Statutory state-level local government funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts from those funds were and for 2020 are estimated to be as set forth in the following table. [CITY TO UPDATE]

Year	Receipts
2015	\$558,704
2016	673,490
2017	657,639
2018	649,389
2019	_____
2020 (est.)	_____

The amounts of and formula for distribution of these funds have been and may be revised from time to time. Beginning in 2018, villages with a population of 1,000 or more and cities will experience smaller distributions from the State's Local Government Fund due to a portion of those funds being redirected to townships and drug epidemic services.

## CITY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt such as the Bonds, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City.

As used in the discussions that follow, the term "BANs" refers to notes issued in anticipation of the issuance of general obligation bonds.

As further described below, the Bonds are:

- unvoted general obligations of the City. Certain overlapping subdivisions also may issue general obligation debt.
- exempt debt not subject to the direct debt limitations, but subject to the indirect debt and related property tax limitation, all as described below.

Revenue bonds issued by the City, such as industrial revenue bonds, have been excluded entirely from the following debt discussion and tables. The City is not aware of and has not been notified of any condition of default under those bonds or the related financing documents.

The City is not, and to the knowledge of current City officials has not in at least the last 25 years been in default in the payment of debt charges on any of the bonds or notes on which the City is obligor. The City, however, makes no representation as to the existence of a condition of

default resulting from a default by any private entity under any financing documents relating to industrial development or hospital revenue bonds for which the City was the issuer.

### **Security for General Obligation Debt; Bonds and BANs**

The following describes the security for City general obligation debt: bonds (such as the Bonds) and bond anticipation notes ("BANs").

**Voted Bonds.** The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities). The City has no voted general obligation bonds outstanding.

**Unvoted Bonds.** The basic security for unvoted City general obligation bonds is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See the discussion under **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS – Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City and all overlapping taxing subdivisions.

**BANs.** BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the City or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

The City has no outstanding BANs.

### **Statutory Direct Debt Limitations**

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all municipal corporations, including the City.

- The net principal amount of both voted and unvoted debt of the City, excluding “exempt debt” (discussed below), may not exceed 10½% of the total tax (assessed) valuation of all property in the City as listed and assessed for taxation.
- The net principal amount of unvoted debt of the City, excluding exempt debt, may not exceed 5½% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The City’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS – Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt (including the Bonds) that the City may issue is exempt from the direct debt limitations (“exempt debt”). Exempt debt includes, among others, the following categories.

- General obligation debt:
  - That is “self-supporting” debt (*i.e.*, nontax revenues from the facility or category of facilities are sufficient to pay operating and maintenance expenses and related debt charges and other requirements) issued for facilities for city utility systems, airports, railroads, mass transit systems, parking, health care, solid waste, urban development, recreation, sports, convention, auditorium, museum, trade show and other public attractions, facilities for natural resource exploration, development, recovery, use or sale and correctional, detention and related rehabilitation facilities.
  - To the extent debt charges are expected to be paid from tax increment financing payments in lieu of taxes pledged to the payment of those debt charges (subject to certain limitations).
  - For highway improvements if the municipality has covenanted to pay debt charges and financing costs from distributions of motor vehicle license and fuel taxes.
  - Issued in anticipation of the levy or collection of special assessments.
  - To pay final judgments or court-approved settlements.

- Securities for water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay to the City amounts equal to debt charges on those securities.
- Unvoted general obligation bonds to the extent that debt charges will be met from lawfully available municipal income taxes, to be applied to those debt charges pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes anticipating the collection of current revenues or the proceeds of a specific tax levy.
- Notes issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Voted debt for urban redevelopment purposes not in excess of 2% of the City's assessed valuation.
- Securities issued to make a single payment on certain accrued liability to the statewide Police and Fire Pension Fund.
- Securities issued for municipal educational and cultural facilities.
- Debt issued for the acquisition of property for public use in excess of that needed for a public improvement.
- Special obligation debt payable from nontax revenues.

BANs issued in anticipation of exempt bonds also are exempt debt.

The City may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

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In the calculation of debt subject to the direct debt limitations, the amount in a city's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Bond Retirement Fund, and based on outstanding debt and the Bonds and the current tax (assessed) valuation, the City's voted and unvoted nonexempt debt capacities are: [SPB TO UPDATE]

<b>Limitation</b>	<b>Nonexempt Debt Outstanding*</b>	<b>Additional Debt Capacity Within Limitation*</b>
10½% = \$43,775,437	\$ _____	\$ _____
5½% = \$22,929,991	\$ _____	\$ _____

This is further detailed in **Debt Table A**.

### **Indirect Debt and Unvoted Property Tax Limitations**

Voted general obligation debt may be issued by the City if authorized by a vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt such as the Bonds also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued) and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt charges in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten-mill limitation," is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by *all* overlapping taxing subdivisions without a vote of the electors. The 10 mills are allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the City. The entire 10 mills is currently being levied by the combination of the City and taxing subdivisions overlapping the City. The current allocation of the 10 mills (sometimes referred to as the "inside millage") is as follows: 4.2 mills for the City, 2.4 mills for the County, 3.3 mills for the Marion City School District and 0.1 mills for Marion Township. That allocation has remained constant for at least the last five years.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may

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\* Preliminary, subject to change.

actually be required to pay debt charges on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on City unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation since they are not general obligations of the City, and the full faith and credit and property taxing power of the City is not pledged for their payment.

The indirect limitation applies to all outstanding unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from municipal income taxes, special assessments, utility revenues or other sources.

[SPB TO UPDATE] The estimated highest debt charges requirement in any year for all City debt subject to the ten-mill limitation is estimated to be \$ \_\_\_\_\*. That debt includes the Bonds and unvoted general obligation bonds outstanding (see **Debt Table D**). The payment of those annual debt charges would require a levy of an estimated \_\_\_\_\* mills based on current assessed valuation. Of this maximum annual debt charges requirement, \$ \_\_\_\_\* is expected by the City to be paid from sources other than ad valorem taxes, such as municipal income taxes and utility revenues (see **Debt Table C**). If those other sources for any reason were not available, the debt charges could not be met from the amounts produced by the millage currently levied for all purposes by the City within the ten-mill limitation and therefore inside millage allocated to the overlapping subdivisions might have to be preempted for those debt charges. (See the discussion of this preemption, and of limitations on it, above under this caption.)

The total millage theoretically required by the City, the Marion City School District, the County (the highest overlapping taxing subdivisions which have issued unvoted debt) for debt charges on their outstanding unvoted general obligation debt (including the Bonds) is estimated to be \_\_\_\_\* mills for the year of the highest potential debt charges requirements. There thus remains \_\_\_\_\* mills within the ten-mill limitation that has yet to be allocated to debt charges and that is available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

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\* Preliminary, subject to change.

## Debt Outstanding

The Debt Tables attached provide information concerning the City's outstanding debt represented by bonds and notes, City and overlapping subdivisions general obligation debt allocations and projected debt charges on the City's general obligation debt, including the Bonds. See **Debt Tables**.

The following table shows the principal amount of City general obligation debt (bonds and notes) outstanding as of December 31 in the years shown.

Year	Exempt	Total	Of GO Total	
			Voted	Unvoted
2015	\$21,262,950	\$32,401,500	\$-0-	\$32,401,500
2016	20,509,050	31,038,500	-0-	31,038,500
2017	20,179,600	30,308,500	-0-	30,308,500
2018	19,636,100	28,840,000	-0-	28,840,000
2019	18,524,000	27,300,000	-0-	27,300,000

## Bond Anticipation Notes

None the debt of the City is currently in the form of BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the City, or a combination of these sources.

## Bond Retirement Fund

The Bond Retirement Fund is the fund from which the City pays debt charges on its general obligation debt and into which money required to be applied to those payments is deposited. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements (excluding proceeds of renewal or refunding obligations) for recent years and estimated for the current year.

Year	Receipts	Disbursements	December 31 Balance
2015	\$351,329	\$351,329	\$-0-
2016	349,392	349,392	-0-
2017	876,049	876,049	-0-
2018	882,005	882,005	-0-
2019	_____	_____	_____
2020 <sup>(a)</sup>	_____	_____	_____

(a) Estimated.

## **Future Financings**

**[CITY TO UPDATE]** At this time, the City has no plans to undertake or participate in any new major capital improvement projects for which it plans to borrow additional money or enter into long-term financial undertakings. The City does not plan to issue additional general obligation bonds or BANs during the next 12 months.

## **Long-Term Financial Obligations Other Than Bonds and Notes**

**[CITY TO UPDATE]** The City has entered into a loan agreement with the Ohio Water Development Authority ("OWDA") pursuant to which OWDA provided funds to the City for improving the municipal sanitary sewer collection and treatment facilities. The City's obligations under that loan agreement amount to \$5,299,478, requiring combined annual principal and interest payments, in 2018, of \$1,222,264 with the final payment due in 2023. The payments for this loan are required to be made from City sanitary sewer system revenues after payment of operation and maintenance expenses of the system. The loan agreement grants no security or property interest to OWDA in any property of the City, and does not pledge the general credit of the City, or create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the City for repayment.

The City has been approved to borrow up to \$30.8 million, under programs managed by OWDA, over the next three to five years for upgrades to the municipal water pollution control facilities. This loan is broken into two components: (i) an approximately \$15 million interest-free loan for design and construction work and (ii) a \$15.8 million loan for construction work at a low interest rate. Repayment is scheduled to begin in 2024. The \$15 million loan may be combined with the \$15.8 million loan, and if that is the case, then the combined loan will be given a blended rate.

Council has passed legislation that requires that all OWDA debt service payments are to be paid first over the expenses of the sewer system. Council also passed legislation putting into place a rate increase of 8% on commercial/industrial users for 2018 and an annual 5% rate increases for all sanitary sewer system customers beginning in 2019 for a nine-year period. In addition, Council passed a one-time rate increase of 17.2% on the equivalent residential unit charge for storm water sewer system customers; the legislation also put a mechanism into place to raise rates if necessary for debt service payments.

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The City has entered into loan agreements with the Ohio Public Works Commission ("OPWC") pursuant to which the OPWC provided funds to the City for improving the municipal sanitary sewer, storm sewer and treatment plant upgrade. The payments for the loans are required to be made from City sanitary sewer system revenues after payment of operation and maintenance expenses of the system. The loan agreements grant no security or property interest to the OPWC in any property of the City, and do not pledge the general credit of the City, or create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the City for repayment. The OPWC has provided funds to the City for the following projects requiring semi-annual (January and July) principal payments, for the terms indicated and maturing as follows:

Project	Loan Amount	Balance as of December 31, 2019	Annual Principal Payments	Term (in years)	Final Payment Date
Marion-Williamsport Road	\$128,202.00	\$32,050.50	\$6,410.10	20	07/01/2022
Avondale Ave/Catalina Dr Storm Sewers	119,185.47	26,816.63	5,959.28	20	01/01/2022
Water Pollution Control Upgrade	1,070,800.00	348,010.00	53,540.00	20	01/01/2024
Uncapher Ave Sanitary and Storm	268,990.12	80,697.12	13,449.50	20	07/01/2023
Mary St Sanitary and Storm Sewer Replacement	29,232.30	11,692.86	1,461.62	20	07/01/2025
Oakgrove and Waterloo St Sewer Improvements	211,153.00	142,528.21	10,557.66	20	01/01/2031
Franconia St Sewer Improvements	107,827.13	84,464.57	3,594.24	30	01/01/2041
Woodrow Ave and Henry St Sewer Improvements	60,992.90	48,794.30	2,033.10	30	01/01/2041
Milburn Ave and Meadow St Sanitary Sewer Improvements	73,189.19	65,870.27	2,439.64	30	01/01/2044
North Greenwood St Sewer	166,000.37	157,700.36	5,533.34	30	07/01/2046
Latourette Street Sewer Line Replacement	125,000.00	125,000.00	4,166.67	30	01/01/2046
Ballentine Avenue Sanitary Sewer	175,000.00	175,000.00	5,833.33	30	07/01/2046
Alley Sewer Main & State Improvements	120,107.00	120,107.00	4,003.57	30	07/01/2046
George Street Sanitary Sewer	100,000.00	98,333.33	3,333.34	30	01/01/2048
Haine Avenue Sewer Replacement	200,984.83	200,984.83	6,699.50	30	07/01/2048
S. Greenwood Sanitary Sewer	125,000.00	122,916.67	4,166.66	30	01/01/2048
Belmont Street Sanitary Sewer	375,000.00	356,250.00	12,500.00	30	01/01/2047

#### Other Obligations

[CITY TO UPDATE] The City has entered into three lease agreements. The first lease is for updated digital radios for the Fire Department. The City will make lease payments of \$33,031.66 in Fiscal Years 2019 and 2020 with a final payment of \$33,031.66 in Fiscal Year 2021. The second lease is for police vehicles. The City will make a lease payment of \$57,748.55 in Fiscal Year 2019, 2020 and 2021. The third lease is for a HME Custom Pumper Truck for the fire department. The City will make payments of \$31,492.17 starting in Fiscal Year 2019 through 2033.

See Notes to the City's Fiscal Year [2018 Basic Financial Statements in **Appendix C-1** and the Notes to the Fiscal Year 2019 Financial Statements included in **Appendix C-2**] for discussion of "compensated absences."

The City has no long-term financial obligations, other than the bonds and notes described above, the retirement obligations and liability described under **THE CITY – Retirement Expenses** and the compensated absences described in the Notes to the Fiscal Year [2018 Financial Statements included in **Appendix C-1** and the Notes to the Fiscal Year 2019 Financial Statements included in **Appendix C-2**].

### **CONCLUDING STATEMENT**

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders or Beneficial Owners of the Bonds.

This Official Statement has been prepared and delivered by the City and signed for and on behalf of the City by its officials identified below.

### **CITY OF MARION, OHIO**

By: \_\_\_\_\_  
Mayor

\_\_\_\_\_  
Auditor

## DEBT TABLE A\*

### Principal Amounts of Outstanding Debt; Leeway for Additional Debt Within Direct Debt Limitations

[SPB TO UPDATE]

A.	Total debt including the Bonds (but excluding the Refunded Bonds being refunded with the Bonds):		\$ _____
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Income Tax	\$ _____	
	Pension Bonds		
	Solid Waste		
	Storm Drainage		
	Total exempt debt:		\$ _____
C.	Total nonexempt debt [A minus B]:		\$ _____
D.	5½% of tax (assessed) valuation (unvoted nonexempt debt limitation):		\$ _____
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds (including the Bonds)	\$ _____	
	Notes	-0-	\$ _____
F.	Debt leeway within 5½% unvoted debt limitation [D minus E]:		\$ _____ (a)
G.	10½% of tax (assessed) valuation (voted and unvoted debt limitation):		\$ _____
H.	Total nonexempt bonds and notes outstanding:		
	Bonds (including the Bonds)	\$ _____	
	Notes	-0-	\$ _____
I.	Debt leeway within 10½% debt limitation [G minus H]:		\$ _____ (a)

(a) Debt leeway in this table determined without considering money in the Bond Retirement Fund.

\* Preliminary, subject to change.

## DEBT TABLE B\*

### Various City and Overlapping General Obligation (GO) Debt Allocations (Principal Amounts)

	[SPB TO UPDATE]		% of City's Current Assessed Valuation <sup>(b)</sup>
	Amount	Per Capita <sup>(a)</sup>	
City Nonexempt GO Debt	\$ _____	\$ _____	____%
Total City GO Debt (exempt and nonexempt)			
Highest Total Overlapping GO Debt <sup>(c)</sup>			

(a) Based on 2010 population of 36,837.

(b) The City's current tax (assessed) valuation is \$416,908,930.

(c) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of \_\_\_\_\_, 2020) resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the City (% figures are resulting percent of total debt of subdivisions allocated to the City in this manner), as follows:

\$ 2,216,660 County (32.36%);  
\$ 4,365,551 Marion City School District (94.34%); and  
\$ 468,825 Tri-Rivers Career Center (19.19%).

Allocation of GO debt of the remaining overlapping debt issuing subdivisions is as follows:

\$ 34,733 Elgin Local School District (0.47%); and  
\$ 148,896 River Valley Local School District (2.82%).

Source of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC.

\* Preliminary, subject to change.



DEBT TABLE C

Projected Debt Charges Requirements on City GO Debt

Year	Debt Charges on		[SPB TO UPDATE]					
	The Bonds	Outstanding Bonds	Total	Portion of Total Anticipated to be Paid From				
				Limited Ad Valorem Taxes	Income Tax	Sewer	Storm Drain	Pension Bonds
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								
2039								
2040								

## DEBT TABLE D

### Outstanding GO Bonds

The following debt is reflected in Debt Tables A, B and C.

<b>General Purpose of Issue</b>	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Original Principal Amount</b>	<b>Outstanding Principal Amount</b>
Various Purpose Refunding <sup>(a)</sup>	06/22/2010	12/01/2030	\$10,955,000	\$3,540,000
Various Purpose Improvement <sup>(a)</sup>	10/12/2010	12/01/2030	9,570,000	5,405,000
Various Purpose Improvement	07/18/2012	12/01/2033	11,235,000	11,095,000
Various Purpose	09/05/2018	12/01/2038	7,485,000	7,260,000
Various Purpose Refunding <sup>(b)</sup>	___/___/2020	12/01/20__	_____	_____

(a) The Refunded Bonds.

(b) The Bonds as described in this Official Statement. The principal amount is subject to change.

## APPENDIX A

### Comparative Cash-Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2015 through 2019 and Estimated Fiscal Year 2020

[CITY TO UPDATE]

	2015	2016	2017	2018	2019	Estimated 2020
CASH BALANCE (January 1)	\$2,379,096	\$2,907,889	\$2,116,597	\$2,178,036		
RECEIPTS:						
Municipal income taxes	\$7,067,647	\$6,093,705 <sup>(a)</sup>	\$6,669,583	\$7,502,064		
Property taxes	1,014,213	956,250	1,105,520	1,130,604		
Other local taxes	55,133	109,733	2,115	2,011		
Special assessments	50	100	125	2,625		
Charges for services	1,038,372	1,195,047	1,247,331	1,220,571		
Fees, licenses and permits	977,724	1,037,143	1,067,817	1,088,579		
Fines and forfeitures	135,247	166,959	161,553	170,434		
Intergovernmental	759,512	928,433	847,486	807,584		
Interest	73,925	73,044	135,667	179,503		
Miscellaneous	235,039	243,263	237,036	159,025		
TOTAL RECEIPTS	\$11,356,862	\$10,803,677	\$11,474,233	\$12,263,000		
EXPENDITURES:						
Public safety <sup>(b)</sup>	\$4,929,700	\$4,920,939	\$5,367,229	\$5,956,643		
Public health	447,537	475,738	390,984	332,274		
Leisure time activity	531,200	560,000	537,258	605,000		
Community environment	250,509	278,976	266,680	285,583		
Transportation	456,568	688,666	420,252	294,437		
General government	4,195,855	4,640,802	4,596,332	4,635,205		
TOTAL EXPENDITURES	\$10,811,369	\$11,565,121	\$11,578,735	\$12,109,141		
OTHER:						
Other financing sources	\$-0-	\$-0-	\$51,371	\$47,623		
Other financing (uses)	-0-	-0-	-0-	-0-		
Sale of capital assets	-0-	-0-	74	7,975		
Advances in	-0-	-0-	134,496	-0-		
Advances (out)	-0-	(3,086)	-0-	-0-		
Transfer in	-0-	-0-	-0-	-0-		
Transfers (out)	(16,700)	(26,762)	(20,000)	-0-		
TOTAL OTHER	(\$16,700)	(\$29,848)	\$165,941	\$55,598		
ENCUMBRANCE BALANCE	\$-0-	\$-0-	\$-0-	\$-0-		
CASH BALANCE (December 31)	\$2,907,889	\$2,116,597	\$2,178,036	\$2,387,495		

(a) Receipts appear to have decreased due to an interfund payment of \$925,855; however, net municipal income receipts increased by \$372,669 in 2016.

(b) In 2012, voters approved an additional income tax of 0.25% (to begin on January 1, 2013) to fund police and fire services, street maintenance and dispatch of emergency services; expenditures for those services were transferred to a special fund beginning in 2014.

## APPENDIX B-1

### All-Funds Summary 2018 (Cash Basis)

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund	\$2,178,038.15	\$12,318,597.90	\$12,109,141.10	\$2,387,494.95
ARRA - Recovery Act	0.00	0.00	0.00	0.00
Senior Center	286,025.91	197,573.48	154,059.16	329,540.23
SCMR (Street Const Maint Repair)	1,461,844.59	2,896,352.87	3,813,522.77	544,674.69
Marion Municipal Court Asst	283,544.64	161,336.83	184,372.52	260,508.95
Community Corrections	16,284.19	281,771.84	294,134.24	3,921.79
Fire Grant	2,191.03	0.00	0.00	2,191.03
Police & Fire Pension	5,822.71	222,141.58	227,760.36	203.93
Insurance Proceeds	52,936.17	102,150.73	115,088.40	39,998.50
Retirement/27th Pay	1,761.53	0.00	0.00	1,761.53
Parks	15,586.83	758,518.02	695,988.99	78,115.86
Underground Storage Tank	11,000	0.00	0.00	11,000
Community Distress Program	0.00	0.00	0.00	0.00
State Highway	364,647.38	96,659.42	232,639.32	228,667.48
Railroad Grade Crossing	64,125.00	0.00	0.00	64,125.00
OPWC Street Improvement	0.00	334,605.75	334,605.75	0.00
Muni Motor Vehicle License Tax	244,447.05	302,484.60	0.00	546,931.65
Municipal Court Computerization	251,757.40	161,165.20	67,198.89	345,723.71
Indigent Alcohol - IDAT	218,581.10	26,980.54	10,410.36	235,151.28
Probation Services Fund	111,900.96	128,609.53	123,287.55	117,222.94
Special Project Treatment	5,381.46	37.50	0.00	5,418.96
Indigent Alcohol Monitoring-IDAM	74,111.91	20,533.56	1,850.00	92,795.47
Muni Court Docket Specialist	49,994.63	17,930.00	67,353.16	571.47
Court Security Fund	43,664.67	9319.70	4,060.75	48,923.62
Police Continuing Training	10,670.56	0.00	6,857.16	3,813.40
School Resource Officer (SRO)	0.00	10,870.55	10,870.55	0.00
Enforcement and Education	11,584.66	1,644.30	0.00	13,228.96
Drug/Gun Reduction	0.00	0	0.00	0.00
Kauffman Dog Park	864.79	128.81	347.95	645.65
Community Housing Program (CHIP)	0.00	0.00	0.00	0.00
Revolving Loan	50,008.97	254.38	1,017.50	49,245.85
Downtown Revitalization	0.00	0.00	0.00	0.00
NSP	0.00	0.00	0.00	0.00
Youth Recreation Trust	5,442.79	0.00	0.00	5,442.79
Law Enforcement Trust	36,225.00	94,779.09	31,627.21	99,376.88
Homeland Security Grant-Police	0.00	0.00	0.00	0.00
Cops Grant	0.00	0.00	0.00	0.00
Clean Ohio Revitalization Fund	0.00	0.00	0.00	0.00
Marion Land Bank Program	21,503.58	2,001.00	8,630.56	14,874.02
Clean Ohio Assistance Fund	135,084.42	0.00	135,084.41	.01
Fire Safer Grant	0.00	0.00	0.00	0.00
Home Fund (CHIP)	0.00	0.00	0.00	0.00
OHTF (Housing Trust)	0.00	0.00	0.00	0.00
Police	70,308.27	6,749,937.34	6,731,554.58	88,691.03
Dispatch	13,352.10	566,108.04	542,910.83	36,549.31
Fire	174,912.74	6,585,471.39	5,974,156.60	786,227.53

<b>Fund</b>	<b>Beginning Balance</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Ending Balance</b>
ADAMH Grant	4,632.26	32,454.93	17,154.99	19,932.20
Adult Drug Court	6,260.34	101,390.58	90,475.51	17,175.41
Tax Increment Financing	2,023,471.16	434,522.77	217,433.38	2,240,560.55
Bond Retirement	0.00	882,005.30	882,005.30	0.00
Capital Improvements	87,935.56	442,009.79	326,666.10	203,279.25
Harding Centre	7,802.72	48,922.44	47,622.50	9,102.66
Airport Industrial Park	159,832.01	0.00	1,823.48	158,008.53
Softball Field Improvement	26,488.75	4,200.68	18,464.48	12,224.95
DRIP Infrastructure	6,872.44	0.00	0.00	6,872.44
Formula Grant (CDBG)	10,496.18	71,796.75	81,463.73	829.20
Youth Center Improvement	0.00	0.00	0.00	0.00
Airport Improvement	171,309.78	226,087.53	106,942.10	290,455.21
Quarry Park	909.43	0.00	0.00	909.43
Busby Downtown Park	453.82	0.00	0.00	453.82
Marion Area Transit	64,606.65	940,227.30	930,937.08	73,896.87
Sanitary Sewer	4,921,038.92	11,329,642.75	12,589,268.86	3,661,412.81
Sanitation	1,216,385.63	2,535,246.58	2,342,307.29	1,409,324.92
Storm Sewer	156,467.39	7,184,480.68	7,313,631.92	27,316.15
Ohio Public Works Commission	0.00	0.00	0.00	0.00
Landfill Monitoring	2,614.02	133,621.34	133,341.32	2,894.04
Internal Service	9,609.95	1,072,715.19	1,057,454.40	24,870.74
Aquatics Center	280,096.59	461,431.06	406,161.21	335,366.44
Trust	395.27	0.00	0.00	395.27
Agency	2,355.93	0.00	0.00	2355.93
State Patrol Fines	0.00	78,315.98	78,315.98	0.00
Rotary Fund	47,285.09	166,165.49	168,020.84	45,429.74
Wellness	32,607.04	3,630.00	5,510.00	30,727.04
<b>Total</b>	<b>\$15,513,532.12</b>	<b>\$58,196,831.09</b>	<b>\$58,693,531.14</b>	<b>\$15,016,832.07</b>

## APPENDIX B-2

### All-Funds Summary 2019 (Cash Basis)

Fund	[CITY TO UPDATE] Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund	\$2,387,494.95			
ARRA - Recovery Act	0.00			
Senior Center	329,540.23			
SCMR (Street Const Maint Repair)	544,674.69			
Marion Municipal Court Asst	260,508.95			
Community Corrections	3,921.79			
Fire Grant	2,191.03			
Police & Fire Pension	203.93			
Insurance Proceeds	39,998.50			
Retirement/27th Pay	1,761.53			
Parks	78,115.86			
Underground Storage Tank	11,000			
Community Distress Program	0.00			
State Highway	228,667.48			
Railroad Grade Crossing	64,125.00			
OPWC Street Improvement	0.00			
Muni Motor Vehicle License Tax	546,931.65			
Municipal Court Computerization	345,723.71			
Indigent Alcohol - IDAT	235,151.28			
Probation Services Fund	117,222.94			
Special Project Treatment	5,418.96			
Indigent Alcohol Monitoring-IDAM	92,795.47			
Muni Court Docket Specialist	571.47			
Court Security Fund	48,923.62			
Police Continuing Training	3,813.40			
School Resource Officer (SRO)	0.00			
Enforcement and Education	13,228.96			
Drug/Gun Reduction	0.00			
Kauffman Dog Park	645.65			
Community Housing Program (CHIP)	0.00			
Revolving Loan	49,245.85			
Downtown Revitalization	0.00			
NSP	0.00			
Youth Recreation Trust	5,442.79			
Law Enforcement Trust	99,376.88			
Homeland Security Grant-Police	0.00			
Cops Grant	0.00			
Clean Ohio Revitalization Fund	0.00			
Marion Land Bank Program	14,874.02			
Clean Ohio Assistance Fund	.01			
Fire Safer Grant	0.00			
Home Fund (CHIP)	0.00			
OHTF (Housing Trust)	0.00			
Police	88,691.03			
Dispatch	36,549.31			

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
Fire	786,227.53			
ADAMH Grant	19,932.20			
Adult Drug Court	17,175.41			
Tax Increment Financing	2,240,560.55			
Bond Retirement	0.00			
Capital Improvements	203,279.25			
Harding Centre	9,102.66			
Airport Industrial Park	158,008.53			
Softball Field Improvement	12,224.95			
DRIP Infrastructure	6,872.44			
Formula Grant (CDBG)	829.20			
Youth Center Improvement	0.00			
Airport Improvement	290,455.21			
Quarry Park	909.43			
Busby Downtown Park	453.82			
Marion Area Transit	73,896.87			
Sanitary Sewer	3,661,412.81			
Sanitation	1,409,324.92			
Storm Sewer	27,316.15			
Ohio Public Works Commission	0.00			
Landfill Monitoring	2,894.04			
Internal Service	24,870.74			
Aquatics Center	335,366.44			
Trust	395.27			
Agency	2355.93			
State Patrol Fines	0.00			
Rotary Fund	45,429.74			
Wellness	30,727.04			
<b>Total</b>	<b>\$15,016,832.07</b>			

## **APPENDIX C-1**

### **Basic Financial Statements from the City's Financial Report for Fiscal Year [2018] (Audited)**



## **APPENDIX C-2**

### **Basic Financial Statements from the City's Financial Report for Fiscal Year [2019] (Audited)**

## APPENDIX D

### Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client the City of Marion, Ohio (the "City") in connection with the issuance by the City of its \$ \_\_\_\_\_ \* Various Purpose Refunding Bonds, Series 2020 (the "Bonds"), dated the date of this letter and issued for the purpose of paying the costs of refunding bonds previously issued by the City (a) for the purpose of (i) improving the City storm water system by constructing and replacing storm water sewers on Executive Drive, Littleton Street, Kentucky Avenue, Michigan Avenue, Fleetwood Avenue, Van Buren Street, Jefferson Street, Richland Road, Church Street, Clover Avenue, Homer Street, Kensington Place, Merchant Avenue, Spencer Street, Bartram Avenue, Avondale Avenue, Barks Road East, Catalina Drive, Reed Avenue, McKinley Lane and Oakland Boulevard Ditch, between certain termini, together with all necessary appurtenances, (ii) improving the City sanitary sewer system by constructing new sanitary sewer lines, manholes and lift for Church Street, Clover Avenue, Homer Street, Kensington Place, Merchant Avenue, Spencer Street, Bartram Avenue, Avondale Avenue, Vernon Heights Boulevard, Barks Road East and Reed Avenue, between certain termini, and (iii) prepaying, through a single lump sum, the City's accrued liability to the Police and Fireman's Disability and Pension Fund of the State of Ohio and authorizing an agreement with the Pension Fund with respect to that lump sum payment and (b) to pay the costs of (i) constructing and extending Lakes Boulevard, improving Barks Road between Delaware Avenue and State Route 529, constructing a portion of Wellness Drive and constructing certain public infrastructure related to Delaware Avenue, (ii) improving Forest Lawn Boulevard and Blaine Avenue, between certain termini, by constructing storm water sewers and sanitary sewers, and (iii) acquiring and installing a comprehensive financial management, utility billing, community development, community access, human resources and payroll computer program and equipment, together with all necessary appurtenances thereto and (c) to pay the costs of (i) constructing, equipping and furnishing a central garage building, (ii) constructing a main trunk sanitary sewer and improving the Qu Qua Ditch, Mary Street, High Street, Vine Street, North Greenwood Street, State Street, Clinton Street, Silver Street, Waterloo Street, Oakgrove Avenue, Franconia Avenue, Pennsylvania Avenue and Woodrow Avenue between certain termini, by constructing sanitary sewers, (iii) improving Clinton Street, Silver Street, Waterloo Street, Oakgrove Avenue, Franconia Avenue, Pennsylvania Avenue and Woodrow Avenue, between certain termini, by constructing storm water sewers, (iv) replacing the roof on City Hall, (v) acquiring and installing a new generator, (vi) acquiring and installing a new records management system for the Police Department and (vii) acquiring and equipping a new pumper truck for the Fire Department, together with all necessary appurtenances.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a conformed copy of the signed and authenticated Bond of the first maturity and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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\* Preliminary, subject to change.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds constitute valid and binding general obligations of the City, and the principal of and interest on the Bonds, 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.
2. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax. **[The Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code.]** Interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City.

In rendering those opinions with respect to the treatment of the interest on the Bonds **[and the status of the Bonds as qualified tax-exempt obligations]** under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance **[and may cause the Bonds not to be qualified tax-exempt obligations]**.

The rights of the owners of the Bonds and the enforceability of the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

**[We express no opinion as to the Statement of Insurance on the Bonds or as to the insurance referred to in that statement.]**

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement

this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

## APPENDIX E

### Book-Entry System; DTC

#### Book-Entry System

*The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its "Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance" (June 2013). As such, the City believes it to be reliable, but the City takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Bond issue by substituting "Bonds" for "Securities," "City" for "Issuer" and "Bond Registrar" for "registrar" or "Agent" and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.*

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *(This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Official Statement.)*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments (*debt charges*) on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Bond Registrar, on

payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments (*debt charges*) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. *(Not Applicable to the Bonds.)*

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed (*or otherwise produced*) and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed (*or otherwise produced*) and delivered to DTC. (*See also Revision of Book-Entry System; Replacement Bonds.*)

12. The information (*above*) in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

***Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.***

The City and the Bond Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The City and the Bond Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The City and the Bond Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Bond proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Bonds, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the City and the Bond Registrar to be the owner or holder of the Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the City and the Bond Registrar to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

Reference herein to “DTC” includes when applicable any successor securities depository and the nominee of the depository.

### **Revision of Book-Entry System; Replacement Bonds**

The Bond proceedings provide for issuance of fully-registered Bonds (“Replacement Bonds”) directly to owners of Bonds other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds. Upon occurrence of this event, the City may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the City does not do so, or is unable to do so, and after the Bond Registrar has made provision for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the City and the Bond Registrar will authenticate and deliver Replacement Bonds of any one maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of City action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Bonds will be payable when due without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on Replacement Bonds will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Bond Registrar. Interest on Replacement Bonds will be payable on the interest payment date by the Bond Registrar by transmittal to the registered owner of record on the Bond Register as of the 15th day of the calendar month next preceding the interest payment date. Replacement Bonds will be exchangeable for other Replacement Bonds of authorized denominations, and transferable, at the designated corporate trust office of the Bond Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) between the 15th day preceding the mailing of notice of redemption of Replacement Bonds and the date of that mailing, or (ii) of a particular Replacement Bond selected for redemption (in whole or part).



## APPENDIX F

### Proposed Form of Continuing Disclosure Agreement

#### CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated \_\_\_\_\_, 2020 (the "Agreement"), is made, signed and delivered by the City of Marion, Ohio (the "City"), a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio, for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the City's \$ \_\_\_\_\_ \* Various Purpose Refunding Bonds, Series 2020 (the "Bonds"), authorized by Ordinances No. 2020-\_\_\_\_ and No. 2020-\_\_\_\_, each passed by the City Council of the City on \_\_\_\_\_, 2020 (collectively, the "Bond Ordinance").

#### RECITAL

The City, by passage of the Bond Ordinance, has determined to issue the Bonds to provide funds for City purposes, and Fifth Third Securities, Inc. (the "Participating Underwriter") has agreed to provide those funds to the City by purchasing the Bonds. As a condition to the purchase of the Bonds from the City and the sale of Bonds to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the City has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Ordinance, the City covenants and agrees as set forth in this Continuing Disclosure Agreement.

**Section 1. Purpose of Continuing Disclosure Agreement.** This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the "Rule").

**Section 2. Definitions.** In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the City pursuant to, and as described in, Sections 3 and 4.

"Audited Financial Statements" means the audited basic financial statements of the City, prepared in conformity with generally accepted accounting principles.

"Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding

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\* Preliminary, subject to change.

Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2021.

“Fiscal Year” means the 12-month period beginning on January 1 of each year or such other 12-month period as the City shall adopt as its fiscal year.

“Holder” means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Ordinance.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the City is the only Obligated Person for the Bonds.

“Official Statement” means the Official Statement for the Bonds dated \_\_\_\_\_, 2020.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

[“Policy” means the policy of bond insurance pertaining to the Bonds issued by \_\_\_\_\_.]

“Specified Events” means any of the events with respect to the Bonds as set forth in Section 5(a).

“State” means the State of Ohio.

### **Section 3. Provision of Annual Information.**

(a) The City shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the City may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the City is unable to provide to the MSRB an Annual Filing by the Filing Date, the City shall, in a timely manner, send a notice to the MSRB in an electronic format through EMMA, or as otherwise prescribed by the MSRB.

**Section 4. Content of Annual Filing.** The City's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in the Official Statement under the captions: **AD VALOREM PROPERTY TAXES – Collections** and – **Delinquencies**, together with information as to aggregate assessed valuation of the City and overlapping and City tax rates; **MUNICIPAL INCOME TAX; STATE LOCAL GOVERNMENT FUNDS; CITY DEBT AND OTHER LONG-TERM OBLIGATIONS**, including **Debt Tables**, as applicable; and **Appendices A and B**.

(b) The Audited Financial Statements of the City utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the City to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including annual informational statements of the City or official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

**Section 5. Reporting Specified Events.**

(a) The City shall provide to the MSRB, in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties <sup>(a)</sup>
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; <sup>(a)</sup>
- (5) Substitution of credit or liquidity providers, or their failure to perform; <sup>(a)</sup>
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of

Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;

- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; <sup>(b)</sup>
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; *Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.*
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

*Note:*

- (a) *The City has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers [(except for the Policy)] for the Bonds.*
- (b) *[Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*

*(c)] Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13) and (14), the City acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

**Section 6. Amendments.** The City reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the City or type of business conducted by the City. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the City shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the City that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the City shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Additional Information.** Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the City chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

**Section 8. Remedy for Breach.** This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of this Agreement by the City shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under this Agreement in a court in Marion County, Ohio.

Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the City to comply with this Agreement shall first provide at least 30 days' prior written notice to the City of the City's failure, giving reasonable detail of such failure, following which notice the City shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

**Section 9. Appropriation.** The performance by the City of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the City would be required to incur to perform those obligations. The City shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

**Section 10. Termination.** The obligations of the City under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the City remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the City to provide the information and notices of the events described above shall terminate, if and when the City no longer remains such an Obligated Person. If any person, other than the City, becomes an Obligated Person relating to the Bonds, the City shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

**Section 11. Dissemination Agent.** The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

**Section 12. Beneficiaries.** This Agreement shall inure solely to the benefit of the City, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 13. Recordkeeping.** The City shall maintain records of all Annual Filings and notices of Specified Events and other events including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

**Section 14. Governing Law.** This Agreement shall be governed by the laws of the State.

*(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE TO FOLLOW)*

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds shall be deemed to have accepted this Agreement made in accordance with the Rule.

**CITY OF MARION, OHIO**

By: \_\_\_\_\_

Title: \_\_\_\_\_ Mayor \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_ Auditor \_\_\_\_\_

Approved as to form and correctness:

By: \_\_\_\_\_

Title: \_\_\_\_\_ Law Director \_\_\_\_\_

**FISCAL OFFICER'S CERTIFICATE – CONTINUING DISCLOSURE AGREEMENT**

As fiscal officer of the City of Marion, Ohio, I certify that the money required to meet the obligations of the City under the foregoing Continuing Disclosure Agreement made by the City in accordance with the Rule, as set forth in the Bond Ordinance and the attached Continuing Disclosure Agreement, during Fiscal Year 2020, has been lawfully appropriated by the City for those purposes and is in the City treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Revised Code.

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
Auditor  
City of Marion, Ohio



**[APPENDIX G**

**Bond Insurance and Specimen Policy]**