

Minutes of Special Meeting October 23, 2008

Present: Trustees Fred Abraham, Bill Habig and Wes Sargent, Fiscal Officer Kennedy

Guests: Brian Miller, The Sentinel

Following the pledge of allegiance the special meeting was called to order at 7:30 PM.

Fiscal Officer Kennedy advised the Trustees that Bond Counsel had indicated to him that as this debt was being issued in accordance with ORC Section 505.262 it was necessary to have the unanimous vote of the Trustees to authorize the issuance of the debt. Since Mr. Schwallie indicated that a unanimous vote required the vote of all three Trustees this authorization could not be passed at yesterday's regular meeting with only two Trustees present. This special meeting was advertised in accordance with the Board's established procedure of notifying the local news media and placing a notice on the north door of the meeting room 24 hours in advance. F.O. Kennedy indicated this had been done as well as notice placed on the township's website.

F.O. Kennedy reported that he had worked with Bond Counsel to obtain quotes for the purchase of the \$750,000 debt issue to be placed to finance the construction of the new township garage. Due to the unstable financial market situation there is currently little interest in purchasing tax free debt. The township's depository, Park National Bank, submitted a proposal with the following terms:

- 1) \$750,000 for a period of fifteen years at 5.4% for the initial five year period.
- 2) On each fifth year anniversary of the date of initial delivery of the bonds, the interest rate shall be adjusted to a rate per annum equal to the following:  
([Federal Home Loan Bank 5-year Fixed Rate Advance per annum + 3% per annum]x 0.65) +.20
- 3) Prepayments may be made at anytime without penalty, unless paid off by refinancing with another financial institution.
- 4) The note will be funded as draws are made by the township to make payments for the garage construction.

Bond Counsel indicated that the yield curve for five year debt should approximate the quote from PNB. In addition PNB guaranteed to finance the debt for a period of 15 years, with two subsequent rate adjustments after each five year period.

F.O. Kennedy recommended the adoption of the following resolution to authorize this borrowing:

Mr. Habig introduced the following resolution and moved its adoption:

WHEREAS, the Township of Granville (the "Township"), County of Licking, Ohio desires to construct a new Township garage complex (the "Project"); and

WHEREAS, the Township Fiscal Officer, as fiscal officer of the Township, has estimated that the life of such improvements and assets to be acquired with

the proceeds of the securities hereinafter referred to is at least five (5) years, and certified that the maximum maturity of securities issued therefore is thirty (30) years; and

WHEREAS, this board of township trustees (the "Board") desires to finance such acquisition, in part, by issuing securities in the form of bonds under the provisions of Section 505.262 of the Ohio Revised Code, as amended (the "Act"); and

WHEREAS, the County Auditor has certified or will certify that the debt service charge on such bonds in the first year, together with the debt service charge for that same year on any other bonds issued by the Township pursuant to the Act, does not exceed one-tenth of the Township's total revenue from all sources; and

WHEREAS, The Park National Bank, Newark, Ohio (the "Bank") has offered to purchase such bonds upon the terms set forth in such proposal and herein; and

WHEREAS, the Township anticipates that debt service on the Bonds will in fact be paid from the Township's share of unvoted tax millage presently dedicated to the Township's Road and Bridge Fund (the "Revenues");

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Township of Granville, County of Licking, Ohio (all the members thereof concurring):

SECTION 1. That it is necessary to issue bonds of the Township in the principal sum of \$750,000, for the purpose of paying part of the cost of the Project, under authority of the general laws of the State of Ohio, particularly the Act. Such bonds shall be dated the date of their initial delivery to the Bank, shall be in fully registered form without coupons, and shall be of the denomination equal to the unpaid principal amount thereof from time to time, and shall mature in annual installments on dates to be set forth in the bonds in amounts calculated to be such that the total principal and interest amount of each installment is substantially equal with each other installment, with the final such installment being payable not later than December 31, 2023.

The unpaid principal amount of the bonds from time to time shall initially bear interest at the rate of five and forty hundredths per cent (5.40%) per annum calculated on the basis of the actual number of days and a 360 day year, which interest shall be payable on each date principal is payable. On each fifth (5<sup>th</sup>) anniversary of the date of initial delivery of the bonds, the interest rate shall be adjusted to a rate per annum equal to the following:

([Federal Home Loan Bank 5-year Fixed Rate Advance per annum + 3%  
per annum] x 0.65) + .20.

Upon each adjustment in the interest rate, the remaining unpaid principal amount shall be re-amortized over the remaining term of the bonds upon the basis set forth above but applying the new interest rate.

The bonds shall be callable for redemption prior to maturity at the option of the Township at a price equal to the principal amount being redeemed plus accrued interest

to the date of redemption, provided that if such redemption is for the purpose of refinancing the bonds with another financial institution, a redemption premium of two percent (2%) shall be added to the redemption price.

SECTION 2. That such bonds shall be signed by the members of the Board and attested by the signature of the Township Fiscal Officer, provided that all but one of such signatures may be facsimiles. Such bonds shall be designated "Township Building Bonds", shall be payable to the registered holder thereof, in the case of interest, by check or draft mailed by the Township to such holder's address as it appears on the registration records, and as to principal, upon presentation and surrender at the Township's offices, in each case, without deduction for exchange, collection or service charges, and shall recite that they are issued pursuant to the provisions of the Act and this resolution.

The bonds shall be transferable by the registered holder thereof in person or by his attorney duly authorized in writing at the office of the Township upon presentation and surrender thereof to the Township. No such transfer shall be effective until entered upon the registration records maintained by the Township. Upon such transfer, a new bond for the then unpaid principal amount will be issued to the transferee in exchange therefor.

The Township may deem and treat the registered holders of the bonds as the absolute owners thereof for all purposes, and the Board shall not be affected by any notice to the contrary. The Township may appoint a bank or trust company to serve as paying agent, registrar and transfer agent for the bonds.

SECTION 3. That the Board hereby covenants that it will restrict the use of the proceeds of the bonds hereby authorized in such manner and to such extent, if any, and take such other actions as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations prescribed there under, including any expenditure requirements, investment limitations, or rebate requirements. The Township Fiscal Officer or any other officer having responsibility with respect to the issuance of the bonds is authorized and directed to give an appropriate certificate on behalf of the Township, on the date of delivery of the bonds for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations there under.

The bonds are hereby designated "qualified tax-exempt obligations" for the purposes set forth in Section 265(b)(3)(B) of the Code. The Board does not anticipate issuing and covenants that it will not issue more than \$10,000,000 of such "qualified tax-exempt obligations" during this calendar year.

SECTION 4. That it is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuance of such bonds in order to make the

same legal, valid and binding obligations of the Township have been done, have happened and have been performed in regular and due form as required by law, and that such issue of bonds and the tax for the payment of their principal and interest as the same fall due and are payable do not exceed any limitations of indebtedness or taxation fixed by law. Any actions heretofore taken by the Township, its officers and employees with respect to the issuance and sale of the bonds are hereby approved, ratified and confirmed.

SECTION 5. That said bonds shall be sold to the Bank in accordance with its offer to purchase, which is hereby accepted. The proceeds from the sale of such bonds, except the premium, if any, and accrued interest, shall be used for the purpose aforesaid and for no other purpose and for which purpose such proceeds are hereby appropriated; any premium and accrued interest shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the bonds in the manner provided by law.

SECTION 6. That for the payment of such bonds and the interest thereon, the full faith, credit and revenue of the Township are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the interest on the bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the bonds at maturity, there shall be and is hereby levied on all the taxable property in the Township within applicable limitations, in addition to all other taxes, a direct tax annually during the period the bonds are to run in an amount sufficient to provide funds to pay interest upon the bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the bonds at maturity, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio.

Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended or collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest on and the principal of the bonds when and as the same shall fall due; provided, that in each year to the extent that the Revenues or moneys from other sources are available for the payment of the bonds and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of such Revenues or other moneys so available and appropriated.

SECTION 7. That the law firm of Peck, Shaffer & Williams LLP be and is hereby retained as bond counsel to the Township to prepare the necessary authorization and related closing documents for the issuance, sale and delivery of the bonds and, if appropriate, rendering its approving legal opinion in connection therewith.

SECTION 8. That it is found and determined that all formal actions of the Board concerning and relating to the adoption of this resolution were adopted in an open

meeting of the Board; and that all deliberations of the Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

SECTION 9. That the Township Fiscal Officer be and is hereby directed to forward a certified copy of this resolution to the County Auditor.

SECTION 10. That this resolution shall take effect immediately upon its adoption.

Motion seconded by Mr. Sargent, and the roll being called upon the question of adoption of the resolution, the vote resulted as follows:

Ayes: Mr. Abraham, Mr. Habig, Mr. Sargent

Nays: None

ADOPTED this 23 day of October, 2008.

---

Granville Township Fiscal Officer

Prepared by Peck, Shaffer & Williams LLP

Trustee Abraham reported that at the last meeting the township's architect, Gregg Gaber, recommended Robertson Construction as the lowest and most responsive bidder for the entire project from the bids which were opened on September 10, 2008. An application will be submitted to the township's Board of Zoning Appeals to request approval of several required variances as well as a Conditional Use Permit since a portion of the property on which the complex is located is zoned Rural Residential. Assuming approval by the BZA, the township's zoning inspector will be able to issue a zoning permit for construction of the garage and the contract will be given to Robertson.

The meeting was adjourned at 7:55PM