



Legislation Text

File #: 2044-2019, **Version:** 1

BACKGROUND:

This ordinance enacts changes in the Columbus City Codes relating to deposits and investments and Title 11, the water, sewer and electricity Code. The changes in the Code will permit the City of Columbus to update and refine its Code, the result of the Treasury Investment Board and Depository Commission's review of recommendations from its investment advisor. In addition, Code changes included in this ordinance remove the references to the Office of the Sinking Fund in Title 11 and elsewhere, that were authorized by ordinance 1747-2014 but which still remain in the Code.

The aforementioned changes were authorized at a joint meeting of the Depository Commission and Treasury Investment Board, on May 24, 2019 subject to the approval of Columbus City Council.

Emergency action is requested for this ordinance to effectuate the changes as soon as is possible.

FISCAL IMPACT: No funding is required for this legislation.

To amend and repeal various sections of Chapters 321, 323, 325, 327 and Title 11 of the Columbus City Codes relating to deposits, bonds, and investments in order to update language and remove references to the Office of the Sinking Fund; and to declare an emergency.

WHEREAS, the proposed changes will update the Columbus Code that relate to the City's investments, bonds and deposits, and will remove the remaining references to the Office of the Sinking Fund; and

WHEREAS, the changes have been authorized by a joint meeting of the Depository Commission and Treasury Investment Board on May 24, 2019 subject to the approval of Columbus City Council; and

WHEREAS, an emergency exists in the usual daily operation of the City Auditor in that it is immediately necessary to amend various provisions of the Columbus City Codes relating to deposits, bonds and investments in order to update language and remove the remaining references to the Office of the Sinking Fund, without delay thereby preserving the public health, peace, property, safety and welfare; now therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the existing Section 321.08 of the Columbus City Codes is hereby amended to read as follows:

321.08 - Security requirements for depositories.

Banks receiving deposits shall furnish collateral securities in an amount at least five (5) percent greater than the maximum sum to be deposited. Eligible collateral securities furnished must be of the type described in Ohio R.C. 135.18 entitled "Security for repayment of public deposits." Eligible collateral shall also include such insurance as may be provided by the Federal Deposit Insurance Corporation. If any bank to which an award is made shall fail to transfer and deliver the collateral securities herein required to the acceptance of the commission within five (5) days after such award

is made, the commission may then award the use of such money to any other bank whose bid has been received and which offers the next highest rate of interest, or in its discretion may seek further bids. Any successful bidder may, at any time, with the consent and approval of the city treasurer substitute any eligible security acceptable to the commission for that first offered or given.

An institution designated as a public depository may, by written notice to the commission and to the city treasurer, designate a qualified trustee satisfactory to the commission and deposit the eligible securities required by this section with the designated trustee for safekeeping for the account of the city treasurer and the institution as a public depository, as their respective rights to and interest in such securities may from time to time appear and be asserted by written notice to or demand upon the trustee. In such case, the treasurer shall accept the written receipt of the designated trustee, describing such securities, as and for a pledge of such described securities, and issue to the commission his written acknowledgment to that effect, keeping a copy thereof in his office. Thereupon the securities described in such trustee's receipt shall be deemed to have been pledged with the city treasurer and to have been deposited ~~with him~~.

SECTION 2. That the existing Section 321.081 of the Columbus City Codes is hereby amended to read as follows:

321.081 - Optional pledging requirements-Trustee for safekeeping of securities-Sale upon default.

(A) As used in this section:

- (1) "Public depository" means that term as defined in Ohio R.C. 135.01, but also means an institution which receives or holds any public deposits as defined in Ohio R.C. 135.31.
- (2) "Public deposits," "public moneys," and "treasurer" mean those terms as defined in Ohio R.C. 135.01, but also have the same meanings as are set forth in Ohio R.C. 135.31.
- (3) "Subdivision" means that term as defined in Ohio R.C. 135.01, but also includes a county and the city of Columbus.

(B) In lieu of the pledging requirements prescribed in Section 321.08 of the Columbus City Codes, an institution designated as a public depository at its option may pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total value of the securities so pledged, based on the valuations prescribed in subsection (C) of this section, is at least equal to one hundred five (105) percent of the total amount of all public deposits to be secured by the pooled securities, including the portion of such deposits covered by any federal deposit insurance. In the alternative, the city treasurer may authorize the institution to use the Ohio Pooled Collateral program as set forth in R.C. 135.182. Each such institution shall carry in its accounting records at all times a general ledger or other appropriate account of the total amount of all public deposits to be secured by the pool, as determined at the opening of business each day, and the total value of securities pledged to secure such deposits.

(C) The following securities, at the specified valuations, shall be eligible as collateral for the purposes of division (B) of this section, provided no such securities pledged as collateral are at any time in default as to either principal or interest:

- (1) Obligations of or fully insured or fully guaranteed by the United States or any federal government agency: at face value;
- (2) Obligations partially insured or partially guaranteed by any federal government agency: at face value;
- (3) Obligations of or fully guaranteed by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation: at face value;
- (4) Obligations of any state, county, municipal corporation, or other legally constituted authority of any state, or any instrumentality of any state, county, municipal corporation, or other authority, which are secured as to the payment of principal and interest by the holding in escrow of obligations of the United States for which the full faith and credit of the United States is pledged: at face value;

- (5) Obligations of this state, or any county or other legally constituted authority of this state, or any instrumentality of this state, or such county or other authority: at face value;
 - (6) Obligations of any other state: at ninety (90) percent of face value;
 - (7) Obligations of any county, municipal corporation, or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation, or other authority: at eighty (80) percent of face value;
 - (8) Notes representing loans made to persons attending or planning to attend eligible institutions of education and to their parents, and insured or guaranteed by the United States or any agency, department, or other instrumentality thereof, or guaranteed by the Ohio Student Aid Commission pursuant to Ohio R.C. 3351.05 to 3351.14: at face value;
 - (9) Any other obligations the treasurer of state approves: at the percentage of face value he prescribes;
 - (10) Shares of no-load money market mutual funds consisting exclusively of obligations described in division (C) (1), (2), or (3) of this section and repurchase agreements secured by such obligations: at face value.
- (D) The state and each subdivision shall have an undivided security interest in the pool of securities pledged by a public depository pursuant to division (B) of this section in the proportion that the total amount of the state's or subdivision's public moneys secured by the pool bears to the total amount of public deposits so secured.
- (E) An institution designated as a public depository shall designate a qualified trustee and deposit with the trustee for safekeeping the eligible securities pledged pursuant to division (B) of this section. The institution shall give written notice of the qualified trustee to any treasurer or treasurers depositing public moneys for which such securities are pledged. The treasurer shall accept the written receipt of the trustee describing the pool of securities so deposited by the depository, a copy of which also shall be delivered to the depository.
- (F) Any federal reserve bank or branch thereof located in this state, without compliance with Ohio R.C. 1109.03, 1109.04, 1109.17, and 1109.18 and without becoming subject to Ohio R.C. 1109.15 or any other law of this state relative to the exercise by corporations of trust powers generally, is qualified to act as trustee for the safekeeping of securities, under this section. Any institution mentioned in Ohio R.C. 135.03 or 135.32(A) which holds a certificate of qualification issued by the Superintendent of Financial Institutions or any institution complying with Ohio R.C. 1109.03, 1109.04, 1109.17, and 1109.18 is qualified to act as trustee for the safekeeping of securities under this section, other than those belonging to itself or to an affiliate as defined in Ohio R.C. 1101.01(A). Upon application to him in writing by any such institution, the Superintendent shall investigate the applicant and ascertain whether or not it has been authorized to execute and accept trusts in this state and has safe and adequate vaults and efficient supervision thereof for the storage and safekeeping of such securities. If the Superintendent finds that the applicant has been so authorized and does have such vaults and supervision thereof, he shall approve the application and issue a certificate to that effect, the original or any certified copy of which shall be conclusive evidence that the institution named therein is qualified to act as trustee for the purposes of this section with respect to securities other than those belonging to itself or to an affiliate.
- (G) The public depository at any time may substitute, exchange, or release eligible securities deposited with a qualified trustee pursuant to this section, provided that such substitution, exchange, or release does not reduce the total value of the securities, based on the valuations prescribed in division (C) of this section, to an amount that is less than one hundred five (105) percent of the total amount of public deposits as determined pursuant to division (B) of this section.
- (H) Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee shall have no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, but not limited to, a substitution or exchange of securities, but excluding those situations effectuated by division (I) of this section in which the trustee is required to determine face and market value.
- (I) If the public depository fails to pay over any part of the public deposits made therein as provided by law and secured pursuant to division (B) of this section, the treasurer shall give written notice of this failure to the qualified trustee holding the pool of securities pledged against public moneys deposited in the depository, and at the same time shall

send a copy of this notice to the depository. Upon receipt of such notice, the trustee shall transfer to the treasurer for public sale such of the pooled securities as may be necessary to produce an amount equal to the deposits made by the treasurer and not paid over, less the portion of such deposits covered by any federal deposit insurance, plus any accrued interest due on such deposits; however, such amount shall not exceed the state's or subdivision's proportional security interest in the market value of the pool as of the date of the depository's failure to pay over the deposits, as such interest and value are determined by the trustee. The treasurer shall sell at public sale any of the bonds or other securities so transferred. Thirty (30) days notice of such sale shall be given in a newspaper of general circulation at Columbus, in the case of the treasurer of state, and at the county seat of the county in which the office of the treasurer is located, in the case of any other treasurer. When a sale of bonds or other securities has been so made and upon payment to the treasurer of the purchase money, the treasurer shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus after deducting the amount due the state or subdivision and expenses of sale shall be paid to the public depository.

- (J) Any charges or compensation of a designated trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the state or subdivision or to the treasurer or to any officer of the state or subdivision. Such charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or superior to the rights to and interests in such securities of the state or subdivision or of the treasurer. The treasurer and his bondsmen or surety shall be relieved from any liability to the state or subdivision or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.
- (K) In lieu of placing its unqualified endorsement on each security, a public depository pledging securities pursuant to division (B) of this section that are not negotiable without its endorsement or assignment may furnish to the qualified trustee holding the securities an appropriate resolution and irrevocable power of attorney authorizing the trustee to assign the securities. The resolution and power of attorney shall conform to such terms and conditions as the trustee prescribes.
- (L) Upon request of a treasurer no more often than four (4) times per year, a public depository shall report the amount of public moneys deposited by the treasurer and secured pursuant to division (B) of this section, and the total value, based on the valuations prescribed in division (C) of this section, of the pool of securities pledged to secure public moneys held by the depository, including those deposited by the treasurer. Upon request of a treasurer no more often than four (4) times per year, a qualified trustee shall report such total value of the pool of securities deposited with it by the depository and shall provide an itemized list of the securities in the pool. These reports shall be made as of the date the treasurer specifies. The city treasurer shall request the public depository and the qualified trustee to provide the information detailed in Section 321.081(L) not less than four (4) times per year and on a quarterly basis. The public depository and the qualified trustee are required to comply and provide the information detailed in Section 321.081(L).

SECTION 3. That the existing Chapter 323 of the Columbus City Codes is hereby amended to read as follows:

Chapter 323 - BONDS AND SINKING FUND

323.01 - Custody of bonds.

The committee on finance of the city council shall have the custody of all bonds authorized to be issued by the city for any purpose whatever, until the same are sold or otherwise disposed of according to law.

323.02 - Moneys received from sale of bonds.

All moneys realized from the sale of bonds shall be immediately deposited with the city treasurer.

The moneys realized from the sale of bonds authorized to be issued by the city for any purpose, shall only be appropriated and used for the purpose for which they were or shall be issued, and for no other use or purpose whatever,

and the city treasurer shall credit all moneys so paid into the account for which such bonds are sold.

323.03 - Certificates of indebtedness.

For the purpose of postponing the issue of bonds that may be authorized by law for any purpose and for which issues provision has been made by ordinance by the council until the completion of the work for which such issue is required, the city auditor is authorized to issue from time to time, as such work progresses, to raise money to pay the estimates for the costs and expenses of such work as they may become due and payable, certificates of indebtedness of the city to an amount not to exceed in the aggregate ninety per cent of the bonds so authorized in any case. Such certificates of indebtedness shall be signed by the mayor and city auditor, ~~each in his own hand~~; shall bear interest at a rate not to exceed six per cent per annum; and shall be payable on call out of the proceeds of the bonds or revenues in lieu or in anticipation of which they may be issued.

The moneys arising from the issue of certificates authorized by this section shall be applied exclusively for the purpose for which such certificates may be used, such certificates shall be first offered to ~~the commissioners of the sinking fund of the city~~ the depository commission and treasury investment board of the city of Columbus, and if not taken by them shall be sold by the city auditor at not less than par to the highest bidder, after the sale thereof has been advertised for a period of ten (10) days in a newspaper published and of general circulation in the city. Such sale, however, shall not take effect until approved by the city attorney. In case of failure to sell such certificates of indebtedness as herein provided, the city auditor is hereby further authorized to issue such certificate at par to the creditors of the city in payment of the estimates and claims held by them, in the discharge of which the moneys that would have arisen had such certificates sold would have been applied.

~~323.04 - Bond of trustees.~~

~~Each trustee of the Sinking Fund shall give bond in the sum of twenty-five thousand dollars (\$25,000.00). The bonds of the sinking fund trustees herein provided shall be signed by some surety company authorized to sign such bonds and the cost shall be paid by the city.~~

~~323.05 - Employees of trustees.~~

~~The trustees of the Sinking Fund are authorized to appoint a secretary whose duty it shall be to prepare and keep the records and accounts of such trustees and perform such other duties as may be provided for by law or prescribed from time to time by such trustees; an assistant secretary who shall assist the secretary in the performance of his duties and perform such other duties as may be provided for by law or prescribed from time to time by such trustees; a clerk-stenographer who shall perform such duties as may be provided for by law or prescribed from time to time by such trustees. The secretary shall give bond in the sum of fifty thousand dollars (\$50,000.00) and such assistant secretary shall give bond in the sum of twenty-five thousand (\$25,000.00). The compensation of such secretary and such employees shall be fixed by the trustees of the Sinking Fund as provided for by the Charter of the city.~~

323.06 - Notice of public sale of notes and bonds.

If notes and bonds of the city are to be sold at public sale, a notice of sale shall be published in a newspaper of general circulation in the city at least one day prior to the date on which bids are to be received for such notes or bonds. The notice of sale shall contain all of the information required by Section 133.30 (C)(1) Ohio Revised Code, and such additional information as the director of finance and management or the city auditor deem appropriate. Bidders for notes or bonds of the city shall not be required to provide any bid security with their bids.

323.07 - Disclosure of annual information and specified events.

(a) For purposes of and as used in this section, the following words shall have the following meanings:

"Accounting Principles" means the accounting principles applied from time to time in the preparation of the annual general purpose financial statements of the city, initially being generally accepted accounting principles applicable to governments as promulgated by the Governmental Accounting Standards Board and as in effect from time to time.

"Annual Information" means for each fiscal year the annual financial information and operating data described in or pursuant to the ordinance relating to a particular series of Obligations. The Annual Information to be provided will be consistent with the financial information and operating data relating to the city and the series of Obligations included in the final official statement for those Obligations.

"Filing Date" with respect to any fiscal year means the 180th day following the end of that fiscal year (or, if that day is not a city business day, the next city business day).

"MSRB" means the Municipal Securities Rulemaking Board, or any legal successor thereto.

"Obligated Person" shall have the meaning as provided in the Rule.

"Obligations" means bonds or notes of the city.

"Rule" means Rule 15c2-12 (See 17 CFR 240. 15c2-12) adopted by the SEC pursuant to the Securities Exchange Act of 1934, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission, or any legal successor thereto.

"Specified Events" means any of the following, within the meaning of the Rule, with respect to each issue of Obligations:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;
- F. 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 Obligations, or other material events affecting the tax status of the Obligations;
- G. Modifications to rights of holders of the Obligations;
- H. (i) Calls for redemption of the Obligations, other than calls pursuant to the mandatory redemption or the mandatory sinking fund provisions of the Obligations, if any, and (ii) tender offers;
- I. Defeasances (of the applicable trust agreement entirely, or as to all or a portion of the Obligations only);
- J. Release, substitution or sale of property securing repayment of the Obligations;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the city;
- M. The consummation of a merger, consolidation, or acquisition involving the city or the sale of all or substantially all of the assets of the city, 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; or
- N. Appointment of a successor or additional Trustee or the change of name of a Trustee.

For the purposes of subsection (L) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the city in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under Ohio or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the city, or if such jurisdiction has been assumed by leaving the existing governing 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 city.

"Trustee" means a trustee under any trust agreement that secures a series of Obligations.

(b) For Obligations issued after February 27, 2019, the city shall make an undertaking at the time of issuance of such Obligations to provide continuing disclosure in accordance with the Rule as in effect at the time of issuance of the Obligation and shall comply with that undertaking for as long as those Obligations remain outstanding (as such term is defined in Section 133.01(AA) of the Revised Code), and for Obligations issued prior to February 27, 2019, the The city shall provide, as stated below, to the MSRB:

- (1) Annual Information for each fiscal year not later than the Filing Date for that fiscal year; and
- (2) When and if available, audited general purpose financial statements of the city for each fiscal year prepared in accordance with the Accounting Principles. The audited statements may be prepared and made available separately from the Annual Information.

The Annual Information may be provided by reference to other documents, such as the city's comprehensive annual financial report or subsequent final official statements relating to Obligations issued by the city that may be provided to the MSRB. If reference is made to a subsequent official statement, the city shall file that official statement with the MSRB.

(c) The city shall provide to the MSRB, all in a timely manner:

- (1) Notice of the occurrence of any Specified Event: provided, however, that notice of the occurrence of the events listed in subsections (B), (G), (H), (I), (J), (M) and (N) of the definition of "Specified Event" contained in this section shall only be filed with the MSRB if such event is material. For the filing of a notice of the occurrence of any Specified Event, filing in a timely manner shall not be in excess of ten (10) business days after the occurrence of such Specified Event.
 - (2) Notice of a failure to comply with the requirements of paragraph (b) of this section.
 - (3) Notice of the termination of the applicability of the requirements of this Section to a particular series of Obligations.
 - (4) Notice of any material change in the Accounting Principles applied to the preparation of the annual audited financial statements of the city, or of any change in the city's fiscal year.
- (d) All documents provided to MSRB under this section shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.
- (e) The provisions of this section shall only apply to those Obligations that are subject to the disclosure requirements of the Rule as determined by the appropriate officers of the city upon the advice of bond counsel to the city. The proceedings for those Obligations subject to the disclosure requirements of the Rule shall require compliance with this section.
- (f) The right of the holders or beneficial owners of Obligations to enforce any of the requirements of this section shall be limited, to the extent permitted by law, to an action for or specific performance to compel compliance by mandamus of the obligations and duties of the city under this section. Any failure of the city to comply with any of the provisions of this section shall not be or be deemed to be a failure, a default or an event of default under any Obligation or trust agreement relating to an Obligation.
- (g) Notwithstanding any other provision of this section, the city may amend or waive any provision of this section if the city has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings contained in this section to violate the Rule if such amendment or waiver had been effective on the date of adoption of this section but taking into account any subsequent change in or official interpretation of the Rule.
- (h) The obligations of the city under this section for a series of Obligations shall remain in effect only for such period that Obligations of that series are outstanding in accordance with their terms and the city remains an Obligated Person with respect to those Obligations.

- (i) The city's undertakings pursuant to this section shall inure solely to the benefit of the holders and beneficial owners of the Obligations including book entry interest owners in them, and shall not create any rights in any other person.
- (j) Unless specifically and expressly provided in a trust agreement or supplemental trust agreement relating to a series of Obligations, no Trustee shall be responsible for, or responsible for determining, compliance by the city with any of the agreements or obligations in or pursuant to this chapter.

SECTION 4. That the existing Section 325.010 of the Columbus City Codes is hereby amended to read as follows:

325.010 - Permissible investments.

Whenever there are moneys in the treasury of the city, ~~other than those under the charge or control of the trustees of the sinking fund,~~ such moneys may be invested in the following classifications of obligations:

- (A) Bonds, notes, or other obligations of the United States government or its agencies for which the faith of the United States is pledged for the payment of principal and interest thereon. Any United States government agency obligations must be direct issuances of the agency. They are:

Obligations of the United States government:

United States Treasury Bills

United States Treasury Notes

United States Treasury Bonds

United States Treasury Strips

Obligations guaranteed by the United States government:

Federal government agencies:

Department of Housing and Urban Development

Farmers Home Administration

General Service Administration

Government National Mortgage Association

Maritime Administration

Washington Metropolitan Area Transit Authority

- (B) Bonds, notes, debentures, or other obligations issued by any of the federal government-sponsored enterprises listed below. Any obligations must be direct issuances of the federal government-sponsored enterprise. They are:

Federal Farm Credit System

Federal Home Loan Banks

Federal Home Loan Mortgage Corporation

Federal National Mortgage Association

- (C) The Ohio State Treasurer's Asset Reserve Funds pursuant to Ohio R.C. 135.45;
- (D) Bonds or other obligations of the city of Columbus, Ohio;
- (E) Obligations of the state of Ohio or any municipal corporation, village, county, township or other political subdivision of the state of Ohio, as to which there is no default of principal or interest and which have been approved as to their validity by nationally recognized bond counsel;

- (F) Re-purchase agreements which are collateralized with legally authorized securities as defined in Section 325.010 of Columbus City Codes and held in third-party safekeeping designated by the city treasurer and in the name of the city of Columbus;
- (G) Others as provided for in Ohio R.C. 135.14 for interim deposits.

SECTION 5. That the existing Section 325.012 of the Columbus City Codes is hereby amended to read as follows:

325.012 - Investment criteria.

- (A) Investments shall not be made at a price in excess of the current market value of such bonds or other interest-bearing obligations. Such bonds or other interest-bearing obligations may be sold for cash and for a sum of not less than their current market price. The provisions of this section shall be executed and administered as provided in this chapter.
- (B) ~~Whenever it is necessary to convert any such obligations into cash, they shall be sold by the city treasurer or deputy treasurer for a price not less than the current market value when authorized by a majority of the treasury investment board.~~ Investments may be redeemed or sold prior to maturity to meet additional liquidity requirements, to restructure the investment portfolio or to enhance the yield of the overall investment portfolio. Such changes may be made on a case by case basis and shall be subject to the approval of the city treasurer or deputy treasurer.
- (C) Investments shall be made only through financial institutions and investment advisors approved by the treasury investment board to provide investment services to the city. The approved security broker/dealers must be registered with the Financial Industry Regulatory Authority (FINRA) and the State of Ohio Securities Division ~~and maintain an office in the state of Ohio.~~
- (D) All transactions for the purchase and sale of securities shall be made only on a delivery versus payment basis.
- (E) Securities will be held by a third party custodian designated by the treasury investment board and evidenced by safekeeping receipts or written confirmations.
- (F) No investment shall be purchased that has a remaining term to final maturity of more than five (5) years, unless the security meets the following criteria:
 - (1) the security is an assessment bond or note issued by city of Columbus, OH; and
 - (2) the purchase is approved by the Treasury Investment Board.

SECTION 6. That the existing Section 325.04 of the Columbus City Codes is hereby amended to read as follows:

325.04 - Regulation of securities.

All securities belonging to the treasury of the city or to any fund thereof, ~~other than the sinking fund,~~ may be placed in the custody of any member of the Federal Reserve banking system, upon the issuance by such member of its custodian or other bailment receipt to the city treasurer. Such securities, if not kept in the custody of a member of the Federal Reserve banking system, shall be in the custody of the city treasurer and shall be kept ~~by him~~ in a safe deposit box or vault belonging to a regular city depository. If such securities are so kept, such safe deposit box or vault shall be opened only in the presence of the city treasurer and deputy city treasurer or city treasurer and one (1) of the other two (2) officers named in C.C. 325.011. A report of whatever is placed in or removed from such safe deposit box or vault upon any such occasion shall be signed by the city treasurer and by the witnesses required by this section. No bond in addition to that required by other ordinance shall be required of the officers named in C.C. 325.011. In the event securities are deposited with a member of the Federal Reserve banking system, such securities may be withdrawn or sold only upon order of the officers named in C.C. 325.011 or a majority of such officers.

SECTION 7. That the existing Section 327.01 of the Columbus City Codes is hereby amended to read as follows:

327.01 - Investment ~~by sinking fund trustees.~~

Whenever any portion of the cost of any improvement shall have been reserved or retained by the city, for a given time to indemnify and protect the city against any loss due to lack of fulfillment of contract or negligence on the part of the contractor, or to secure the keeping of such improvement in repair for a stated time, such sum retained shall, upon the payment of the final estimate, be transferred to the ~~trustees of the sinking fund of~~ depository commission and treasury investment board of the city to be ~~by them~~ invested.

SECTION 8. That the existing Section 327.02 of the Columbus City Codes is hereby amended to read as follows:

327.02 - Payment to contractors with interest.

Interest at the rate of one and one-quarter (1¼) percent per annum upon the sum so retained, as set out in C.C. 327.01, shall be paid to the contractor semi-annually, and upon the receipt of a compliance certificate, as hereinafter provided, after expiration of the term of guaranty, the investment shall ~~by the trustees~~ be converted into money, and the sum so retained, together with any such interest thereon then accrued but unpaid, shall be paid over to the contractor. Provided, however, that no payment of principal or interest shall be made to the contractor ~~by the trustees~~ except upon a certificate which shall state that the contractor has complied with the terms and conditions of their guaranty. This certificate shall be signed by the administrative head of the department having the work in charge.

SECTION 9. That the existing Section 1107.02 of the Columbus City Codes is hereby amended to read as follows:

1107.02 - Disposition of security deposits.

- (a) The city auditor is authorized and directed to transfer to the ~~trustees of the sinking fund~~ water division agency fund all moneys deposited as security for the payment of water rents.
- (b) All moneys transferred to the water division agency fund ~~to the sinking fund~~ in accordance with C.C. 1107.03 shall be thereafter retained until either returned to the depositor or claimed by the lawful owner. If not claimed within a period of five (5) years after termination of the services for which the deposit was made, such money shall revert to the water system revenue fund of the Division of Water.

SECTION 10. That the existing Section 1107.03 of the Columbus City Codes is hereby amended to read as follows:

1107.03 - Handling of funds ~~by sinking fund.~~

The ~~trustees of the sinking fund~~ city treasurer is authorized and directed to receive and invest all funds transferred, under the provisions of C.C. 1107.02, in the same manner as other funds ~~in their hands or handled and~~ are invested, in trust, however, for the Division of Water. The ~~trustees~~ city treasurer shall place to the credit of such fund annually the interest earned thereon, which shall in like manner be held and invested.

SECTION 11. That the existing Section 1107.06 of the Columbus City Codes is hereby amended to read as follows:

1107.06 - Provision for payment of bonds.

A sufficient amount shall be transferred from the depreciation fund ~~to the trustees of the sinking fund~~ at the beginning of each year to provide ~~the sinking fund with~~ funds to pay all outstanding bonds at maturity.

SECTION 12. That the existing Section 1147.17 of the Columbus City Codes is hereby amended to read as follows:**1147.17 - Sewerage system capacity charge.**

For the purposes of this section the following terms shall be defined as follows:

- (1) "Domestic water service line " shall mean the line extending from the tap at the water main to the meter and shall include all the necessary appurtenances and shall be dedicated to solely providing domestic potable water.
- (2) "Fire suppression service line " shall mean the line extending from the tap at the water main to the meter and shall include all the necessary appurtenances and shall be dedicated to solely providing water for any necessary fire suppression system.
- (3) "Combined domestic water/fire suppression line " shall mean the line extending from the tap at the water main to the meter and shall include all the necessary appurtenances and shall provide water simultaneously to the domestic water system and the fire suppression system.

For the purposes of providing revenue to help finance and to more equitably distribute the cost of construction of necessary additions to both the sewer system and the sewage treatment facilities, it is hereby determined and declared necessary to provide for the establishment, exaction, and regulation of a sanitary sewer-capacity charge as hereinafter determined with such charge to be in addition to any and all other fees which may be imposed with respect to said sewer system.

The funds received from the collection of such charge, as it is herein authorized, shall be deposited daily with the city treasurer who shall credit them to a special fund from which the council of the city may take appropriations for the payment of the cost and expense of the construction, operation, maintenance, management and repair of the sanitary sewerage systems, regulator chambers, storm standby tanks, pumping stations and sewerage treatment works and for the payment of the cost and expense of replacement, extensions to or the enlargement of the same and for the payment of the principal and interest on any debt incurred for the construction of such sewerage system, regulator chambers, storm standby tanks, pumping stations, and sewerage treatment works ~~and for the creation of a sinking fund for the payment of such debt.~~

The Director of Public Utilities shall be and is hereby authorized and directed to exact a sanitary system-capacity charge whenever: (1) Application is made for the issuance of a sewer permit to provide sanitary sewer service to a new structure; (2) At the time an existing structure is enlarged or its use changes; and (3) When an existing structure is removed and a new structure built and reuse is made of an existing sanitary sewer service or new sanitary sewer service is constructed, wherever such property is or will be tributary, directly or indirectly, to any trunk sanitary sewer built by the city, either inside or outside the corporate limits of said city and as provided elsewhere in the Columbus City Code, ~~1959.~~

The charge so exacted shall be determined in accordance with the following:

Size of Domestic Water Service Line	Sewerage System Capacity Charges
3/4"	\$ 3,044
1"	5,074
1-1/2"	10,147
2"	16,236
3"	32,472
4"	50,737
6"	101,475
8"	162,360
10"	233,392
12"	436,342

16"	484,197
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There shall be no sewer system-capacity charge for a fire suppression system service line. The fee for a combined domestic service/fire suppression service line shall be determined by the public utilities Director.

Credit. If a domestic water service line is replaced, the sewer system capacity charge shall be reduced by the sewer system capacity rate for each domestic water service line which is replaced. Should the sum total of the credits exceed the system capacity rate, the sewer system capacity charge shall be zero (0.00). Replacement credits will be determined by current sewer system capacity rates. No credit refunds will be issued.

SECTION 13. That the existing Section 1161.03 of the Columbus City Codes is hereby amended to read as follows:

1161.03 - Deposits for electric service.

- (a) Moneys received by the city treasurer as a deposit guaranteeing payment for electric service furnished by the Division of Power, shall be temporarily entered in the City Auditor's account designated ~~sinking fund~~ electricity customer deposit agency fund trust (Electric Service).
- (b) All moneys transferred to the Sinking Fund electricity customer deposit agency fund in accordance with C.C. 1161.05 shall be thereafter retained until either returned to the depositor or claimed by the lawful owner. If not claimed within a period of five (5) years after termination of the services for which the deposit was made, such money shall revert to the Electricity System Revenue Fund of the Division of Power.

SECTION 14. That the existing Section 1161.04 of the Columbus City Codes is hereby repealed in its entirety as follows:

~~1161.04—Investment generally; return.~~

~~Upon receipt of a properly executed voucher, approved by the Director of Public Utilities, the City Auditor is authorized and directed to transfer moneys accumulated in the sinking fund suspense trust (Electric Service), to the trustees of the sinking fund for investment purposes; and vice-versa, upon receipt of a properly executed order from the Division of Power approved by the Director of Public Utilities, the trustees of the sinking fund shall return to the City Treasurer sufficient moneys to reimburse him for any refunds that have been advanced by him or her, on request from the Division of Power.~~

SECTION 15. That the existing Section 1161.05 of the Columbus City Codes is hereby amended to read as follows:

1161.05 - Authority of ~~trustees of sinking fund~~ the city treasurer.

~~The trustees of the sinking fund are~~ city treasurer is authorized and directed to invest any or all of the guarantee deposit moneys, originating from the operations of the Division of Power in the provision of electricity service, transferred to them, according to their discretion and deemed to be to the best interest of the city and the depositors according to law. Such funds so invested shall be accounted for; ~~by the trustees of the sinking fund~~, as to total only and shall not be required to be segregated from other funds ~~in the hands of the trustees of the sinking fund~~. The amount received from deposits may be commingled with other funds ~~in the hands of the sinking fund trustees~~ and can be invested with such other funds.

SECTION 16. That the existing Section 1161.06 of the Columbus City Codes is hereby amended to read as follows:

1161.06 - Disposition of interest and other income.

- (a) All interest and other income earned ~~by the trustees of the sinking fund~~, due to investing the guarantee deposit moneys ~~transferred to them~~, shall accrue to this account and shall be credited thereto at the end of each calendar year. Such credit shall be made on the basis of the average percentage earned from investments made ~~by the trustees of the sinking fund~~ during the twelve-month period preceding the end of the calendar year for which the credit is to be made.
- (b) All interest earned on said deposits in excess of the four (4) percent per annum refunded to the depositor as set forth in Section 1161.07 shall revert to the Electricity System Operating Revenue Fund for the Division of Power.

SECTION 17. That the existing Section 1161.08 of the Columbus City Codes is hereby amended to read as follows:

1161.08 - Procedure where earnings insufficient to pay interest; transfer.

In the event the earnings from the deposited funds, ~~invested by the trustees of the sinking fund~~, shall be insufficient to pay the interest due to the depositor, then such difference shall be paid ~~into the sinking fund~~ from the operating funds of the Division of Power. Except for the purpose of liquidating delinquent bills for electric service to the depositors and for the purpose of refunding such deposits none of the funds deposited hereunder shall be transferred out of the fund.

SECTION 18. That the existing Section 1161.09 of the Columbus City Codes is hereby amended to read as follows:

1161.09 - Authority to contract.

The Director of the Department of Public Utilities or ~~his~~ delegated representative is authorized to enter into contracts to provide electric service to customers in accordance with the rates and schedule of charges set forth in Chapter 1163, Columbus City Codes, ~~1959~~, as amended, or as such rates and charges may be amended from time to time.

SECTION 19. That the existing Section 1161.10 of the Columbus City Codes is hereby amended to read as follows:

1161.10 - Other electric contracts.

Notwithstanding the published electric rates and schedule of charges in Chapter 1163, Columbus City Codes, ~~1959~~, as amended, the Director of the Department of Public Utilities is authorized to negotiate and enter into ~~contracts~~ contracts with electricity consumers for such other rates and schedules of charges where, in the opinion of and with the approval by ordinance of City Council, it is in the best interests of the city and where it shall tend to best develop and increase the business, to increase the load factor and to promote in other ways the general success of the city's electric utility.

SECTION 20. That prior existing Chapter 323 and sections 321.08, 321.081, 325.010, 325.012, 325.04, 327.01, 327.02, 1107.02, 1107.03, 1107.06, 1147.17, 1161.03, 1161.04, 1161.05, 1161.06, 1161.08, 1161.09 and 1161.10 of the Columbus City Codes are hereby repealed.

SECTION 21. That for the reason stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.

