

income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City further covenants that it will not make any investment or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the Bonds.

(d) The City will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond proceeds or other moneys treated as Bond proceeds to the federal government and will set aside such moneys in a Rebate Account to be held by the Clerk-Treasurer in trust for such purpose.

(e) It shall be not an event of default under this ordinance if the interest on any Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

Section 23. Compliance with Tax Sections. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance ("Tax Sections") which are designed to preserve the tax exempt status of interest on the Bonds or the exclusion of interest on the Bonds from gross income under federal law ("Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 24. Supplemental Ordinances. Without notice to or consent of the owners of the bonds herein authorized, the City may, from time to time and at any time, adopt an ordinance or ordinances supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance or to make any other change authorized herein;
- (ii) To grant to or confer upon the owners of the Bonds herein authorized any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds herein authorized or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the Bonds herein authorized;
- (iii) To modify, amend or supplement this Ordinance to permit the qualification of the bonds herein authorized for sale under the securities laws of the United States of America or of any of the states of the United States of America or to obtain or maintain bond insurance or other credit enhancement with respect to payments of principal of and interest on bonds herein authorized;
- (iv) To provide for the refunding or advance refunding of the Bonds herein authorized;
- (v) To procure a rating on the Bonds herein authorized from a nationally recognized securities rating agency or agencies designated in such supplemental ordinance if such

supplemental ordinance will not adversely affect the owners of the Bonds herein authorized or any other bonds ranking on a parity with such Bonds; or

(vi) To accomplish any other purpose which, in the judgment of the City, does not adversely affect the interests of the owners of the Bonds herein authorized.

Subject to the terms and provisions contained in this Section 24 and Section 20(h) of this Ordinance, and not otherwise, the owners of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the Net Revenues of the sewage works ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Debt Service Reserve Requirement; or
- (g) The extension of mandatory sinking fund redemption dates, if any.

The owners of not less than seventy-five percent (75%) in aggregate principal amount of the bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City. No owner of any bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the bonds authorized by this Ordinance, and the terms and provisions of the bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the bonds issued pursuant to this Ordinance then outstanding.

Section 25. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that nothing contained herein shall be deemed to affect the rights of the holders of the outstanding Prior Bonds.

Section 26. Disclosure. If required by the Rule (as hereinafter defined), the Bonds shall be offered and sold pursuant to an Official Statement with respect to the Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. The Common Council hereby authorizes the Mayor or the Clerk-Treasurer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the City; (b) on behalf of the City, to designate the Preliminary Official Statement a "final official statement" (as defined in the Rule) with respect to the Bonds, subject to completion as permitted by and otherwise pursuant to the Rule; and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule. The Mayor is further authorized to execute an agreement in connection with the offering of the Bonds in accordance with the Rule by which the City agrees to undertake such continuing disclosure obligations as may be required under the Rule.

Section 27. Reimbursement. The City hereby declares its official intent to reimburse expenditures for the Project with proceeds of the Bonds. This Ordinance constitutes a declaration of official intent to reimburse expenditures under Treas. Reg. § 1.150-2(e) and Indiana Code § 5-1-14-6(c).

Section 28. Rate Ordinance. The rates and charges of the sewage works are set forth in Ordinance No. 20-01, adopted by the Common Council on March 2, 2020. Such ordinance is incorporated hereby by reference.

Section 29. Satisfaction of Parity Bond Tests of Prior Ordinance. The Common Council hereby finds and determines that the adoption of this ordinance and the issuance of the Bonds are in compliance with Section 18 of the Prior Ordinance and do not and will not adversely impact the interests of the owners of the Prior Bonds. The Prior Ordinance shall remain in full force and effect.

Section 30. Payments on Holidays. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the city in which the Registrar

and Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 31. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 32. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

Section 33. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

Section 34. Other Action. The appropriate officers of the City are hereby authorized and directed to take any other action deemed necessary or advisable in order to effectuate, the issuance of the Bonds, or any other purposes of this ordinance.

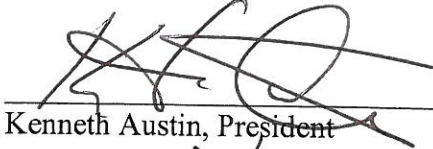
Introduced and Filed on the 16th day of March, 2020.

DULY PASSED on this 20th day of April, 2020, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of 7 in Favor and 0 Opposed.

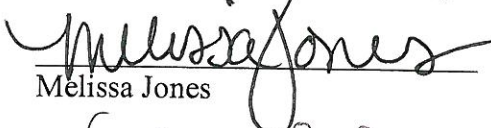
City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

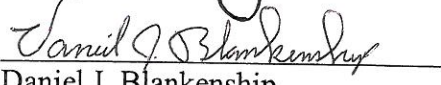
Voting Opposed:


Kenneth Austin, President

Kenneth Austin, President


Melissa Jones


Melissa Jones


Daniel J. Blankenship

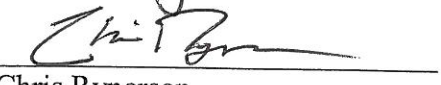
Daniel J. Blankenship


Robert D. Heuchan

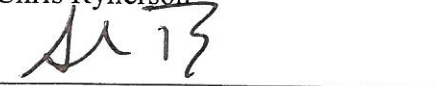
Robert D. Heuchan


Anne McGuinness

Anne McGuinness



Chris Rynerson

Chris Rynerson



Shawn Taylor

Shawn Taylor


Attest:


Jayne Rhoades
City Clerk-Treasurer


Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 20 day of April, 2020 at 6:05 o'clock a.m./p.m.


Jayne Rhoades,
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 20th day of April, 2020 at 6:05 o'clock a.m./p.m.


Stephen Barnett
Mayor

Attest:


Jayne Rhoades,
City Clerk-Treasurer

Prepared by:

APPENDIX A

SEWAGE WORKS PROJECTS

The Project shall consist of the acquisition, construction, installation and equipping of certain improvements and extensions to the Sewage Works of the City of Franklin, Indiana, including, but not limited to the following and improvements and expenses related thereto:

- (i) The East Side Interceptor and Lift Station, consisting of approximately 13,000 feet of sanitary sewer ranging in size from 12-inches to 21-inches, 3,100 feet of 14-inch force main, and a new submersible lift station, and related improvements.
- (ii) The West Side Interceptor and Lift Station, consisting of approximately 25,000 feet of sanitary sewer ranging in size from 12-inches to 21-inches, 3,300 feet of force main, and a new submersible lift station, and related improvements.
- (iii) Sanitary sewer and manhole rehabilitation, and related improvements.



Peters Municipal Consultants, LTD
P.O. Box 542
Greenwood, IN 46142

Phone: 317-535-6168
Fax: 317-886-7013

www.petersmunicipalconsultants.com

City of Franklin Sewage Works Utility,

In connection with the issuance of \$5,250,000 principal amount of the City of Franklin, Indiana Sewage Works Revenue Bonds, Series 2020, we have prepared this parity report including the following schedules.

Page(s)

2	Statement of Receipts and Disbursements for Years Ended December 31, 2019, 2018, and 2017.
3	Statement of Fund Balances
4	Amortization of Remaining \$445,000 Principal Amount of Sewage Works Refunding Bonds, Series 2013
5	Estimated Amortization of \$5,250,000 Principal Amount of Sewage Works Revenues Bonds, Series 2020
6	Combined Amortization Schedule
7	Estimated Net Revenue to Support Debt Service
7	Coverage of Debt Service
8	Present Rates and Charges

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion or provide any other form of assurance thereon, nor do we have a responsibility to prepare subsequent reports.

Nichole Franklin, CPA

Peters Municipal Consultants, LTD

Statement of Receipts and Disbursements for the Years Ended
December 31, 2019, 2018, and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Operating Receipts</u>			
Sewage Fees	3,030,914	2,990,747	3,020,019
Other Sewage	67,781	75,398	71,677
Interest	82,034	40,412	27,185
Insurance Refunds	2,800	1,663	
Miscellaneous	39,620	23,591	4,036
Transfer of Funds	3,388	5,424	
Total Operating Receipts	<u>3,226,538</u>	<u>3,137,236</u>	<u>3,122,917</u>
<u>Operation and Maintenance Expenses</u>			
Employee Salaries and Wages	878,907	793,324	771,993
Employee Pension and Benefits	405,182	391,170	332,582
New Pumps & Related	0	178,835	0
Chemical Phosphorus Removal	685,568	164,000	0
Materials and Supplies	324,711	316,040	243,083
Contractual Services	961,688	829,160	744,236
Capital Outlay	112,985	6,218	26,413
Hurricane Road Sanitary Extension	76,269	0	0
Other	235,586	98,520	91,702
2017 Sewer Rehab Project	492,902		
Transfer of Funds	238,467	238,457	242,599
Total Operation and Maintenance Expenses	<u>4,406,868</u>	<u>3,015,723</u>	<u>2,452,609</u>

Statement of Fund Balances

	<u>Operating Fund</u>	<u>Bond & Interest Fund</u>	<u>Sewer Improvement Fund</u>	<u>Debt Service Reserve Fund</u>
Beginning Balance 1/1/17	\$ 3,817,449	\$ 175,264	\$ 810,914	\$ 337,840
Receipts	3,122,917		357,000	2,495
Disbursements	(2,210,010)	(223,137)		
Transfers In		230,074		
Transfers Out	(242,599)			
Ending Balance 12/31/17	<u>\$ 4,487,757</u>	<u>\$ 182,201</u>	<u>\$ 1,167,914</u>	<u>\$ 340,335</u>
Beginning Balance 1/1/18	\$ 4,487,757	\$ 182,201	\$ 1,167,914	\$ 340,335
Receipts	3,137,236		390,100	3,984
Disbursements	(2,771,870)	(228,978)		
Transfers In		227,719		
Transfers Out	(238,457)			(5,423)
Ending Balance 12/31/18	<u>\$ 4,614,666</u>	<u>\$ 180,942</u>	<u>\$ 1,558,014</u>	<u>\$ 338,896</u>
Beginning Balance 1/1/19	\$ 4,614,666	\$ 180,942	\$ 1,558,014	\$ 338,896
Receipts	3,226,538		250,141	5,379
Disbursements	(4,173,797)	(224,829)	(86,833)	
Transfers In		227,629		
Transfers Out	(238,467)			(3,388)
Ending Balance 12/31/2019	<u>\$ 3,428,940</u>	<u>\$ 183,742</u>	<u>\$ 1,721,322</u>	<u>\$ 340,887</u>

REMAINING AMORTIZATION OF \$445,000 PRINCIPAL AMOUNT SEWAGE WORKS
REFUNDING BONDS, SERIES 2013

<u>Date</u>	<u>Principal</u>	<u>Interest</u>		<u>Period</u>
		<u>Rate</u>	<u>Interest</u>	<u>Total</u>
9/1/2020		1.97%	4,383	4,383
3/1/2021	220,000	1.97%	4,383	224,383
9/1/2021		1.97%	2,216	2,216
3/1/2022	<u>225,000</u>	1.97%	<u>2,216</u>	<u>227,216</u>
Total	<u>\$ 445,000</u>		<u>\$ 13,198</u>	<u>\$ 458,198</u>

ESTIMATED AMORTIZATION OF \$5,250,000* PRINCIPAL AMOUNT OF SEWAGE
WORKS REVENUE BONDS, SERIES 2020

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>	<u>ANNUAL DEBT SERVICE</u>	<u>REMAINING BALANCE</u>
3/1/2021	160,000	114,311	274,311		5,090,000
9/1/2021		79,347	79,347	353,659	5,090,000
3/1/2022	200,000	78,054	278,054		4,890,000
9/1/2022		76,230	76,230	354,283	4,890,000
3/1/2023	205,000	74,987	279,987		4,685,000
9/1/2023		73,034	73,034	353,021	4,685,000
3/1/2024	210,000	72,240	282,240		4,475,000
9/1/2024		69,760	69,760	352,000	4,475,000
3/1/2025	220,000	68,623	288,623		4,255,000
9/1/2025		66,331	66,331	354,954	4,255,000
3/1/2026	225,000	65,249	290,249		4,030,000
9/1/2026		62,823	62,823	353,072	4,030,000
3/1/2027	235,000	61,799	296,799		3,795,000
9/1/2027		59,160	59,160	355,959	3,795,000
3/1/2028	240,000	58,517	298,517		3,555,000
9/1/2028		55,419	55,419	353,935	3,555,000
3/1/2029	250,000	54,515	304,515		3,305,000
9/1/2029		51,521	51,521	356,036	3,305,000
3/1/2030	255,000	50,681	305,681		3,050,000
9/1/2030		47,546	47,546	353,227	3,050,000
3/1/2031	265,000	46,771	311,771		2,785,000
9/1/2031		43,415	43,415	355,186	2,785,000
3/1/2032	270,000	42,943	312,943		2,515,000
9/1/2032		39,206	39,206	352,149	2,515,000
3/1/2033	280,000	38,567	318,567		2,235,000
9/1/2033		34,841	34,841	353,408	2,235,000
3/1/2034	290,000	34,273	324,273		1,945,000
9/1/2034		30,320	30,320	354,593	1,945,000
3/1/2035	300,000	29,826	329,826		1,645,000
9/1/2035		25,644	25,644	355,470	1,645,000
3/1/2036	310,000	25,365	335,365		1,335,000
9/1/2036		20,811	20,811	356,176	1,335,000
3/1/2037	315,000	20,472	335,472		1,020,000
9/1/2037		15,901	15,901	351,373	1,020,000
3/1/2038	330,000	15,641	345,641		690,000
9/1/2038		10,756	10,756	356,398	690,000
3/1/2039	340,000	10,581	350,581		350,000
9/1/2039		5,456	5,456	356,037	350,000
3/1/2040	350,000	5,397	355,397		-
9/1/2040	-	-	-	355,397	-
	<u>\$ 5,250,000</u>	<u>\$ 1,836,334</u>	<u>\$ 7,086,334</u>	<u>\$ 7,086,334</u>	

Estimated Amortization (Preliminary, subject to change)

COMBINED AMORTIZATION SCHEDULES

	2013	2020	
<u>Year</u>	<u>Refunding Bonds</u>	<u>Bonds</u>	<u>Total</u>
2020	225,884	-	225,884
2021	226,599	353,659	580,258
2022	227,216	354,283	581,499
2023		353,021	353,021
2024		352,000	352,000
2025		354,954	354,954
2026		353,072	353,072
2027		355,959	355,959
2028		353,935	353,935
2029		356,036	356,036
2030		353,227	353,227
2031		355,186	355,186
2032		352,149	352,149
2033		353,408	353,408
2034		354,593	354,593
2035		355,470	355,470
2036		356,176	356,176
2037		351,373	351,373
2038		356,398	356,398
2039		356,037	356,037
2040		355,397	355,397
	<u>679,699</u>	<u>7,086,333</u>	<u>7,766,032</u>

ESTIMATED NET REVENUE TO SUPPORT DEBT SERVICE

Operating Receipts*	4,750,498
Misc. Receipts	15,000
Total Receipts	<u>4,765,498</u>
Less: Operating Expenses	<u>(2,642,688)</u>
Net Revenues Available for Debt Service	<u>\$2,122,809</u>

*Per November 19, 2019 Wastewater Utility Rate Study based on new rates

ESTIMATED DEBT SERVICE COVERAGE

	<u>NET</u> <u>REVENUE</u>	<u>2013</u> <u>REFUNDING</u>	<u>EST 2020</u> <u>BONDS</u>	<u>TOTAL</u> <u>DEBT SERVICE</u>	<u>COVERAGE</u>
2020	2,122,809	225,884	-	225,884	940%
2021	2,122,809	226,599	353,659	580,258	366%
2022	2,122,809	227,216	354,283	581,499	365%
2023	2,122,809	-	353,021	353,021	601%
2024	2,122,809	-	352,000	352,000	603%
2025	2,122,809	-	354,954	354,954	598%
2026	2,122,809	-	353,072	353,072	601%
2027	2,122,809	-	355,959	355,959	596%
2028	2,122,809	-	353,935	353,935	600%
2029	2,122,809	-	356,036	356,036	596%
2030	2,122,809	-	353,227	353,227	601%
2031	2,122,809	-	355,186	355,186	598%
2032	2,122,809	-	352,149	352,149	603%
2033	2,122,809	-	353,408	353,408	601%
2034	2,122,809	-	354,593	354,593	599%
2035	2,122,809	-	355,470	355,470	597%
2036	2,122,809	-	356,176	356,176	596%
2037	2,122,809	-	351,373	351,373	604%
2038	2,122,809	-	356,398	356,398	596%
2039	2,122,809	-	356,037	356,037	596%
2040	2,122,809	-	355,397	355,397	597%

PRESENT RATES AND CHARGES

Treatment Rate Per 1,000 Gallons:

\$ 5.43

Unmetered Water Users:

*Residential (Single Family Residence)

\$ 39.78

*Users other than "Residential Single Family Dwelling Units" shall be charged a rate to be determined by the City based on comparison with a similar enterprise with metered usage.

Base Rate per Month as Follows:

<u>Water Meter Size</u>	<u>Equivalency Factor</u>	<u>Base Rate</u>
5/8 to 3/4 Inch	1.0	\$ 5.57
1 Inch	2.6	\$ 14.26
1 1/4 Inch	4.0	\$ 22.28
1 1/2 Inch	5.8	\$ 32.08
2 Inch	10.2	\$ 57.04
3 Inch	23.0	\$ 128.33
4 Inch	41.0	\$ 228.15
6 Inch	92.2	\$ 513.33
8 Inch	163.8	\$ 912.59