



City of Lima, Ohio

50 Town Square Lima, Ohio 45801-4900
419/228-5462 Fax 419/221-5199 www.cityhall.lima.oh.us

David J. Berger, Mayor

April 10, 2020

Honorable Sherrod Brown
503 Hart Senate Office Building
Washington, DC 20510

Senator Brown,

I am writing you to express my support for S.733/H.R.4492. As you well know, I have served as the Mayor of Lima since 1989. During that time I have seen my share of national economic booms and busts and I can tell, with no uncertainty whatsoever, Ohio's cities are entering a time of historic fiscal challenges. Cities cannot run deficits like the federal government, and because we are largely funded by an income tax, as unemployment grows our revenues shrink and the needs of our citizens grow. It is imperative I maintain essential services for my constituents and use every tool at my disposal to properly manage Lima's resources. I believe passage of S.733/H.R. 4492 will provide an essential tool that I will be able to use to help alleviate some of the financial strains we will face.

The coronavirus pandemic has made the need for S.733/H.R.4492 much more acute because of the lack of liquidity in financial markets and the challenging environment to sell tax exempt debt like the city of Lima's. Selling bonds is a common occurrence for cities all over Ohio and the country as often the bonds are used to fund infrastructure and economic development projects. The likely economic realities we are about to face will require Mayors to be creative and aggressive as we manage our declining resources while providing essential services. The current market conditions are making it very difficult to sell these bonds and if sales are to occur they likely will be more expensive for cities.

S.733/H.R.4492 will correct the unintended consequences of an SEC rule change which required Money Market Funds (MMFs), the largest purchaser of tax exempt debt, to



change a more than 40 year regulatory environment requiring a floating Net Asset Value (NAV) instead of a stable NAV. The return to a stable NAV, which was the historical norm, will allow for almost \$1 trillion to return to the capital markets, provide much needed liquidity and assure more affordable financing for our local governments.

I strongly urge you to support the inclusion of S.733/H.R.4492 in the next legislation targeting aid to the economy and urge your fellow Senators to do so as well.

Sincerely,



David J. Berger

Mayor



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David J. Berger, Mayor

April 10, 2020

Honorable Joyce Beatty
Cannon House Office Building, 27 Independence Ave, SE
Washington, DC 20510

Congresswoman Beatty,

I am writing you as a member of the House Financial Services Committee to relay my support for S.733/H.R.4492 and thank you for your co-sponsorship of the legislation. I have served as Mayor of Lima since 1989. During that time I have seen my share of national economic booms and busts and I can tell, with no uncertainty whatsoever, Ohio's cities are entering a time of historic fiscal challenges. Cities cannot run deficits like the federal government, and because we are largely funded by an income tax, as unemployment grows our revenues shrink and the needs of our citizens grow. It is imperative I maintain essential services for my constituents and use every tool at my disposal to properly manage Lima's resources. I believe passage of S.733/H.R. 4492 will provide an essential tool that I will be able to use to help alleviate some of the financial strains we will face.

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I strongly urge you to support the inclusion of S.733/H.R.4492 in the next legislation targeting aid to the economy and urge your fellow Members to do so as well.

Sincerely,

A handwritten signature in blue ink, appearing to read "David J. Berger", with a long horizontal flourish extending to the right.

David J. Berger

Mayor