

CITY OF HUBBARD, OHIO
RECORD OF ORDINANCES AND RESOLUTIONS

THE FRED PROCTER CO., CINTI, O.

RESOLUTION NO.

ORDINANCE NO. 2-18

PASSED

FEB 5

20 18

AN ORDINANCE

ORDINANCE AUTHORIZING THE CITY'S PARTICIPATION IN THE TREASURER OF OHIO'S MARKET ACCESS PROGRAM; AUTHORIZING THE PREPARATION AND FILING OF AN APPLICATION FOR THAT PROGRAM AND THE EXECUTION AND DELIVERY OF A STANDBY NOTE PURCHASE AGREEMENT WITH THE TREASURER, AN AMENDED AND RESTATED LOAN AGREEMENT WITH AMERICAN MUNICIPAL POWER, INC., AND OTHER NECESSARY AND APPROPRIATE DOCUMENTS; AND DECLARING AN EMERGENCY.

WHEREAS, American Municipal Power, Inc. ("AMP") and the City of Hubbard, Ohio (the "City") have cooperated in connection with financing improvements to the City's electric system, including the acquisition and installation of diesel generators (the "Project"), and AMP has provided initial funding for the Project by drawing on its bank line of credit, while maintaining the option to issue its notes on behalf of the City in the future; and

WHEREAS, \$1,120,000 is currently outstanding on AMP's bank line of credit, which loan shall now be paid off through the issuance by AMP of its notes in the principal amount of not to exceed \$1,200,000 and other funds of the City; and

WHEREAS, the City wishes to have AMP issue the notes on its behalf, but in order to obtain a more favorable interest rate on the notes, the City also wishes to participate in the Ohio Treasurer of State's Market Access Program (the "Program"); and

NOW, THEREFORE, Be It Ordained by the Council of the City of Hubbard, Ohio:

SECTION 1. That the City's participation in the Ohio Treasurer of State's Market Access Program with respect to the issuance of AMP's not to exceed \$1,200,000 Electric System Improvement Bond Anticipation Notes (the "Notes") is hereby authorized. The Mayor or his designee is authorized to prepare and file with the Treasurer an application for such Program.

SECTION 2. The Standby Note Purchase Agreement required for participation in the Program is hereby authorized in substantially the form presented to the Council with such changes not materially adverse to the City as may be approved by the officers of the City executing that Agreement. The City acknowledges the agreement of the Treasurer of State in the Standby Note Purchase Agreement that, in the event the City is unable to repay the principal amount and accrued and unpaid interest of the Notes as set forth in the AMP Loan Agreement at their maturity, whether through its own funds or through the issuance of other obligations by AMP on behalf of the City, the Treasurer of State agrees (a) to purchase the Notes from the Holders or beneficial owners thereof upon their presentation to the Treasurer of State for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of AMP, issued on behalf of the City, in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at a rate equal to the one-year benchmark on the Municipal Market Data (MMD) AAA scale plus 400 basis points on the date the AMP resolution authorizing the renewal notes is adopted, maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer of State's purchase of such renewal notes the Issuer shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding obligations of AMP, issued on behalf of the City, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the revenues of the City's electric utility system as set forth in the AMP Loan Agreement and (ii) interest on the renewal notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code as amended to the same extent that interest on the Notes is so excluded.

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The Mayor and/or his designees are authorized to take all actions that may in their judgment reasonably be necessary to provide for such an Agreement.

SECTION 3. That the Mayor or his designee is authorized to execute and deliver, on behalf of the City, the Standby Note Purchase Agreement, an Amended and Restated Loan Agreement with AMP and Promissory Note substantially in the form of the Standby Note Purchase Agreement, the Amended and Restated Loan Agreement and Promissory Note on file with the Clerk of Council, and any other documents or certificates deemed to be necessary or desirable in connection with this transaction. The Promissory Note is issued by the City pursuant to Article 18, Section 12 of the Ohio Constitution and Section 133.34(A)(4) of the Ohio Revised Code.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 5. That this Ordinance is hereby declared to be an emergency measure for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the City for the reason that the retirement of the outstanding loan with the issuance of the Notes must be assured at the earliest possible time; therefore, this Ordinance shall take effect immediately upon its adoption and approval by the Mayor.

PASSED IN COUNCIL THIS 5TH DAY OF FEBRUARY, 2018.

ATTEST:

Jamie Brown
CLERK OF COUNCIL

APPROVED:

John D. Parks
MAYOR

William A. Williams
PRESIDENT OF COUNCIL

APPROVAL DATE: FEB 5, 2018

FIRST READING: FEB 5, 2018

SECOND READING: _____



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THIRD READING: _____

I hereby certify that the foregoing Ordinance was published in The News of Hubbard on the dates hereinbelow set forth and was posted at the Hubbard City Municipal Building and the Hubbard Police Department on the day hereinbelow set forth.

DATES OF PUBLICATION:

_____ day of _____, 2018

_____ day of _____, 2018

_____ day of _____, 2018

POSTED:

6TH day of FEB, 2018