

CITY OF HUBBARD, OHIO
RECORD OF ORDINANCES AND RESOLUTIONS

THE FRED PROCTER CO., CINTI, O.

RESOLUTION NO.

ORDINANCE NO. 1-19

PASSED..... JUN 22

20 19

**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, AND OTHER NECESSARY AND APPROPRIATE
DOCUMENTS, AND DECLARING AN EMERGENCY.**

WHEREAS, American Municipal Power, Inc. ("AMP") and the City of Hubbard, Ohio (the "City" or "Hubbard") have cooperated in connection with financing improvements to the City's municipal electric system, including the acquisition and installation of diesel generators (the "Project"), and AMP has issued its notes on behalf of the City for such financing; and

WHEREAS, notes currently outstanding in the principal amount of \$960,000 are about to mature and should be renewed in the reduced principal amount of \$785,000; and

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

WHEREAS, a combination of these favorable interest rates and other market conditions, and the immediate need to renew the outstanding notes, give rise to a present emergency affecting the public health, safety and welfare.

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 in connection with the issuance of AMP's \$785,000 Electric System Improvement Bond Anticipation Notes (City of Hubbard Project), Series 2019 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 promissory note from the City to AMP (the "Note") which provides the funds to pay the principal of and interest on notes issued by AMP on the City's behalf as set forth in the Amended and Restated Loan Agreement between AMP and the City, dated as of March 1, 2018 (the "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 Note from AMP at a price of par plus accrued interest to maturity or (b) to purchase a renewal note of the City, in a principal amount not

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greater than the principal amount of the Note plus interest due at maturity, with such renewal note 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 City ordinance authorizing the renewal note is adopted, maturing not more than one year after the date of its 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 note the City shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal note is the legal, valid and binding obligations of the City, and the principal of and interest on such renewal note, unless paid from other sources, are to be paid from the revenues of the City's electric utility system; and (ii) interest on the renewal note 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 Note is so excluded.

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, and any other documents or certificates deemed to be necessary or desirable in connection with this transaction. The Note has been issued by the City pursuant to Article 18, Section 12 of the Ohio Constitution and Section 133.15 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 ordinance 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 application and the Standby Note Purchase Agreement must be executed at the earliest possible date in order assure favorable financing rates; therefore, this Ordinance shall take effect immediately upon its adoption and approval by the Mayor.

PASSED IN COUNCIL THIS 22nd DAY OF JANUARY, 2019.

ATTEST:

Janice Brown

William Williams
PRESIDENT OF COUNCIL

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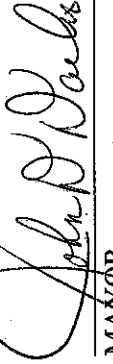
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CLERK OF COUNCIL

APPROVED:


MAYOR

APPROVAL DATE: 1-23-2019

FIRST READING: 1-22-19

SECOND READING: _____

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 on the day hereinbelow set forth.

DATES OF PUBLICATION:

_____ day of _____, 2019

_____ day of _____, 2019

_____ day of _____, 2019

POSTED:

23rd day of JANUARY, 2019