

## CITY OF OBERLIN, OHIO

### ORDINANCE No. 25-39 AC CMS

AN ORDINANCE AUTHORIZING THE CITY'S PARTICIPATION IN THE AMERICAN MUNICIPAL POWER, INC. ("AMP") "ON BEHALF OF" FINANCING PROGRAM AND THE EXECUTION OF A LOAN AGREEMENT AND PROMISSORY NOTE IN CONNECTION THEREWITH; AUTHORIZING THE CITY'S PARTICIPATION IN THE OHIO TREASURER OF STATE'S OHIO MARKET ACCESS PROGRAM AND AUTHORIZING THE PREPARATION AND FILING OF AN APPLICATION FOR THAT PROGRAM AND THE EXECUTION AND DELIVERY OF A STANDBY NOTE PURCHASE AGREEMENT IN CONNECTION THEREWITH, AND OTHER NECESSARY AND APPROPRIATE DOCUMENTS TO GO INTO IMMEDIATE EFFECT

WHEREAS, American Municipal Power, Inc. ("AMP") and the City of Oberlin (the "City" or "Oberlin") wish to cooperate in connection with financing the cost of construction of a new substation capable of housing two 16/22 MVA transformers and six distribution circuits, installation of approximately 4.5 miles of transmission line and other related improvements (collectively, the "Project"); and

WHEREAS, the City wishes to have AMP issue notes on its behalf, and 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

WHEREAS, a combination of these favorable interest rates and other market conditions, 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 Oberlin, Ohio:

SECTION 1. That it is necessary to borrow the amount of not to exceed \$14,000,000 for the purpose of providing interim financing for the cost of upgrading the City's municipal electric system by installing the Project. Such amount shall be borrowed from AMP, shall be repayable solely from the net revenues of the City's municipal electric system and otherwise on the terms and conditions set forth in the Loan Agreement by and between the City and AMP (the "Loan Agreement") and Promissory Note from the City to AMP (the "Note") authorized in Section 4 hereof and attached hereto and made a part hereof.

SECTION 2. That the City's participation in the Program with respect to the Note is hereby authorized. The City Manager or his designee is authorized to prepare and file with the Treasurer an application for such Program.

SECTION 3. 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 Note, 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 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 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 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.

SECTION 4. That the City Manager is authorized and directed to execute and deliver, on behalf of the City, the Standby Note Purchase Agreement, the Loan Agreement and the Note, substantially in the form of the Standby Bond Purchase Agreement, Loan Agreement and 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 Note is issued by the City pursuant to Article 18, Section 12 of the Ohio Constitution and Section 133.15 of the Ohio Revised Code.

SECTION 5. That the Loan Agreement and the Note shall grant to AMP a lien on the revenues of the City's municipal electric system, and the City covenants to take all necessary steps to establish such lien.

SECTION 6. That the City declares that it reasonably expects that funds expended on the Project which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance by AMP of its notes for the purpose of financing the Project, will be reimbursed with the proceeds of the AMP notes, in the maximum principal amount of \$14,000,000.

SECTION 7. 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 8. To assure favorable financing rates and provided that at least five (5) members of Council determine by motion, this Ordinance shall go into full force and effect immediately after its passage; otherwise, it shall take effect on the earliest date allowed by law.

PASSED:     1<sup>st</sup> Reading: July 7, 2025  
                  2<sup>nd</sup> Reading: \_\_\_\_\_  
                  3<sup>rd</sup> Reading: \_\_\_\_\_

ATTEST:



BELINDA B. ANDERSON, MMC  
CLERK OF COUNCIL



EBONI A. JOHNSON  
PRESIDENT OF COUNCIL

POSTED: 07/08/2025

EFFECTIVE DATE: 07/07/2025