

RESOLUTION NO. 702 CMS

EXPRESSING THE INTENTION OF THE COUNCIL OF THE CITY OF OBERLIN TO PROCEED WITH THE ISSUANCE OF HOSPITAL REFUNDING BONDS, THE PROCEEDS OF WHICH WILL BE USED FOR THE ADVANCE REFUNDING OF THE CITY'S OUTSTANDING HOSPITAL REVENUE BONDS, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Oberlin has heretofore determined and expressed its intention to establish and construct in the City a municipal general hospital affording hospital care and treatment for its residents; and such municipal general hospital has been established and constructed and is now in operation under a lease between the City and Allen Memorial Hospital, a non-sectarian, charitable and non-profit corporation organized and existing under the laws of the State of Ohio; and

WHEREAS, the financing of such a municipal general hospital was provided in part through the issuance by the City of \$3,100,000 Hospital Improvement Revenue Bonds, dated December 1, 1970 of which the full amount thereof is now outstanding; and

WHEREAS, Allen Memorial Hospital has proposed to the City the issuance of Advance Refunding Bonds in an amount now estimated at \$3,410,000 and at an estimated interest rate of 6-5/8% with the proceeds of such bonds to be invested in United States Government Securities which will be used to pay the principal of, interest on, and the call premium applicable to the 1970 Bonds maturing on and after December 1, 1974, which bear interest at varying interest rates from 6-1/2% to 8-1/2% and such proposal further provides for the defeasance of the Trust Indenture securing the 1970 Bonds and for appropriate revisions of the existing Lease between the City and Allen Memorial Hospital under which the rental payments would be used for the payment of principal of, interest on, and reserves for the Refunding Bonds to be issued by the City; and

WHEREAS, it is presently estimated that the savings in funding requirements as a result of the proposed refunding plan which includes a differential in interest cost between the 1970 Bonds and the proposed Refunding Bonds will be approximately \$1,250,000;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Oberlin, Lorain County, Ohio:

Section 1. That this Council hereby expresses its intention to issue Hospital Revenue Refunding Bonds in the amount of approximately \$3,410,000 in accordance with the recommendation of Allen Memorial Hospital and further expresses its intention in accordance with the recommendation of Allen Memorial Hospital to sell such bonds to McDonald & Company and Associates, who have agreed to pay all costs incidental to the transaction including the fees of the City's bond counsel, Squire, Sanders & Dempsey, and of Ernst & Ernst, all printing costs, and the balance of the fees of the trustee and optional paying agent of the 1970 Bonds.

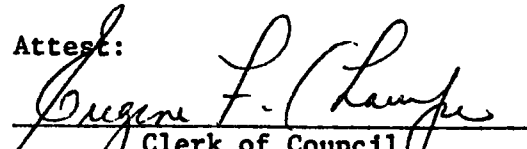
Section 2. That to carry into effect the foregoing intention it will be necessary for this Council to enact certain ordinances including an ordinance authorizing the issuance of such Refunding Bonds and an ordinance authorizing an amendment or revision of the Lease between the City of Oberlin and Allen Memorial Hospital and, notwithstanding the foregoing expression of intention, each ordinance and action contemplated thereby will be subject to the specific approval of this Council and, if required by certain agreements entered into in connection with the 1970 Bonds, by Oberlin College, and if upon consideration of the specific action to be taken by this Council it should be determined that any or all of the actions contemplated are not in the best interests of the City, or that the approval, if required, by Oberlin College cannot be obtained, this Council may then determine not to proceed further with the proposed advance refunding financing and the issuance of the aforesaid Refunding Bonds.

Section 3. This resolution is hereby declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that this resolution is necessary for the immediate preservation of the public peace, health and safety in that it is necessary for Allen Memorial Hospital, the underwriters and bond counsel to proceed at once with the preparation of the essential documents including the bond ordinance, the amendment and revision of the Lease and other requisite documents at the earliest possible date for presentation to this Council in order that the savings in funding requirements referred to herein can be effected by the sale of such bonds under current market conditions; wherefore, this resolution shall be in full force and effect from and immediately after its passage.

Passed: October 15, 1973


Chairman of Council

Attest:


Clerk of Council

Posted: October 16, 1973