

**ORDINANCE NO 05-95 AC CMS**

**AN ORDINANCE AUTHORIZING THE EXECUTION OF A CERTIFICATE  
OF RENEWAL AND PRINCIPAL PAYMENT ON THE PROMISSORY NOTE  
BETWEEN THE CITY OF OBERLIN AND AMP-OHIO  
AND DECLARING AN EMERGENCY**

WHEREAS, on December 29, 2000, the City of Oberlin (the City) entered into a loan agreement with American Municipal Power-Ohio, Inc (AMP-Ohio) for the sum of \$4,000,000 and executed and delivered a promissory note therefore to AMP-Ohio for the purpose of paying the cost to acquire, construct and install electric generating units and associated equipment, and

WHEREAS, the City renewed the promissory note on December 11, 2001, through AMP-Ohio in the amount of \$2,500,000 which included a principal debt payment of \$1,500,000, by the City, and

WHEREAS, the City renewed the promissory note on December 11, 2002, through AMP-Ohio in the amount of \$2,000,000 which included a principal debt payment of \$500,000, by the City, and

WHEREAS, the City renewed the promissory note on December 11, 2003, through AMP-Ohio in the amount of \$1,700,000 which included a principal debt payment of \$300,000, by the City, and

WHEREAS, the City renewed the promissory note on December 11, 2004, through AMP-Ohio in the amount of \$1,200,000 which included a principal debt payment of \$500,000, by the City, and

WHEREAS, the City desires to again renew the promissory note through AMP-Ohio in the amount of \$950,000, which includes a principal debt payment of \$250,000, by the City, and

WHEREAS, the City has sufficient funds in the electric reserve fund to cover the principal payment on the promissory note

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring

SECTION 1 That the City Manager and Finance Director are hereby authorized and directed to make a principal debt payment of \$250,000, from the electric reserve fund to pay down the promissory note of the City to AMP-Ohio from \$1,200,000, to \$950,000

**SECTION 2** That the City Manager and Finance Director are hereby authorized and directed to execute a certificate of renewal with AMP-Ohio authorizing renewal of said promissory note in the principal amount of \$950,000

**SECTION 3.** It is hereby found and determined that all formal actions of this Council concerning or 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 4** That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, or to provide for the usual daily operation of a municipal department, to wit

“to authorize the timely payment of the bond anticipation note prior to the maturity date”,

and shall take effect at the earliest date allowed by law

**PASSED**      1<sup>st</sup> Reading - December 5, 2005 (E)  
                    2<sup>nd</sup> Reading -  
                    3<sup>rd</sup> Reading -

**ATTEST**

  
\_\_\_\_\_  
**CLERK OF COUNCIL**

  
\_\_\_\_\_  
**PRESIDENT OF COUNCIL**

**POSTED** December 6, 2005

**EFFECTIVE DATE** December 6, 2005

**TRANSCRIPT OF PROCEEDINGS**

**AMERICAN MUNICIPAL POWER - OHIO, INC.**

**\$950,000**

**Electric System Improvement Bond Anticipation Notes  
(City of Oberlin Project)  
Fifth (2005) Renewal**

Dated December 8, 2005

- 1 Authorizing Legislation - American Municipal Power - Ohio, Inc
- 2 Certificate of AMP-Ohio
- 3 Certificate of Oberlin Concerning Renewal
- 4 Certificate of Original Purchaser
- 5 Specimen Note
- 6 Approving Opinion of Peck, Shaffer & Williams LLP
- 7 Internal Revenue Service Form 8038-G

**DISTRIBUTION LIST**

\$950,000

Electric System Improvement Bond Anticipation Note  
(City of Oberlin Project)  
Fifth (2005) Renewal

Mr Steve Dupee (2 copies)  
Oberlin Municipal Light & Power  
289 S Professor Street  
Oberlin, OH 44074

Mr Tim Reidy  
NatCity Investments, Inc  
1965 East Sixth Street  
Suite 800  
Cleveland, OH 44114

Mr Robert W Trippe, CFO  
American Municipal Power -- Ohio, Inc  
2600 Airport Drive  
Columbus, OH 43219

Thomas A Luebbers, Esq  
Peck, Shaffer & Williams LLP  
201 E Fifth Street  
Suite 900  
Cincinnati, OH 45202

## **AMERICAN MUNICIPAL POWER – OHIO, INC.**

RESOLUTION 05-11-2269

### **RESOLUTION AUTHORIZING THE ISSUANCE OF \$950,000 OF RENEWAL BOND ANTICIPATION NOTES FOR THE PURPOSE OF REFUNDING NOTES ORIGINALLY ISSUED TO PROVIDE INTERIM FINANCING FOR ACQUIRING, CONSTRUCTING, INSTALLING AND EQUIPPING NEW GENERATING UNITS, INCLUDING COOLING TOWERS, AND RELATED IMPROVEMENTS FOR THE CITY OF OBERLIN'S ELECTRIC SYSTEM.**

WHEREAS, American Municipal Power — Ohio, Inc (“AMP-Ohio”) has assisted the City of Oberlin (“Oberlin”), an AMP-Ohio member, with the process of providing interim financing for the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for Oberlin’s electric system (the “Project”), through the issuance of AMP-Ohio’s notes, the most recent of which is dated December 9, 2004 (the “Prior Notes”) in the principal amount of \$1,200,000, and

WHEREAS, the Prior Notes are about to mature and should be renewed in the reduced principal amount of \$950,000, and

WHEREAS, AMP-Ohio desires to secure tax-exempt financing for these renewal notes, which tax-exempt financing is authorized pursuant to a private letter ruling from the Internal Revenue Service, and

WHEREAS, AMP-Ohio has obtained a proposal from NatCity Investments, Inc , Cleveland, Ohio to purchase or provide for the placement of such renewal bond anticipation notes,

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of American Municipal Power — Ohio, Inc

**SECTION 1** That it is necessary to issue and sell renewal notes of AMP-Ohio, in anticipation of the issuance of long-term financing, in a principal sum of \$950,000 (the “Notes”) for the purpose of refunding notes originally issued to pay the cost of providing interim financing for the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for Oberlin’s electric system

SECTION 2 That the Notes shall be dated as of December 8, 2005 and shall bear interest at a rate (not to exceed 6% per annum) to be negotiated by the President and Chief Financial Officer without further action or approval of this Board. Such interest shall be payable at maturity of the Notes. The Notes shall mature on such date (not later than December 8, 2006) as may be agreed to between the Chief Financial Officer of AMP-Ohio and the purchaser of the Notes named in Section 4 hereof, and shall be of such number as may be requested by the purchaser. The Notes shall be issued only in Authorized Denominations, which shall be \$100,000 or any integral multiple of \$1,000 in excess of \$100,000. This Board hereby covenants that it will not exchange or reissue the Notes in less than Authorized Denominations other than through a "primary offering", as that term is defined in SEC Rule 15c2-12. Interest on the notes shall be calculated on an actual days elapsed, 360-day year basis.

SECTION 3 That the Notes shall be executed by the President or Chief Financial Officer of AMP-Ohio. The Notes shall be designated "Electric System Improvement Bond Anticipation Notes (City of Oberlin Project), Fifth (2005) Renewal" and shall be payable at a bank or trust company which is selected by the Chief Financial Officer of AMP-Ohio and shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this resolution.

SECTION 4 That the Notes shall be purchased or placed by NatCity Investments, Inc., Cleveland, Ohio (the "Original Purchaser"), in accordance with their proposal without further action or approval of this Board. The proceeds from such sale shall be paid into the proper fund and used for the purpose aforesaid and for no other purpose, and for which purpose said proceeds are hereby appropriated.

Notwithstanding the above, the president or the chief financial officer is hereby directed to withhold delivery of the Notes, and to refuse to accept payment therefor, unless and until the Original Purchaser delivers to AMP-Ohio a certificate acknowledging that the Original Purchaser will sell the Notes to no more than 35 persons, each of whom the Original Purchaser reasonably believes (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and (ii) is not purchasing for more than one account or with a view to distributing the Notes.

SECTION 5 That the Notes are secured solely by the revenues received by AMP-Ohio pursuant to its agreement with the City of Oberlin for the financing of the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for

Oberlin's electric system, together with the bond sale proceeds described in the following sentence  
The proceeds received from the sale of bonds anticipated by the Notes shall, to the extent necessary, be used only for the retirement of the Notes at maturity, together with interest thereon, and is hereby pledged for such purpose

SECTION 6 That this Board hereby covenants that it will restrict the use of the proceeds of the Notes hereby authorized in such manner and to such extent, if any, as may be necessary after taking into account reasonable expectations at the time the debt is incurred and take such other action as necessary so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and the regulations prescribed thereunder The Chief Financial Officer or any other officer having responsibility with respect to the issuance of the Notes is authorized and directed to give an appropriate certificate on behalf of AMP-Ohio on the date of delivery of the Notes for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder

Date November 18, 2005

Approved  
As To Form

  
GENERAL COUNSEL

  
CHAIRMAN

  
PRESIDENT

## CERTIFICATE OF AMP-OHIO

The undersigned does hereby certify that he is a duly elected, qualified and acting Vice President of American Municipal Power-Ohio, Inc ("AMP-Ohio"), and the undersigned does hereby further certify as follows

1 AMP-Ohio is a corporation duly organized, validly existing and in good standing under the laws of, and qualified to do business in, the State of Ohio AMP-Ohio has full power and authority to perform the Loan Agreement dated as of December 29, 2000 with the City of Oberlin (the "Agreement"), to execute and deliver its \$950,000 Electric System Improvement Bond Anticipation Notes (City of Oberlin Project), Fifth (2005) Renewal (the "Notes"), and to enter into and carry out the transactions contemplated by those documents. Such execution, delivery and performance do not, and will not, violate any provision of law applicable to AMP-Ohio or its Articles of Incorporation or Code of Regulations and do not, and will not, conflict with or result in a default under any agreement or instrument to which AMP-Ohio is a party or by which AMP-Ohio is bound

2 The Agreement and the Notes, by proper corporate action, have been duly authorized, executed and delivered by AMP-Ohio and are valid and binding obligations of AMP-Ohio

3 Attached hereto, marked Exhibit A, is a true and correct copy of a resolution of the Board of Trustees of AMP-Ohio, which was duly and lawfully adopted by the Board of Trustees on November 18, 2005, and such resolution has not been amended, altered or rescinded and is in full force and effect on the date hereof

4 The person listed in paragraph 5 below is a duly elected officer of AMP-Ohio, holding the office indicated opposite his name, and is duly authorized by action of the Board of Trustees of AMP-Ohio to execute on behalf of AMP-Ohio, such instruments and documents as may be necessary or appropriate in connection with the issuance by AMP-Ohio of the Notes, all as provided in Exhibit A

5 The signature of such person appearing opposite his name below is his true and customary signature

Name and Office

Signature

Robert W. Trippe, Chief Financial Officer

Robert W. Trippe

6 There is no action, temporary restraining order, injunction, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board, regulatory agency or body, pending or threatened against or affecting or involving the properties or businesses or any securities of AMP-Ohio, or, to the best of their knowledge, any basis for any such action, temporary restraining order, injunction, suit, proceeding, investigation or inquiry



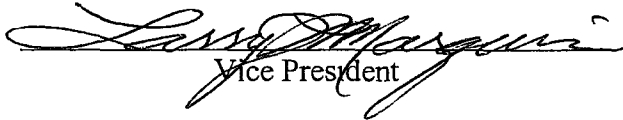
which would materially adversely affect the transactions contemplated by the Notes or the delivery, validity or enforceability of the Notes

7 AMP-Ohio hereby represents that it has made no prior pledge of the revenues accruing to it pursuant to the Agreement and covenants and agrees, for the benefit of the holders of the Notes, that it will not in any way assign or pledge the revenues accruing to it pursuant to the Agreement to any entity other than such holders or for any purpose other than the payment of debt service on the Notes, so long as the Notes are outstanding

8 AMP-Ohio covenants and agrees, for the benefit of the holders of the Notes, to use its best efforts, if the Notes are not paid and retired at maturity, to refund the Notes at maturity with the proceeds of either a renewal note issue or a bond issue

IN WITNESS WHEREOF, the undersigned has hereunto set his signature this 8th day of December, 2005

**AMERICAN MUNICIPAL POWER-OHIO,  
INC.**

  
Vice President

## CERTIFICATE OF CITY OF OBERLIN CONCERNING RENEWAL

The undersigned officer of the City of Oberlin ("Oberlin") hereby certifies that

1 On December 29, 2000 Oberlin entered into a Loan Agreement (the "Loan Agreement") with American Municipal Power - Ohio, Inc ("AMP-Ohio"), pursuant to which AMP-Ohio loaned Oberlin a total of \$4,000,000 and Oberlin executed and delivered a promissory note therefor to AMP-Ohio

2 The Loan Agreement contains provisions pursuant to which AMP-Ohio has issued its short-term notes (the "Notes") to provide the amounts loaned to Oberlin

3 The Loan Agreement also contains provisions pursuant to which Oberlin pays interest on its debt to AMP-Ohio at the same rate as AMP-Ohio pays on its Notes

4 AMP-Ohio's Notes, presently outstanding in the amount of \$1,200,000, are about to mature and must be renewed in the reduced principal amount of \$950,000

5 Oberlin acknowledges that the interest rate on the renewal Notes is 3 45% per annum, and understands that it is obligated to pay interest at this rate to AMP-Ohio until the maturity date of the renewal Notes, at which time the interest rate may change

CITY OF OBERLIN

By   
City Manager

Dated December 8, 2005

## CERTIFICATE OF ORIGINAL PURCHASER

NatCity Investments, Inc (the "Original Purchaser"), as Original Purchaser of the \$950,000 Electric System Improvement Bond Anticipation Note (City of Oberlin Project), Fifth (2005) Renewal (the "Note") of American Municipal Power - Ohio, Inc, based upon the Original Purchaser's knowledge regarding the sale of the Note, its experience as a purchaser and/or underwriter of "tax-exempt" obligations such as the Note and its knowledge or current market conditions and status of the Note in the market, hereby certifies that (please check the appropriate boxes and fill in the appropriate blanks)

- (a) The Original Purchaser has no current intention of reoffering the Note and intends to hold them for its own account

\_\_\_ Yes X No

If the answer to (a) is "No", please complete the rest of this Certificate

- (b) The initial aggregate offering price of the Note at which bona fide offers of sale were made to the public was 100% of the par value thereof Not less than 10% in principal amount of the Note offered to the public was sold (other than to bond houses, brokers and other intermediaries) at not less than the initial aggregate offering price referred to above The aggregate offering price of the Note (exclusive of accrued interest) is \$950,000

Dated 12/8, 2005

NATCITY INVESTMENTS, INC.

By T.R.R. - 1

Name TIMOTHY R REIDY

Title VICE PRESIDENT

CUSIP NO 027651MV7

\$950,000

\$950,000

**AMERICAN MUNICIPAL POWER - OHIO, INC****CUSIP: 027651MV7****ELECTRIC SYSTEM IMPROVEMENT  
BOND ANTICIPATION NOTE  
(CITY OF OBERLIN PROJECT)  
FIFTH (2005) RENEWAL****SPECIMIN**

*KNOW ALL MEN BY THESE PRESENTS, that American Municipal Power - Ohio, Inc ("AMP-Ohio"), a corporation not for profit organized and existing under the laws of the State of Ohio, acknowledges itself to owe and for value received hereby promises to pay to CEDE & Co , but only from the revenues received by AMP-Ohio pursuant to its agreements with the City of Oberlin for financing the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for Oberlin's electric system, and from the proceeds of sale of certain bonds, the sum of*

**NINE HUNDRED FIFTY THOUSAND DOLLARS**

*on the 7th day of December, 2006, with interest thereon from the date hereof at the rate of three and forty-five hundredths per centum (3 45%) per annum, payable at maturity The principal sum and interest thereon are payable in Federal funds of the United States of America at THE HUNTINGTON NATIONAL BANK, Columbus, Ohio, upon presentation and surrender of this note at maturity, without deduction for collection, exchange or bank service charges*

*This note is issued by AMP-Ohio, on behalf of the City of Oberlin pursuant to Rev Rul 57-187, in anticipation of the issuance of a like principal amount of bonds of said corporation for the purpose of providing financing for the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for Oberlin's electric system, under authority of the general laws of the State of Ohio, and by virtue of a resolution duly adopted by the Board of Trustees of AMP-Ohio on November 18, 2005*

*AND IT IS HEREBY CERTIFIED AND RECITED, that all acts, conditions and things necessary to be done precedent to and in the issuing of this note in order to make it a legal, valid and binding obligation of AMP-Ohio, have been done, have happened and have been performed in regular and due form as required by law, and that the revenues received by AMP-Ohio pursuant to its agreements with the City of Oberlin for providing financing for the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for Oberlin's electric system and the proceeds of bonds in anticipation of which this note is issued are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity*

*IN WITNESS WHEREOF, American Municipal Power - Ohio, Inc has caused this note to be signed by its chief financial officer as of the 8th day of December, 2005*

**SPECIMEN**

*Robert W. Trappe*  
Chief Financial Officer

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co, has an interest herein

*Peck, Shaffer & Williams LLP*  
*Attorneys At Law*

SUITE 900 201 EAST FIFTH STREET CINCINNATI OHIO 45202  
TELEPHONE 513 621 3394 800 927 2663 FAX 513 621 3813 WWW.PECK-SHAFFER.COM

December 8, 2005

NatCity Investments, Inc  
Cleveland, Ohio

Ladies and Gentlemen

We have examined the transcript of proceedings submitted relating to the issuance of a \$950,000 – 3 45% Electric System Improvement Bond Anticipation Note (City of Oberlin Project), Fifth (2005) Renewal of American Municipal Power - Ohio, Inc (the “Issuer”), dated December 8, 2005, numbered 1, of the denomination of \$950,000 and maturing on December 7, 2006 (the “Note”) The Note is being issued by the Issuer on behalf of the City of Oberlin, Ohio We have also examined the form of the Note

Based on this examination, we are of the opinion, based upon laws, regulations, rulings and decisions in effect on the date hereof, that

1 The Note when issued and paid for, will constitute a valid obligation of the Issuer, enforceable in accordance with its terms, issued in anticipation of the issuance of bonds, which bonds, unless paid from other sources, will be payable solely from the revenues received by the Issuer pursuant to its agreement with the City of Oberlin for financing for the cost of acquiring, constructing, installing and equipping new generating units, including cooling towers, and related improvements for Oberlin’s electric The Note is secured by and payable solely from such revenues and from the bonds so anticipated As of the date hereof, the Issuer has the corporate power to issue such bonds

2 Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Note is excludible from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the “Code”) Furthermore, interest on the Note will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax for individuals and corporations In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code Interest on the Note is exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax, and also excludible from the net income base used in calculating the Ohio corporate franchise tax We express no other opinion as to the federal or state tax consequences of purchasing, holding or disposing of the Note

*Peck, Shaffer & Williams LLP*

The Issuer has designated the Note as a “qualified tax-exempt obligation” with respect to investments by certain financial institutions under Section 265 of the Code

In giving this opinion, we have relied upon covenants and certifications of facts, estimates and expectations made by officials of the Issuer and others contained in the transcript which we have not independently verified. It is to be understood that the enforceability of the Note may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors’ rights, and to the exercise of judicial discretion

Very truly yours,

*Peck, Shaffer & Williams LLP*

(Rev. November 2000)

Department of the Treasury  
Internal Revenue Service

Under Internal Revenue Code section 149(e)

See separate instructions

OMB No 1545-0720

Caution If the issue price is under \$100,000 use Form 8038-GC

**Part I Reporting Authority**If Amended Return, check here ☐

1 Issuer's name American Municipal Power - Ohio, Inc		2 Issuer's employer identification number 31-0943223	
3 Number and street (or P.O. box if mail is not delivered to street address) 2600 Airport Road		Room/suite	4 Report number 3 32
5 City, town, or post office, state, and ZIP code Columbus, Ohio 43219		6 Date of issue 12/08/05	
7 Name of issue Electric System Imp Bond Anticipation Note (City of Oberlin Project), Fifth (2005) Renewal		8 CUSIP number 027651 MV 7	
9 Name and title of officer or legal representative whom the IRS may call for more information Robert W. Trippe, Chief Financial Officer		10 Telephone number of officer or legal representative (614) 337-6222	

**Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule**

11 <input type="checkbox"/> Education	11	
12 <input type="checkbox"/> Health and hospital	12	
13 <input type="checkbox"/> Transportation	13	
14 <input type="checkbox"/> Public safety	14	
15 <input type="checkbox"/> Environment (including sewage bonds)	15	
16 <input type="checkbox"/> Housing	16	
17 <input checked="" type="checkbox"/> Utilities	17	950,000
18 <input type="checkbox"/> Other Describe <input type="checkbox"/>	18	
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input checked="" type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

**Part III Description of Obligations (Complete for the entire issue for which this form is being filed)**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/07/06	\$ 950,000	\$ 950,000	0.9972 years	3.4502 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	950,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	950,000
28 Proceeds used to advance refund prior issues	28	
29 Total (add lines 24 through 28)	29	950,000.00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	0.00

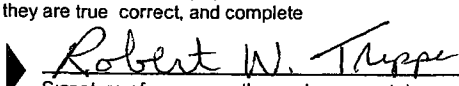
**Part V Description of Refunded Bonds (Complete this part only for refunding bonds)**

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	01 years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called	12/08/05
34 Enter the date(s) the refunded bonds were issued	12/09/04

**Part VI Miscellaneous**

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b Enter the final maturity date of the guaranteed investment contract		
37 Pooled financings a Proceeds of this issue that are to be used to make loans to other governmental units	37a	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer and the date of the issue		
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input checked="" type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>	
40 If the issuer has identified a hedge, check box	<input type="checkbox"/>	

Under penalties of perjury I declare that I have examined this return and accompanying schedules and statements and to the best of my knowledge and belief they are true, correct, and complete.

Sign Here  12/8/05  
Signature of issuer's authorized representative Date

Robert Trippe  
Chief Financial Officer  
Type or print name and title





05-95  
future  
MIS

OBERLIN MUNICIPAL LIGHT AND POWER SYSTEM ♦ 289 SOUTH PROFESSOR STREET ♦ OBERLIN, OHIO 44074

Phone (440)775-7260

Fax (440)775-1546

## MEMORANDUM

**To:** Rob DiSpirito, City Manager  
**Re:** Financing - Engine Generator Project  
**From:** Steve Dupee, Director  
**Date:** November 9, 2005

A handwritten signature in dark ink, appearing to read "Steve Dupee", is written over the date line.

As you know, we installed two (2) new dual fuel generators totaling 6.2 megawatts in our power plant in 2001 to replace two aging generators that operated on diesel fuel only. We borrowed \$4,000,000 through AMP-Ohio's "Member Financing Program" to finance the project through the issuance of one year bond anticipation notes.

We currently have an outstanding bond anticipation note in the amount of \$1,200,000 for this project at an interest rate of 2.45%. This note will mature on December 11, 2005. For 2005, we had appropriated \$545,000 for the principal and interest payment on this project. While we have sufficient reserves to make this payment, I would recommend that we pay only \$250,000 principal plus interest this year for several reasons including:

Higher than normal capital reserve expenditures in 2005 due to large scale projects for the downtown business district.

- Reduced operating margin due to flat kilowatt-hour sales resulting in reduced transfers to capital reserves.
- Implementation of new monthly generation charge did not occur until July, 2005 while preparing plan for rate stabilization.

If we pay down \$250,000 in principal, we will have an outstanding debt balance of \$950,000. Our goal still remains to pay off this debt by the end of 2010 to coincide with the termination date of the peak-shaving contract with AMP-Ohio.

Attached is an estimate "Source and Use of Funds" sheet showing the total estimated costs related to the issuance of the new note which is \$15,502 under "Total Cost of Issuance" about midway down on this sheet. If you look at the bottom of this sheet under "Debt service due 12-08-05", it shows the principal payment of \$250,000 plus an interest payment of \$29,318.33 for a total payment of \$279,318.33. Our capital reserve fund unencumbered balance as of September 30<sup>th</sup> was \$2,715,000. For your information, AMP-Ohio is projecting an interest rate of 3.75% for 2006 translating into an interest cost of \$35,526.

On Tuesday, November 8<sup>th</sup>, the PUC unanimously supported the payment of \$279,318.33 on the existing note and also supported the note renewal for the project. I would respectfully request that this issue be placed on the next available City Council agenda. I have attached a draft copy of the authorizing ordinance.

If you have any questions, please call me.

Thanks Rob  
/sd

**SOURCE AND USE OF FUNDS  
AMP-OHIO REVENUE BOND ANTICIPATION NOTE  
CITY OF OBERLIN PROJECT  
CLOSING DATE DECEMBER 8, 2005**

SOURCE OF FUNDS	\$950,000
SALE OF BOND ANTICIPATION NOTE	\$950,000 3 75% COUPON RATE
TOTAL SOURCE OF FUNDS	\$950,000

**USE OF FUNDS**

TURBINE REPLACEMENT PROJECT	\$2,000,000
PRINCIPAL PAYDOWN 2003	-\$300,000
PRINCIPAL PAYDOWN 2004	-\$500,000
PRINCIPAL PAYDOWN 2005	<u>-\$250,000</u>
TOTAL USE OF FUNDS	\$950,000

COST OF ISSUANCE	PAID TO AMP-OHIO BY CITY
UNDERWRITING FEE	\$1,663 \$1 75 PER/\$1,000 BOND
UNDERWRITER EXPENSE	50
AMP-OHIO FEE	4,500 Fee Set By AMP-Ohio Board (1)
PECK SHAFFER LEGAL FEE	2,000 Fee Schedule
CUSIP FEE(UNIFORM COTOMER ID)	62
OHIO MUNICIPAL ADVISORY COUNCIL	238 REG FEE(\$ 25/\$1,000 CENTS PER BOND)
DEPOSITORY TRUST FEE	189
PAYING AGENT	300
UPDATE FEASIBILITY STUDY	<u>6,500 ESTIMATED</u>
TOTAL COST OF ISSUANCE	\$15,502

(1) AMP-OHIO Fee set by Board Resolution at \$4,500 for first \$1 million plus \$2 50/PER \$1000 Bond for remainder

INVESTMENT BANKER NATCITY INVESTMENTS  
PAYING AGENT HUNTINGTON NATIONAL BANK, CINCINNATI  
CLOSING DATE December 8, 2005

ALL IN RATE	5 37%
COST OF ISSUANCE	15,502 Due 12-09-04
ANNUAL INTEREST @ 3 75%	<u>35 526</u> Due 12-08-05 (359 days)
TOTAL	51,028

	PRINCIPAL	INTEREST	SUMMARY TOTAL DEBT SERVICE
Debt service due 12-28-01	\$4,000,000 00		
Interest on note issued 12-29-00 \$4,000,000@4 50%(360 days/360 day basis)	\$0	\$180,000 00	\$180,000 00
Note matures 12-29-01(Saturday) settlement date is 12-31-01			
Interest credit \$2,500,000@4 50%(18 days/360 day basis)		-\$5,625 00	-\$5,625 00
Net interest due 12-28-01		\$174 375 00	\$174 375 00
Principal due 12-28-01	-\$1,500,000 00		\$1,500,000 00
Total debt service due 12-28-01			\$1,674,375 00
Note reissued 12-11-01 @ 2 25%	\$2,500,000 00		
Debt service due 12-11-02			
Interest (@2,500,000@2 25% 360 days)		\$56,250 00	\$56,250 00
Principal	-\$500,000 00		\$500,000 00
Total debt service due 12-11-02			\$556,250 00
Note reissued 12-11-02@1 60%	\$2,000,000 00		
Debt service due 12-11-03			
Interest (@2,000,000@1 60% 360 days)		\$32,000 00	\$32,000 00
Principal	\$300,000 00		\$300,000 00
Total debt service due 12-11-03			\$332,000 00
Note reissued 12-11-03	\$1,700,000 00		
Debt service due 12-09-04			
Interest (@1,700,000@1 30% 360 days)		\$21,977 22	\$21,977 22
Principal	\$500,000 00		\$500,000 00
Total debt service due 12-11-04			\$521,977 22
Note reissued 12-09-04	\$1,200,000 00		
Debt service due 12-08-05			
Interest (@1 200,000@2 45% 359 days)		\$29,318 33	\$29,318 33
Principal	\$250,000 00		\$250,000 00
Total debt service due 12-08-05			\$279,318 33
Note reissued 12-08-05	\$950,000 00		

05-94 Sean, FYI Rob



OBERLIN MUNICIPAL LIGHT AND POWER SYSTEM ♦ 289 SOUTH PROFESSOR STREET ♦ OBERLIN, OHIO 44074

Phone (440)775-7260

Fax (440)775-1546

MEMORANDUM

**To:** Rob DiSpirito, City Manager  
**Re:** Engine-Generator Refinance - Emergency Clause  
**From:** Steve Dupee, Electric Director  
**Date:** November 21, 2005

A handwritten signature in cursive script, appearing to read "Steve Dupee", is written over the "From:" line.

You have received a copy of the draft ordinance for the engine-generator refinancing. Now that this item will be placed on the December 5<sup>th</sup> City Council agenda, an emergency clause needs to be added to the draft ordinance.

That clause should read - *"to authorize the timely payment of the bond anticipation note prior to the maturity date"*

Thanks Rob

/sd