

OMAC MuniNews

Volume 1, Issue 1

News & Views About the Ohio Municipal Finance Industry

March 1999

from the Director



KEN
GURNEY

This is the first quarterly publication of the OMAC MuniNews, a newsletter for the benefit of the members of the Ohio Municipal Advisory Council and the Ohio issuers of municipal (tax-exempt) debt.

This issue and the ensuing issues will focus on topics of interest to all participants of the Ohio municipal bond market, as well as profile OMAC employees, so you may get to know them better. The newsletter is also to keep you better informed of developments at the OMAC.

We hope you will enjoy this initial issue, and we welcome any feedback, comments or suggestions for topics to include in future editions and ways to make the newsletter more interesting.

Year 2000 “The Millennium Bug”

The Year 2000 problem, commonly known as Y2K. What is it? Where did it come from?

Well, first of all leave it up to the people who created the problem in the first place, to shorten even the name!

In the simplest terms, the “Year 2000” problem is the computer’s inability to accurately process dates that extend beyond December 31, 1999. Back in the days before PCs, computing was an expensive undertaking that relied on pieces of card-board called Hollerith cards.

Information was stored on these cards by punching patterns of holes that could be read with a beam of light. Unfortunately, these cards only had enough space to accommodate 80 characters. One way of saving space, time (and money) was to abbreviate the year to the last two digits, thereby eliminating the crucial ‘19’. At the time, it seemed to be a reasonable compromise between accuracy, speed and cost. The use of two-digit dates was also later adopted by modern (midrange & PC) hardware and software manufacturers, and therein lies the problem.

In the Year 2000, computers around the world won’t know what year it is. Dates in the Year 2000 represented as ‘00’ (or ‘01’, ‘02’, and so on) may appear to precede dates in 1999 represented as ‘99’, or might not appear to be valid dates at all. The repercussions are enormous. The problem is everywhere, from our home and

business computers, to environmental controls, elevators and other critical devices. The Year 2000 is not a complex technical problem, but rather one of size and scope. The Y2K problem impacts our ability to conduct business, directly by effecting our internal computer systems and indirectly by effecting our suppliers and customers.

You have probably heard all about the Year 2000 problem and how your company must upgrade “the software.” Did you know that your computer’s hardware might not be “Year 2000 compliant.” All modern computer systems have embedded firmware (or software) that enables the CPU to “boot-up” and then acknowledge the native software system. This hardware operating system may not be Y2K compliant. Did you know that:

- 93% of PC’s purchased with BIOS dated before 1997 were not Year 2000 compliant.
- 500 PC’s purchased in 1997 (all BIOS dated 1997) were tested and 47% were found not to comply with the year 2000.

*PC Specialist Karl Feilder,
ComputerWeekly*

- Your IBM Midrange hardware may not be “Year 2000” compliant. Current models, versions and releases of IBM hardware are “Year 2000 ready.”

Continued on page 2

YEAR 2000

Continued from Page 1

- There is a difference between “Year 2000 Ready” and “Year 2000 Compliant.” “Year 2000 Ready” by IBM definition means that the equipment, when used in accordance with the hardware’s associated documentation, is capable of correctly processing, providing and/or receiving date data within and between the 20th century and 21st centuries, provided that all other products used with this product properly exchange accurate date data with it. “Year 2000 Compliant” is the IEEE formal standard that is the functional equivalent of IBM’s definition of ready.
- To find the IBM Midrange and other IBM hardware products that are ready, go to:
<http://www.ibm.com/year2000>
- The Year 2000 disaster is worse than claimed . . . \$600 Billion . . . far

more than cost of past three decades of natural disasters (earthquakes, floods, hurricanes) . . . The actual cost will likely be much larger . . .

Paul Strassmen, ComputerWorld

The Year 2000 problem is serious for two reasons; 1) the scope of the effort, and 2) the unmovable, unfor-giving deadline. Your systems must be Y2K compliant or they will FAIL. This is where the trained professionals at Great Lakes Computer Corporation (GLC) can help you “Tackle the Y2K Beast.” GLC can assist your organization plan and execute all of the necessary steps required for total Y2K compliance, from the Assessment and Inventory stage all the way through the Testing and Implementation phases. Don’t ignore the Year 2000 problem, it won’t go away and if your not prepare . . . It could be the end of the road . . .

EMPLOYEE SPOTLIGHT

Name:

**Linda
Weiss**



Length of Service: 27 years

Main Duties with OMAC:

Coordinating the writing of all pre-sale and post-sale general obligation reports, maintains the note and bond files, reviews all annual reports, reviews official statements and legal opinions and takes a considerable number of information requests.

Family: Married, one daughter.

Interests: Girl Scout leader for 7 years—serving as a junior level consultant for the past 3 years.

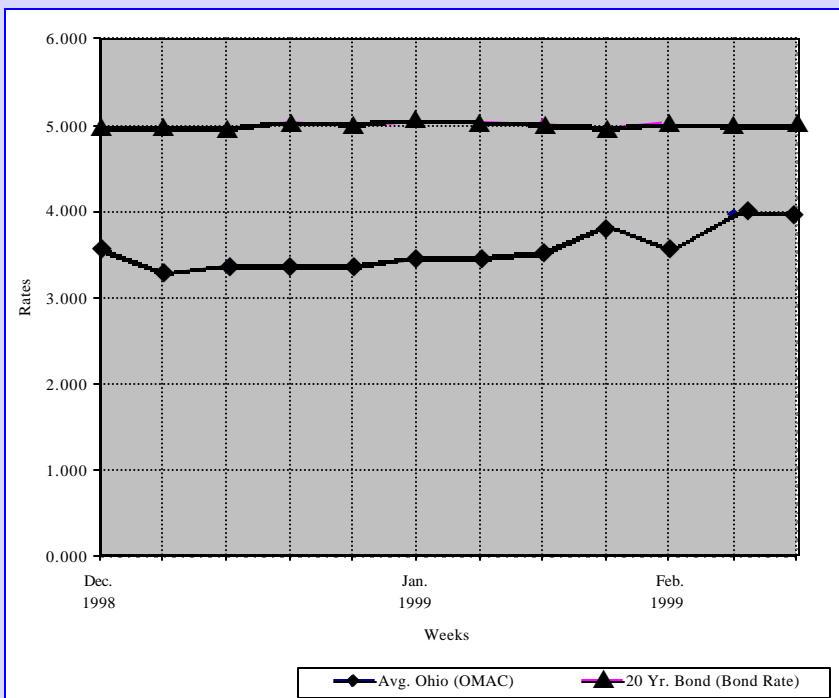
Loves to read.

MARKET UPDATE

General Obligation

*Note and Bond Interest Rates
for December 1998
thru February 1999*

This graph compares Ohio short-term note rates with the Bond Buyer’s 20 year bond index. The short-term rates represent actual rates reported to OMAC by Ohio purchasers and reported on OMAC’s weekly calendar.



Why File with the OMAC?

DISCLOSURE: WHY SHOULD YOU COMPLY?

OMAC is in the process of preparing our annual mailing to Ohio's subdivisions requesting financial and other data. Why should you comply with this request?

If you have issued debt since July 3, 1995, you are probably aware of the disclosure requirements enacted by the SEC, requiring continuing disclosure of certain documents with the Nationally Recognized Municipal Security Information Repositories (NRMSIRS) and Ohio's State Information Depository (SID). Why then, does the OMAC continue to request additional data on an annual basis?

If you have not issued debt since July 3, 1995, and perhaps haven't issued debt for a considerable time prior to that, why should you file any information at all?

Whichever applies to your particular situation, the answer is identical.

OMAC is not an information clearing house. We not only provide the information that is required of us in our capacity as Ohio's SID, but also utilize the information that is filed with us to benefit Ohio's municipal bond market—the issuer, bond counsel, underwriters and traders, the ultimate purchaser and the taxpayer—by:

- Promoting Ohio municipal bonds in both the primary and secondary markets;

- Improving the climate in which Ohio municipal bond dealers operate;
- Assisting in creating demand for Ohio municipal bonds through the issuance of reports and publications;
- Providing information not available any place else, on all Ohio issuers of municipal debt, for bond counsel, financial advisors, underwriters and traders; and

- Creating marketing conditions that allow the issuance of debt at lower interest rates than could otherwise be attained, thus saving local governments and their taxpayers significant interest cost.

When you receive our next request—in the next few weeks for counties and municipalities, or later this year for school districts—please take the time to respond.

Are You Prepared?

If you have issued debt since July 3, 1995, you may be required by the Securities and Exchange Committee (SEC) to file certain types of information with Nationally Recognized Municipal Securities Industry Repositories (NRMSIRS) and/or with OMAC, the designated State Information Depository (SID) for Ohio.

SEC rule 15c2-12 prohibits any broker, dealer or municipal securities dealer from purchasing or selling municipal securities unless they have reasonably determined an issuer will provide certain information to the designated information depositories. Required filings include:

- Annual information consisting of annual financial information and financial statements; and
- Notices of Material Events.

The names and addresses of those depositories to whom the required filings must be sent are:

NRMSIRS

Bloomberg Municipal Repositories
P.O. Box 840
Princeton, New Jersey
08542-0840

DPC Data Inc.

One Executive Drive
Fort Lee, New Jersey 07024

Kenny Information Systems, Inc.

Attn: Kenny Repository Services
65 Broadway – 16th Floor
New York, New York 10006

Thomson NRMSIR

Attn: Municipal Disclosure
395 Hudson Street, 3rd Floor
New York, New York 10014

SID

Ohio Municipal Advisory Council

9321 Ravenna Road, Unit K
Twinsburg, Ohio 44087-2445

OMAC will expand on disclosure requirements and keep you informed of issues affecting the disclosure process in future newsletters.



Ohio Municipal Advisory Council
 9321 Ravenna Rd, Unit K
 Twinsburg, OH 44087-2445

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CALENDAR

Issuer Conferences & Outings for 1999

NAME	EVENT	DATE	LOCATION
GFOA	National Conference	May 23-26	Nashville, Tennessee
	Ohio Golf Outing	July 12	Sawmill Creek Resort - Huron, Ohio
	Annual Fall Conference	September 15-17	Wyndham Hotel - Cleveland, Ohio
MFOA (OML)	Annual Conference	September 15-17	Hyatt Regency Hotel - Cincinnati, Ohio
	Northeast Golf Outing	August 4	Ridgewood Golf Course - Parma, Ohio
	North-Central Golf Outing	August 25	Woussickett Golf Course - Sandusky, Ohio
CCAO	Conference	June 13-15	Renaissance Hotel - Cleveland, Ohio
	Conference	November 28 - December 1	Hyatt Regency Hotel - Columbus, Ohio
OASBO	Conference	April 18-21	Columbus Convention Center
OMCA	Conference	April 13-15	Radisson (formerly Marriott) - Sharonville, Ohio
OSBA	Conference	November 7-10	Columbus Convention Center
NACO	National Conference	July 16 - 20	St. Louis County - St. Louis, Missouri
OPFOTP	Ohio Public Finance Officers Training Program	June 14 - 18	Holiday Inn - Hudson, Ohio
	CMFA Maintenance Program	June 17 - 18	Holiday Inn - Hudson, Ohio
	Golf Outing	June 16	Boston Hills Golf Course - Hudson, Ohio
OMTA	Annual Conference	October 6 - 8	Radisson (formerly Marriott) - Sharonville, Ohio
CAAO	New Auditors' Seminar	April 12 - 15	Hyatt on Capital Square - Columbus, Ohio
	Summer Conference	June 21 - 24	Canton Hilton - Canton, Ohio
	Winter Conference	December 7 - 9	Crown Plaza - Columbus, Ohio
BMA	1999 Annual Meeting	June 22-25	Fairmont Hotel - San Francisco, California

CCAO . . . County Commissioners Association of Ohio (614) 221-5627
 GFOA . . . Government Finance Officers Association (614) 221-1900
 MFOA . . . Municipal Finance Officers Association of Ohio . . . (614) 221-4349
 NACO . . . National Association of Counties (614) 221-5627
 OASBO . . . Ohio Association of School Business Officials (614) 891-2215
 OMCA . . . Ohio Municipal Clerks Association (614) 221-4349
 OSBA . . . Ohio School Boards Association (614) 891-6466
 OMTA . . . Municipal Treasurers Association (330) 375-2330
 CAAO . . . County Auditor's Association of Ohio (614) 228-2226
 OPFOTP . . Ohio Public Finance Officers Training Program (330) 672-7148
 BMA Bond Market Association (212) 440-9419

**If you would like your event
 highlighted, contact
 Chris Scott at 1-800-969-6622,
 or by email at Chris@ohiomac.com**