

BRUNSWICK CITY FINANCE COMMITTEE

Agenda JULY 23, 2018 6:40 PM

1. Discussion Items
 - (a) **RES. NO. 53-18** - An emergency resolution declaring the official intent and reasonable expectation of the City of Brunswick on behalf of the State of Ohio (the borrower) to reimburse the City's OPWC Multi Roads Improvement Fund #370 for the various streets reconstruction OPWC project #CI51V with the proceeds of tax exempt debt of the State of Ohio. - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)
2. General Discussion
3. Adjournment

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION



DATE: 07/23/2018

TO: Vice Mayor Michael Abella Jr. and Members of City Council

FROM: Carl S. DeForest, City Manager
Lynnette Ozanich

COPY: Mayor Ron Falconi

LEGISLATION: **RES. NO. 53-18** - An emergency resolution declaring the official intent and reasonable expectation of the City of Brunswick on behalf of the State of Ohio (the borrower) to reimburse the City's OPWC Multi Roads Improvement Fund #370 for the various streets reconstruction OPWC project #CI51V with the proceeds of tax exempt debt of the State of Ohio. - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

BACKGROUND: The City of Brunswick wishes to improve Magnolia Drive between Pearl Road and Judita Drive, including the Judita Drive intersection; Beverly Hills Drive between Pearl Road and Judita Drive including the Judita intersection; and Junior Parkway between Briarleigh Drive and Bettie Lane.

The total estimated project costs per the OPWC application = \$1,144,381. The project is expected to be funded with a \$613,800 OPWC State grant, \$115,000 OPWC 0% interest loan with the remainder coming from the City's Road Improvement Fund #333.

In order for the City to receive a \$115,000 0% interest loan for this project and to keep the City's OPWC projects following the same process, this Resolution is necessary and must be filed with OPWC.

**PURPOSE AND
EXPLANATION:**

The City of Brunswick wishes to improve Magnolia Drive between Pearl Road and Judita Drive, including the Judita Drive intersection; Beverly Hills Drive between Pearl Road and Judita Drive including the Judita intersection; and Junior Parkway between Briarleigh Drive and Bettie Lane.

The total estimated project costs per the OPWC application = \$1,144,381. The project is expected to be funded with a \$613,800 OPWC State grant, \$115,000 OPWC 0% interest loan with the remainder coming from the City's Road Improvement Fund #333.

In order for the City to receive a \$115,000 0% interest loan for this project and to keep the City's OPWC projects following the same process, this Resolution is necessary and must be filed with OPWC.

**IMPLEMENTATION
SCHEDULE:**

Administration is requesting emergency with suspension of the rules on the first reading on July 23, 2018 Council meeting to allow the City to comply with the time lines and instructions imposed by

the State of Ohio Public Works Commission's letter dated July 1, 2018. The additional time will also allow for the paperwork to be filed and for the project to take place sooner rather than later.

**FINANCIAL
INFORMATION:**

**FINANCIAL
SUMMARY:**

The total estimated project costs per the OPWC application = \$1,144,381. The project is expected to be funded with a \$613,800 OPWC State grant, \$115,000 OPWC 0% interest loan. The \$728,800 in proceeds received from the State will be accounted for in the OPWC Multi Roads Improvement Fund #370. The remainder of the project costs will come from the City's Road Improvement Fund #333.

In addition, the City anticipates paying off the \$115,000 OPWC 0% interest loan within the next 20 years from the time the loan amortization schedule is finalized by the State of Ohio. The repayments on the loan are expected to come from the City's Road Improvement Fund #333.

**RECOMMENDED
ACTION:**

One Reading	Yes
Two Readings	No
Three Readings	No
Emergency	Yes
Suspension of Rules	Yes

If emergency or suspension of the rules, why the request?

The need for suspension and emergency is to allow the City to comply with the time lines and instructions imposed by the State of Ohio Public Works Commission's letter dated July 1, 2018. The additional time will also allow for the paperwork to be filed and for the project to take place sooner.

**ADDITIONAL
INFORMATION:**

PROMISSORY NOTE

\$115,000
July 1, 2018

The City of Brunswick
CI51V

FOR VALUE RECEIVED, the undersigned (the "Recipient") promises to pay to the order of the Ohio Public Works Commission (hereinafter the "Lender," which term shall include any holder hereof), at its office located at **65 E. State Street, Suite 312, Columbus, OH 43215**, or at such other place as the holder hereof may, from time to time, designate in writing, the principal sum of **One Hundred Fifteen Thousand Dollars (US\$115,000)**, or so much thereof as shall be advanced by Lender and remain unpaid, together with all costs herein provided and interest from the first day in January or July following project completion and thereon until said amounts have been paid in full at a rate equal to **Zero percent (0.00%)** per annum, or the "Default Rate" (as hereinafter defined), as the case may be.

Principal and interest due under this Note shall be payable as follows:

The first payment due hereunder shall be made on the last business day in January or the first day in July following the date of project completion, whichever date first occurs, which date shall be referred to herein as the "Initial Payment Date."

After the Initial Payment Date, principal and interest shall be due and payable in equal consecutive semi-annual installments commencing on the last business day in January or July 1 following the Initial Payment Date (the "Second Payment Date") and continuing on the last business day in January and July 1 thereafter until maturity. Subject to adjustment as provided herein, the amount of each such semi-annual installment of principal and interest shall be the amount which would fully amortize the unpaid principal balance of the indebtedness evidenced by this Note as of the Second Payment Date, such amortization to be based upon (i) an amortization period of **Twenty years (20)** commencing on the Second Payment date, except for a zero (0) percent loan which would commence on the Initial Payment Date and (ii) interest being calculated on the basis of thirty (30) day calendar months in a 360 day year; provided that in the event the Lender makes additional disbursements following the Second Payment Date, the amount of the semi-annual installments of principal and interest required hereunder shall be increased to the amount it would take to fully amortize this Note based upon (i) the new principal balance and (ii) the above-referenced amortization period, less the number of years (or parts thereof) which have elapsed since the Second Payment Date. The unpaid principal sum of this Note and all accrued and unpaid interest and other charges hereunder shall be payable in full on the Maturity Date which would be either the last business day in January or July 1 following the loan term. The Recipient acknowledges that if the semi-annual payments set forth above do not fully amortize this Note, the payment due on the Maturity Date will be a final payment, consisting of (i) all accrued and unpaid interest and other charges and (ii) the entire unpaid principal balance hereof.

If Recipient shall fail to make any payment hereunder when due, and the same is not corrected within thirty (30) days, then the amount of such default shall bear interest thereafter at the rate of eight percent (8%) per annum (the "Default Rate") from the date of the default until the date of the payment thereof, and the entire principal hereof then remaining unpaid, together with all accrued interest and other charges, shall, at the Lender's option, become immediately due and payable and/or the Lender by and through its Director may, in the Director's sole and complete discretion and in accordance with Section 164.05 of the Ohio Revised Code, direct the county treasurer of the county in which the Recipient is located to pay the amount due hereunder from funds which would otherwise be appropriated to the Recipient from such county's undivided local government fund pursuant to Section 5747.51 to 5747.53 of the Revised Code. The Lender may exercise this option to direct the county treasurer to pay the amount due from the local government fund without any notice or demand during any default by Recipient regardless of any prior forbearance. The lender shall be entitled to collect all costs incurred by the Lender in curing such default, including, but not limited to court costs and reasonable attorney fees from a suit brought to collect this Note. In addition, if the Lender exercises its option to direct the county treasurer to pay the amount due from the local government fund, the Lender shall be entitled to collect all reasonable costs and expenses of any efforts by the Lender to collect the amount due from the local government fund, including but not limited to reasonable attorneys' fees. Lender may, at its option, delay in or refrain from exercising some or all of its rights and remedies without prejudice thereto and regardless of any prior forbearance.

The Recipient and any endorser, guarantor and surety now or hereafter liable for the payment of the principal or interest due on this Note, or any part thereof, does hereby expressly agree that any renewal, extension or modification of the terms of the Project Agreement including the terms or the time for the payment of any part of this Note may be made or extended without notice and without releasing or otherwise affecting liability of said parties on this Note.

NOTE: If a final disbursement is not received within sixty (60) days from the estimated project completion date the project may be terminated at the sole discretion of the Director. Upon notification of termination a revised amortization schedule will be provided based on the actual amount of OPWC financial assistance borrowed. After project termination no further disbursement activity will be allowed.

The waiver by Lender or failure to enforce any other term, covenant or condition of this Note, or the Project Agreement and all appendices thereto or to declare any default hereunder or thereunder, shall not operate as a waiver of any subsequent default or affect the right of Lender to exercise any right or remedy not expressly waived in writing by Lender. The unenforceability or invalidity of any one or more provisions of this Note shall not render any other provision herein contained unenforceable or invalid.

This Note and all of the Project Agreement and all Appendices thereto have been executed and delivered in the State of Ohio and shall be governed by and construed in accordance with the laws of the State of Ohio. Any notice to the Recipient provided for in this Note shall be given by mailing such notice by certified mail, addressed to the Recipient at the following address: **4095 Center Road, Brunswick, OH 44212-**. Any notice to the Lender shall be given by mailing such notice by certified mail, return receipt requested, to the Lender at the address of the Lender as may have been otherwise designated by notice to the Recipient.

This Note was executed in **Medina** County, Ohio. The Recipient represents that it has received all of the necessary approvals from its legislative or authorizing body to execute and deliver this Note to the Lender.

By: _____
Todd Fischer/Finance Director
The City of Brunswick, Ohio



The Ohio Public Works Commission

Michael Miller, Director

Notification of Disbursement Method

The City of Brunswick
CI51V
Various Streets Reconstruction
\$115,000

Please select the appropriate box below, sign, and return this form to the Commission. You may return the form by either faxing it to 614.466.4664 OR by mail to:

Ohio Public Works Commission
Attn: Abbey DeHart, Program Representative
65 East State Street, Suite 312
Columbus, Ohio 43215

- ❖ Please return only **one** copy of this form.
- ❖ The OPWC does not require original signatures for this form.
- ❖ If seeking reimbursement, this form must be accompanied by your Declaration of Official Intent.

CHECK ONE OF THE FOLLOWING:

- ☐ The City of Brunswick **will not seek reimbursement** for project costs related to the referenced project. All requests for disbursements will be for the Commission to pay the vendor directly. In-kind and force account work will be a credit toward the local share.
- ☒ The City of Brunswick **may need to seek reimbursement** for the referenced project. A Declaration of Official Intent has been passed and is enclosed with this form.

Carl DeForest, City Manager

Date

CITY OF BRUNSWICK, OHIO
RESOLUTION NO.

BY:

AN EMERGENCY RESOLUTION DECLARING THE OFFICIAL INTENT AND REASONABLE EXPECTATION OF THE CITY OF BRUNSWICK ON BEHALF OF THE STATE OF OHIO (THE BORROWER) TO REIMBURSE THE CITY'S OPWC MULTI ROADS IMPROVEMENT FUND #370 FOR THE VARIOUS STREETS RECONSTRUCTION OPWC PROJECT #CI51V WITH THE PROCEEDS OF TAX EXEMPT DEBT OF THE STATE OF OHIO.

WHEREAS: The City of Brunswick wishes to improve Magnolia Drive between Pearl Road and Judita Drive, including the Judita Drive intersection; Beverly Hills Drive between Pearl Road and Judita Drive including the Judita intersection; and Junior Parkway between Briarleigh Drive and Bettie Lane.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY RESOLVES:

SECTION 1: The City of Brunswick reasonably expects to receive a reimbursement for the project named Various Streets Reconstruction OPWC Project #CI51V as set forth in Appendix A of the Project Agreement with the proceeds of bonds to be issued by the State of Ohio; and

SECTION 2: The maximum aggregate principal amount of bonds, other than for costs of issuance, expected to be issued by the State of Ohio for reimbursement to the City of Brunswick is \$115,000.

SECTION 3: The City Manager is hereby directed to file a copy of this Resolution with the Ohio Public Works Commission and ensure its available for inspection and examination of all persons interested therein.

SECTION 4: City Council finds and determines that all formal actions concerning and relating to the adoption of this Resolution were taken in an open meeting and that all deliberations of this City and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

SECTION 5: That this Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety or welfare, and for the additional reason that the City comply with the time lines and instructions imposed by the State of Ohio Public Works Commission's letter dated July 1, 2018. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes or from the earliest time allowed by law.

PASSED: 1st Reading_____

Rules Suspended:

AYES __NAYS __

ADOPTED: _____

AYES __ NAYS __

ATTEST: _____

Clerk of Council
Fijabi Julien-Gallam, CMC

CITY OF BRUNSWICK, OHIO
RESOLUTION NO. 53-18

BY: Mrs. Hanek, Mr. Ousley and Mr. Delsanter

AN EMERGENCY RESOLUTION DECLARING THE OFFICIAL INTENT AND REASONABLE EXPECTATION OF THE CITY OF BRUNSWICK ON BEHALF OF THE STATE OF OHIO (THE BORROWER) TO REIMBURSE THE CITY'S OPWC MULTI ROADS IMPROVEMENT FUND #370 FOR THE VARIOUS STREETS RECONSTRUCTION OPWC PROJECT #CI51V WITH THE PROCEEDS OF TAX EXEMPT DEBT OF THE STATE OF OHIO.

WHEREAS: The City of Brunswick wishes to improve Magnolia Drive between Pearl Road and Judita Drive, including the Judita Drive intersection; Beverly Hills Drive between Pearl Road and Judita Drive including the Judita intersection; and Junior Parkway between Briarleigh Drive and Bettie Lane.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY RESOLVES:

SECTION 1: The City of Brunswick reasonably expects to receive a reimbursement for the project named Various Streets Reconstruction OPWC Project #CI51V as set forth in Appendix A of the Project Agreement with the proceeds of bonds to be issued by the State of Ohio; and

SECTION 2: The maximum aggregate principal amount of bonds, other than for costs of issuance, expected to be issued by the State of Ohio for reimbursement to the City of Brunswick is \$115,000.

SECTION 3: The City Manager is hereby directed to file a copy of this Resolution with the Ohio Public Works Commission and ensure its available for inspection and examination of all persons interested therein.

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PASSED: 1st Reading _____

Rules Suspended: AYES __ NAYS __

ADOPTED: _____ AYES __ NAYS __

ATTEST: _____
Clerk of Council
Fijabi Julien-Gallam, CMC