

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
March 28, 2017

The Finance Committee met in Council Chambers on Monday March 27, 2017 with these members in attendance:

Doug Marmie
Carol Floyd
Jeremy Blake
Bill Cost Jr.
Mark Fraizer

We wish to report:

1. **Ordinance No. 17-10** to provide for the issuance of \$370,000 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of improvements to the city's landfill and all necessary appurtenances thereto, and declaring an emergency was considered.

Stephen Johnson, City Auditor- Ordinance 17-10 will allow the city to renew the \$370,000 of bond anticipation note. This was issued about 5 years ago to bring the landfill in compliance with some EPA regulations. This will be a 90 day renewal because this summer what we would like to do is merge this note with two others that are coming due later in the summer into a long term bond so we can began reducing the principal.

Motion by Mrs. Floyd, second by Mr. Fraizer to send to full Council

Mr. Fraizer- what is that long term value, what you are merging?

Steve Johnson- it will be about 2.4 million roughly. The two notes that will be merged with this will be coming due in July sometime so I will be back then.

Mr. Fraizer- and I imagine interest rates are still good?

Steve Johnson- they are right now and that is the danger of renewing notes because each year when you renew it your interest rate will be whatever it is on that day. When we issue a bond it is locked in for the course of the bond. By July I would imagine the rates will be somewhat similar to what they are now but I don't want to wait to much longer than that though.

Motion passed by a vote of 5-0.

2. **Ordinance No. 17-11** to provide for the issuance of not to exceed \$2,000,000 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of buckeye corridor storm water plan sewer improvements and all necessary appurtenances thereto, and declaring an emergency was considered.

Steve Johnson- this is another bond anticipation note that was issued three or four years ago for the buckeye corridor storm water plan. The plan with this is to renew it for one more year and then merge it with the next item on the agenda but for tonight we are just renewing the note for one more year.

Motion by Mrs. Floyd, second by Mr. Fraizer to send to full Council

Motion passed by a vote of 5-0.

3. **Ordinance No. 17-12** to provide for the issuance of not to exceed \$1,000,000 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of water system improvements and all necessary appurtenances thereto, and declaring an emergency was considered.

Steve Johnson- this a new bond anticipation note, Mr. Loomis needs about 1 million dollars to do some upgrading. This will eventually be merged with the 2 million dollar note you just acted on.

Motion by Mrs. Floyd, second by Mr. Cost to send to full Council

Mrs. Floyd- can we ask Roger to explain this one.

Roger Loomis- this is for three projects, it is for the INC work which is instrumentation control work at the Water Plant, the design of that. That is in conjunction with our riverbank filtration project but we are doing that a little ahead of time to get it done because of some failing equipment. This is also for the design of what we are calling our tamarack transmission line. We have built a transmission line over the last 15 years from Deo Drive to Country Club and Granville. We are going to take it out from Granville to West Main Street for fire protection at the west end of town. We are doing this in conjunction with Ashland Marathon Pipeline Company; we are in initial negotiations who needs some additional fire protection. This is a lot of industry out there and of course the hospital so it is in our best interest to have some redundancy out there. Sharon Valley Road project where they are putting in the roundabout we are going to put some water lines in there.

Mr. Blake- can you remind me of the name of the state agency that you usually work with to pay back the debt?

Roger Loomis- we typically use on waste water projects DEFA which is Division of Environmental and Financial Assistance and those are managed through Ohio Water Developmental Authority. On the water side, the problem with the water side is there is

water funding and sewer funding in that program. On the water side almost all of the money goes to water quality issues. They won't give you the money if you say it is for fire protection, it is a drinking water program. We haven't taken advantage of that program very often because of those situations because we don't really have any water quality issues. Most of our issues are fire protection and getting additional flows to certain places. That is why we typically bond on the water side.

Mr. Blake- so for this resolution and the previous one we are negotiating rates as you typically would, there is no state program that you are participating with?

Roger Loomis- no, when we built the water plant we bonded that but you have to decide which route is the best way to go and unfortunately this project has several things associated with fire protection and getting that transmission line out there and it's just not eligible for the loan program.

Motion passed by a vote of 5-0.

4. **Ordinance No. 17-13** consolidating two bond anticipation note issues of the City of Newark, Ohio and declaring an emergency was considered.

Steve Johnson- this last ordinance allows the city to combine the 2 million dollar issue you just acted on along with the 1 million dollar so we only have the one note to sell.

Motion by Mrs. Floyd to send to full Council, second by Mr. Fraizer

Mr. Fraizer- is that next year when you are actually going to do that?

Steve Johnson- right, this is a one year issue.

Motion passed by a vote of 5-0.

Doug Marmie, Chair