

VILLAGE OF BOSTON HEIGHTS	Codified?	First Reading _____	Waiver 3-Reading Rule _____
RESOLUTION NO: 2018-7-24	Yes _____	Second Reading <u>X</u> _____	Yes <u>X</u> _____
INTRODUCED BY <u>R. ANTAL</u> _____	No <u>X</u> _____	Third Reading _____	No _____

A RESOLUTION DECLARING THE OFFICIAL INTENT AND REASONABLE EXPECTATION OF THE VILLAGE OF BOSTON HEIGHTS ON BEHALF OF THE STATE OF OHIO (THE BORROWER) TO REIMBURSE OPWC FOR THE BOSTON MILLS ROAD RECONSTRUCTION (PHASE II), PROJECT NO. CT24V/CT25V WITH THE PROCEEDS OF TAX EXEMPT DEBT OF THE STATE OF OHIO, AND DECLARING AN EMERGENCY

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Boston Heights, Summit County, Ohio on behalf of the State of Ohio that:

Section 1: The Village of Boston Heights reasonably expects to receive reimbursement for the project named Boston Mills Road Reconstruction (Phase II) as set forth in Appendix A of the Project Agreement with the proceeds of bonds/funds to be issued by the State of Ohio.

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 local subdivision is \$242,208.00 for the loan and \$242,207.00 for the grant.

Section 3: The Mayor and/or the Fiscal Officer are hereby authorized to sign the Project Grant/Loan Agreement, the Promissory Note, and any other agreement or document necessary to fulfill the intent of this Council to complete the subject project.

Section 4: The Fiscal Officer of the Village of Boston Heights is hereby directed to file a copy of this Resolution with the Village of Boston Heights for the inspection and examination of all persons interested therein and to deliver a copy of this Resolution to the Ohio Public Works Commission.

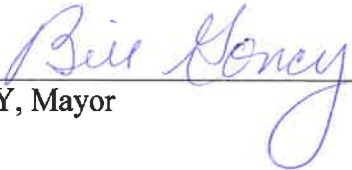
Section 5: That the Council finds it necessary and, thus, hereby appropriates the funds necessary for Boston Mills Road Reconstruction (Phase II).

Section 6: That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Council and that all deliberations of this Council which resulted in formal action were taken in meetings open to the public, in full compliance with the applicable legal requirements including Section 121.22 of the Ohio Revised Code.

Section 7: That this Resolution is hereby declared to be an emergency measure necessary for the timely submission of the necessary paperwork in order to complete the paperwork for this project on time and to complete this project on time and during good weather,

and the prompt and/or immediate preservation of the public peace, health, safety and welfare of the community and shall therefore take effect and be in force from and immediately after its passage.

PASSED:



BILL GONCY, Mayor

ATTEST:



BETTY KLINGENBERG, FISCAL OFFICER

I, BETTY KLINGENBERG, Fiscal Officer and Clerk of the Village of Boston Heights, Summit County, Ohio do hereby certify that the foregoing Resolution **2018-7-24** was duly passed by the Council of the Village of Boston Heights, County of Summit, State of Ohio at a meeting of Council on this **24th day of July, 2018.**



The Ohio Public Works Commission
65 East State Street, Suite 312, Columbus, Ohio 43215-4213

<i>Commission Chair</i>	Patrick Ginnetti	<i>Director</i>	Michael Miller
<i>Commissioners</i>	John Jones Dean C. Ringle	William Woodard Randy Riley	Tom Waniewski Sandra Tunnell

July 1, 2018

Betty Klingenberg
Fiscal Officer
The Village of Boston Heights
45 E. Boston Mills Road
Hudson, OH 44236

Re: Project No. CT24V/CT25V

Dear Mr. Klingenberg:

The Village of Boston Heights's request for financial assistance has been approved for the project entitled Boston Mills Road Reconstruction (Phase II) in the amount of \$484,415. The project's Chief Executive Officer, Honorable Bill Goncy, has been mailed the Agreement for review, execution and return to our office. You may view the unexecuted Agreement on our website at <http://www.pwc.state.oh.us/> on or about July 1st.

As the Chief Fiscal Officer designated in the Project Agreement, your role in carrying out the project is important. The following information is available on our website on the Chief Financial Officers Page (Financial Tab) to assist you.

- Instructions for the completion of Appendix E describe how to complete the Appendix E (disbursement form) that is attached to the Agreement. This three-page form must always be signed by the three authorized authorities. If any of the authorities change we must be notified in writing. The disbursement process is also described in Section VI of the Project Agreement entitled "Disbursements". Your local share of this project will be the percentage of actual costs approved by the Commission based on the Participation Percentages as defined in Section I of the Agreement.
- Auditor of State Technical Bulletin 2002-04 explains the accounting methods to be used for Commission funded projects.
- W-9 and Vendor Information forms are only required for those vendors who have not done business with the State of Ohio, and if you'll be requesting us to pay your vendors directly.
- A sample "Payment Confirmation letter" which will be mailed to you for all disbursements made for this project. Letters are mailed monthly during the third week for the prior month's activity. Review your letters carefully and advise us of any errors or omissions. Please note that for grant/loan combinations there will be a letter for funds disbursed under the grant number and a separate letter for funds disbursed under the loan. Grant funds are typically drawn on first but exceptions apply, especially if the loan serves as a portion of or all of the required local match.

Betty Klingenberg
July 1, 2018
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In addition to the above information on our website we have enclosed various loan documents as follows: Loan Guidance, Instruction for Declaring Official Intent, Notification of Disbursement Method, and Sample Resolution. *Also enclosed is the Promissory Note which you must sign and return to our Loan Officer, Abbey DeHart.*

For projects administered by the Ohio Department of Transportation (ODOT) there is a separate disbursement relationship between the Commission and ODOT. Our office provides ODOT with the Project Agreement which ODOT uses as a "letter of credit" in place of the local subdivision's actual cash payment or "escrow deposit". If your subdivision has already deposited funds to an escrow account with ODOT, they will refund the amount of funds offset by the Commission to the local subdivision.

To facilitate timely payments for this project your vendors are encouraged to enroll in the Ohio Shared Services' EFT Program. This program can reduce processing time by 2-3 business days in that disbursements are completed electronically to your vendor's bank account. The vendor may apply for EFT through our website's CFO Page (referenced above) which provides the link to Ohio Shared Services. Questions should be directed to them at 877/644-6771.

We will not make a disbursement to any vendor unless we have received and authorized a Request to Proceed. We recommend that you meet with your Project Manager to discuss the Request to Proceed, disbursement process, and your respective responsibilities.

If you have questions, please contact me at 614.644.1823. Please reference your project number when calling or writing in order to expedite service.

Respectfully,



Linda S. Bailiff
Administrator

Enclosures (5)

**Ohio Public Works Commission
Loan Guidance
CT25V
Boston Mills Road Reconstruction (Phase II)**

Notification of Disbursement Method Form

Pursuant to the Project Agreement executed for this loan, there are two methods by which funds can be disbursed for construction costs. The first method is for the Ohio Public Works Commission (OPWC) to pay vendors directly. The second method is for the Commission to reimburse the subdivision after project costs have been incurred and paid by the subdivision. For loans only, the OPWC needs to be formally notified in advance as to which method the subdivision plans to utilize. Please refer to the enclosure entitled "Notification of Disbursement Method" and the accompanying "Instructions for Declaring Official Intent".

Promissory Note

The Promissory Note is enclosed. The Chief Financial Officer is required to sign it and return it to the OPWC Loan Officer, Abbey DeHart. It is preferable that you scan and email it to her at Abbey.DeHart@pwc.state.oh.us but may also mail it to the address on our letterhead. Only use one method.

Amortization Schedule

We do not provide an initial amortization schedule at the time of project agreement release but maintain a "Loan Summary Spreadsheet" on our website on the Financial Tab under "Loans". Once your loan is put into billing an amortization schedule will be posted to the same website, with a copy mailed to the Chief Financial Officer the month following project closeout.

Billing

- The OPWC does not mail invoices as they are maintained online. Postcard invoice notifications are mailed twice a year (the 15th of May and November) to direct loan recipients to our website to obtain invoices. Payments are due on the last business day in January and on July 1st.
- To sign up for electronic invoice notifications, visit our loan page on our website.
- The loan may be paid in full at any time without penalty.
- Should the repayment amount equal \$5,000 or less, it must be paid in two equal payments according to the billing cycle described above.
- We do not accept electronic funds transfers or lock box deposits.

Change in CFO

Any change in CFO or the address must be communicated to the OPWC in writing (email or letter).

Questions

Call Abbey DeHart, Loan Officer, at 614.728.2466 or e-mail her at abbey.dehart@pwc.state.oh.us. Additional information is located on the loan page on our website at <http://www.pwc.state.oh.us/Loan.html?m=>.

PROMISSORY NOTE

\$242,208
July 1, 2018

The Village of Boston Heights
CT25V

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 **Two Hundred Forty-Two Thousand, Two Hundred Eight Dollars (US\$242,208)**, 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 Administrator may, in the Administrator'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 Administrator. Upon notification of termination a revised amortization schedule will be provided based on the actual amount of OSGCIC 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: **45 E. Boston Mills Road, Hudson, OH 44236**. 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 **Summit** 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:  Fiscal Officer
Betty Klingenberg/Fiscal Officer
The Village of Boston Heights, Ohio



The Ohio Public Works Commission

Michael Miller, Director

Notification of Disbursement Method

The Village of Boston Heights
CT25V
Boston Mills Road Reconstruction (Phase II)
\$242,208

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: Linda Bailiff, Program Administrator
65 East State Street, Suite 312
Columbus, Ohio 43215

- ❖ Please return only **one** copy of this form.
- ❖ The OSGCIC 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 Village of Boston Heights **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 Village of Boston Heights **may need to seek reimbursement** for the referenced project. A Declaration of Official Intent has been passed and is enclosed with this form.



Honorable Bill Goney, Mayor

7-5-18

Date

Ohio Public Works Commission
Instructions for Declaring Official Intent for Loan Projects

Due to tax regulations issued by the Internal Revenue Service, the Ohio Public Works Commission (OSGCIC) must follow guidelines relating to the disbursement of funds to local subdivisions who have received a loan. These regulations apply only when the OSGCIC is reimbursing the local subdivision for paid construction-related project costs already incurred, including in-kind and force account work (not engineering or right-of-way).

If the local government does not plan to seek reimbursement from the OSGCIC for construction costs, i.e., the Commission will pay all contractors directly, these regulations do not affect you. If you are not seeking reimbursement, you only need to return the enclosed "Notification of Disbursement Method" to your OSGCIC Program Representative indicating this choice. NOTE: If you elect to change your selection you must resubmit the form with an adopted Declaration of Official Intent as described below. You may only resubmit if you are within 60 days of the start of construction (see item 2. below).

If the local government plans to seek reimbursement from the Commission for any project construction costs, a "Declaration of Official Intent" (i.e. Resolution) must be adopted. Enclosed is a sample Resolution. If you intend to seek reimbursement, you must return the enclosed "Notification of Disbursement Method" to your OSGCIC Program Representative indicating this choice AND your passed Resolution.

The Resolution will allow the OSGCIC and local subdivision to comply with the federal regulations which pertain to the proceeds of tax exempt debt, the funding source for your loan. The "Official Intent" means that at the time the local subdivision makes a payment for construction-related project costs from its own funds, the local subdivision intends to seek reimbursement for those costs from us. Prior to passing the Resolution please keep the following in mind:

1. A Declaration of Official Intent is required only if the local subdivision is planning to seek reimbursement from the Commission for project costs already incurred and paid for by the local subdivision. Payments by the OSGCIC for in-kind and force account work is considered a reimbursement. If the local subdivision plans to have the OSGCIC pay contractors directly, check the "will NOT seek reimbursement" box on the Notification of Disbursement Method form and return the form to the OSGCIC prior to starting work on the project.
2. If seeking reimbursement, the Declaration must be adopted not later than 60 days after the date of construction-related project costs for which the local subdivision will seek reimbursement.
3. Preliminary Expenditures including engineering, survey, soil testing and similar costs are not subject to the Resolution requirement.
4. Reimbursement by the OSGCIC must occur within 18 months after the latter of (A) the date the project costs are paid by the local subdivision; or (B) the date the project is placed in service or abandoned, but in no event more than 3 years after the project costs are paid by the local subdivision.
5. Not following these procedures may prevent the OSGCIC from disbursing funds for your project.
6. Complete the italicized sections on the Sample Resolution. A fillable pdf version is available on our website at <http://www.pwc.state.oh.us/> Note that Section 2 requires the estimated maximum amount you expect to receive from the OSGCIC in the form of a reimbursement. If you think your disbursement process will be a mixture of reimbursements to the subdivision and payments directly to contractors, then pass the Resolution for the entire loan amount. You are then covered regardless of the mix of reimbursements and direct payments during the life of the project.