



City of Pataskala

Legislative Report to Council

Legislative Report

September 16, 2024 Council Meeting

Unfinished Business

A. Ordinances

- **ORDINANCE 2024-4481 – SECOND READING - AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,500,000 OF BOND ANTICIPATION NOTES BY THE CITY OF PATASKALA, OHIO, IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING PART OF THE COST OF WATER TREATMENT PLANT AND FACILITY REPAIRS AND IMPROVEMENTS, INCLUDING ALL NECESSARY APPURTENANCES THERETO, AND MATTERS RELATED TO SUCH BOND ANTICIPATION NOTES.**

The iron filter at the city's water treatment plant is failing and it has been determined that it needs to be replaced. Due to the significant investment/funding required, we are planning to issue debt to fund the design and construction of a new iron filter. Based upon the initial cost estimates from the engineers, it is anticipated that the total cost of replacing the iron filter will be around \$2.5 million. In addition to the construction costs, the city is also including: (1) \$500,000 in the debt for the design of the filter as well as construction management and inspection; (2) \$476,000 in contingency funding for the project in the event the final costs are greater than anticipated; and (3) \$24,000 for costs of issuance related to the BANS. I've attached a copy of the estimated costs of issuance and how they were calculated. Please know that the \$3.5 million total is a maximum (not to exceed) issuance amount and would cover all of the aforementioned items. The 'Current Estimate' column below illustrates how the \$3.50 million number was calculated.

CURRENT ESTIMATE	ITEM DESCRIPTION
\$2,500,000	Estimated Construction Cost
500,000	Design of the filter and
24,000	Estimated Costs of Issuance
476,000	Contingency
\$3,500,000	Total 'Not to Exceed' Amount

I've worked with our financial advisor (Heather Arling, Bradley Payne Advisors) to determine the best approach to funding this project. We will start with a 1-year Bond

Anticipation Note (BAN) and will later determine how to finance and pay off the note in late-2025. **We are requesting that Council hold the 2nd reading of the legislation at the September 16th meeting. We are planning for this ordinance to go through all 3 required readings so that we can go to the debt markets on or after November 7th (after the 30-day referendum period has passed) to have the required funding in place prior to awarding the design and construction contracts.**

B. Resolutions

New Business

A. Ordinances

➤ **ORDINANCE 2024-4482 – FIRST READING - SUPPLEMENTAL APPROPRIATION**

We have identified several adjustments to the 2024 budget which require modifying the existing approved appropriations. **We are respectfully requesting that Council hold the 1st reading of the ordinance at the September 16th meeting. We would anticipate the ordinance going through all 3 required readings.**

- a. *Sections 1-2: Iron Filter Replacement* – When the 2024 operating and capital budgets were developed, it was anticipated that we would be receiving a 7-year bank loan for the project costs. As such, proper accounting for the loan revenue and project expenses would have them recognized in the Water Capital Improvements (602) fund. Since that time, the city has elected to issue bond anticipation notes (BANS) to provide the necessary funding for the design/build of the filter. As such, we should more appropriately book these revenues and expenses in the Water Bond Improvements (603) fund. We are requesting that Council reduce the \$2.75 million in appropriations from the 602 fund and increasing the 603 fund by \$3.48 million. The increase has a net \$726 thousand appropriations increase to the budget and reflects current cost estimates.
- b. *Section 3: BAN Costs of Issuances* – Now that the city is planning to issue BANS to finance the Iron Filter Replacement project, we have to plan for the paying and reporting the costs of issuance. It is estimated that the COI may be as high as \$24,000, but it may be less than that. The COI include bond counsel, underwriters fee, municipal advisory fees, etc. I've included a copy of the estimated costs of issuance with my bi-weekly report to Council.
- c. *Sections 4-7: Income Tax Collection Fees & Refunds* - Income tax and property tax collections continue to track better than the original budget estimates. During August, the property tax projections were increased to reflect the improved trend. Unfortunately, one of the consequences resulting from increased collections is that the costs of collections have also risen proportionally. In addition, the cost of making revenue-sharing payments to the school districts in 2024 has also increased. These sections represent the increases necessary to cover those expenses.

- d. *Section 8 WRF Expansion Planning Loan Budget Modification* – When the 2024 budget was originally developed, it was assumed that we would issue debt of \$1.5 million for the planning and design of the WRF expansion. We have received a DEFA loan of \$450,000 for the planning portion of the project. This supplemental appropriation would reduce the \$1.5 million down to the \$450,000 amount needed. At the same time, we would be reducing the revenue side by the same amount to reflect the approved DEFA planning loan proceeds.

Consent Agenda

3. Motions

4. Resolution

➤ **RESOLUTION 2024-059 - A RESOLUTION ACCEPTING PARCEL NUMBER 064-069330-01.001 FROM THE LICKING COUNTY BOARD OF COMMISSIONERS**

This resolution formally accepts the land (parcel) that the high-pressure pumping station sits on in front of Kroger. When the Licking County Commissioners and the city of Pataskala agreed for Pataskala to permanently provide water to the Beechwood Trails subdivision, the county put in the infrastructure then gave it to the city. Through an oversight, they never gave the city the plot of land that the booster station sits on. This legislation corrects that oversight. Our Law Director worked with attorneys from Licking County to finalize this transfer.

➤ **RESOLUTION 2024-060 - A RESOLUTION TO ACCEPT AND CONFIRM INFRASTRUCTURE IMPROVEMENTS FOR THE PATASKALA PUBLIC LIBRARY IMPROVEMENTS PROJECT FOR PUBLIC MAINTENANCE AND OPERATION BY THE CITY OF PATASKALA**

Approval of this resolution will indicate formal acceptance of infrastructure improvements for the Pataskala Library Improvements project by The City of Pataskala. These improvements include utilities and roadway as per plan for Tyler Avenue.

Full-time third-party inspection was present throughout construction of this project to verify materials and installation on behalf of the City, and all testing was verified to be completed successfully in accordance with all applicable construction and material specifications.

Once all items were complete and verified, a site walk-through was conducted on behalf of the Public Service Director and Utility Director to review the project and generate a punch-list of outstanding items. Accordingly, a Certificate of Substantial Completion has been executed, and indicates a date of June 12, 2024 as the beginning of the 1-year maintenance period.

In accordance with City requirements for acceptance, as-built plans, a 1-year warranty and an executed stormwater maintenance agreement have all been submitted to the City by the Pataskala Library.

As the work has been certified to be substantially complete, and all the necessary steps have been completed, it is recommended that Resolution 2024-060 be approved.

➤ **RESOLUTION 2024-061– A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A SERVICE CONTRACT WITH THE CITY OF COLUMBUS FOR SNOW AND ICE REMOVAL SERVICES AND SUPPLIES**

The City of Columbus Division of Infrastructure Management reached out again this year to enter into a snow and ice removal services Agreement. The same plowing area, being the 2 lane-mile section of Broad St. in Franklin County between the County Line/Municipal Boundary and the Limited Facility intersection is planned to be taken on by the City of Pataskala this year. With the same rationale that the County Line is a random point between intersections, and that we have to go to the intersection to turn around anyway, so this made sense.

Differing from last year, it came to our attention that they have used, but functional, 5500-gallon brine tanks that they no longer need. As we could use them, we inquired as to whether they would be willing to include them as a trade in the Agreement. To accomplish that, they offered us 3 tanks, and 18,000 gallons of brine per year, with the Agreement being a 4-year Agreement to balance out the trade value for the plowing section. We believe that this trade is fair and see the agreement as a mutually beneficial opportunity to continue our good neighbor relations with the City of Columbus.

Approval of this resolution is recommended.

➤ **RESOLUTION 2024-062- A RESOLUTION CONSENTING TO THE OHIO DEPARTMENT OF TRANSPORTATION’S PROJECT TO MAKE SAFETY IMPROVEMENTS TO THE INTERSECTION OF BROAD STREET AND TAYLOR ROAD (PID NUMBER 121958) IN THE CITY OF PATASKALA**

ODOT has awarded the City \$2,292,730 of funding to make safety improvements at the intersection of Broad Street and Taylor Road. These improvements include adding turn lanes and pedestrian facilities, offsetting left-turn lanes, and upgrading the signal to mast arms, radar detection, and battery back-ups. This award is through the ODOT Safety Funds program, and the program is set up such that ODOT manages the design and construction of the project. The City will be involved in the process and have some financial responsibility, but ODOT will take the lead.

Accordingly, ODOT requires this legislation be approved by the City before they move forward. It spells out basic project requirements and responsibilities, and provides details regarding the governing state and federal laws. The language for Resolution 2024-062 has been provided by ODOT and is required to be approved by the City as written. As the title suggests, this legislation provides ODOT with the City’s consent for ODOT to move forward with the project.

Approval of this Resolution is recommended.