

1. Agenda

Documents:

[AGENDA.4.7.2020.PDF](#)

2. Supporting Documents

Documents:

[CC SUPPORTING DOC. 2020.04.07.PDF](#)

COMMON COUNCIL AGENDA
April 7, 2020
Via Zoom video conference
Meeting ID: 892 739 1872

7:00 PM

- Call Meeting to Order
- Salute to the Flag of the United States
- Public Comments
- Ward Reports
- Mayor's Report
- Proclamation – Fair Housing Month
- Minutes – Approval of minutes

AGENDA:

Item #1 – Consideration of a Resolution adopting the EAF part 1, 2 & 3 regarding the Groton avenue portion of the Gateway project. (Ric VanDonsel)

Item #2 – Consideration of an amendment to the EAF regarding the Main Street DRI project to complete part 3 and indicate a Negative declaration. (Ric VanDonsel)

Item #3 – Consideration of a Resolution to Adopt the 2020 to 2024 Capital Project Plan. (Mack Cook)

Item #4 – Consideration of a Resolution Authorizing the issuance of \$25,777,953 in Serial Bonds to Finance the Cost of Water System, Sanitary Sewer System and Storm Sewer System Improvements. (Mack Cook)

Item #5 – Consideration of a Resolution to Repeal a Bond Resolution of the City Of Cortland Authorizing the Issuance of \$3,983,000 Serial Bonds to Finance the Cost of the Reconstruction of Clinton Avenue Sanitary Sewer and Storm Sewer Systems. (Mack Cook)

Item #6 – Consideration of a Resolution to Repeal a Bond Resolution of the City Of Cortland Authorizing the Issuance of \$2,010,000 Serial Bonds to Finance the Cost of The Reconstruction of the Clinton Avenue Water Distribution System. (Mack Cook)

Item #7 – Consideration of a Resolution to Authorize an Annual Special Assessment Fee Based upon Water Usage to Fund Debt Service in Indebtedness Incurred to Maintained and Improve the City's Water System. (Mack Cook)

Item #8 – Consideration of a Resolution to authorize the publication of an Estopple Notice that the City of Cortland has authorized the issuance of \$25,777,953 in Serial Bonds to Finance the Cost of Water System, Sanitary Sewer System and Storm Sewer System Improvements. (Mack Cook)

Item #9 – Discussion on the City's plan for the Covid-19.

Adjournment

PROCLAMATION

MONTH OF APRIL

"WHEREAS, in accordance with the Title VIII Fair Housing Policy of the Civil Rights Act of 1968 and the Fair Housing Amendments Act of 1988 and,

WHEREAS, the month of April 2020 has been designated by the U.S. Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity as Fair Housing Month.

NOW THEREFORE BE IT RESOLVED, that the _____
(Village/Town/or County)
of _____ hereby declares and proclaims April as Fair Housing Month
in the _____.
(Village/Town/or County)

(Title)

ESTOPPEL NOTICE

The Bond Resolution, a summary of which is published herewith, has been adopted on the 7th day of April, 2020 and the validity of the obligations authorized by such Bond Resolution may be hereafter contested only if such obligations were authorized for an object or purpose for which the City of Cortland, Cortland County, New York, is not authorized to expend money or the provisions of law which should have been complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of publication of this notice, or such obligations were authorized in violation of the provisions of the Constitution.

Summary of Bond Resolution

1. Class of Objects or Purposes - the acquisition, construction or reconstruction of or addition to the City's water supply or distribution systems, including, but not limited to, the replacement of water, sanitary sewer and storm sewer lines, the improvement of stormwater management practices, bicycle, pedestrian, parking, street lighting and traffic controls, whether or not including buildings, lands or rights-in-lands, original furnishings, equipment, machinery and apparatus, or the replacement of such equipment, machinery or apparatus.

2. Period of Probable Usefulness – Forty (40) years.

3. Maximum Amount of Obligations to be Issued - \$25,777,953

The Bond Resolution herein summarized shall be available for public inspection during normal business hours for twenty (20) days following the date of publication of this notice at the office of the City Clerk at City Hall, 25 Court Street, Cortland, New York.

Raymond Parker, Clerk, City of
Cortland, Cortland County, New York

By: Councilor _____
Seconded: Councilor _____

April 7, 2020

BOND RESOLUTION # OF 2020

BOND RESOLUTION OF THE CITY OF CORTLAND, NEW YORK, AUTHORIZING THE ISSUANCE OF \$25,777,953 SERIAL BONDS TO FINANCE THE COST OF THE WATER SYSTEM, SANITARY SEWER SYSTEM AND STORM SEWER SYSTEM IMPROVEMENTS

BE IT RESOLVED by the Common Council of the City of Cortland, New York as follows:

Section 1. The City of Cortland, New York (the "City") is hereby authorized to undertake the acquisition, construction or reconstruction of or addition to the City's water supply or distribution systems, including, but not limited to, the replacement of water, sanitary sewer and storm sewer lines, the improvement of stormwater management practices, bicycle, pedestrian, parking, street lighting and traffic controls, whether or not including buildings, lands or rights-in-lands, original furnishings, equipment, machinery and apparatus, or the replacement of such equipment, machinery or apparatus required (the "Project") at an estimated maximum cost of \$34,515,394 and to issue serial bonds, the aggregate principal amount not to exceed \$25,777,953, pursuant to the provisions of the Local Finance Law to finance the estimated costs of the aforesaid specific objects or purposes.

Section 2. It is hereby determined that the maximum estimated cost of the aforesaid specific object or purpose to be financed by the City is \$34,515,934, said amount is hereby appropriated therefor and the plan for the financing thereof shall consist of the issuance of \$25,777,953 in serial bonds (the "Bonds") of the City which are hereby authorized to be issued pursuant to this resolution and the provisions of the Local Finance Law; it is anticipated that the City shall receive \$16,178,752 in loans and grants from the United States Environmental Protection Agency (the "EPA"), \$9,599,201 in loans and grants from the New York State Environmental Facilities Corporation (the "EFC") and loans and grants from other various New York State agencies.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is forty (40) years pursuant to subdivision 1 of Section 11.00(a) of the Local Finance Law.

Section 4. Any federal or New York State grant funds received for the capital purposes described herein shall be applied according to the Plan of Finance.

Section 5. Pursuant to Section 107.00(d)(3)(a) of the Local Finance Law, current funds are not required to be provided prior to issuance of the Bonds or any bond anticipation notes issued in anticipation of issuance of the Bonds.

Section 6. The temporary use of available funds of the City, not immediately required for the purpose or purposes for which the same were borrowed, raised or otherwise created, is hereby authorized pursuant to Section 165.10 of the Local Finance Law, for the capital purposes described in Section 1 of this resolution.

Section 7. The Bonds and any bond anticipation notes issued in anticipation of the Bonds, shall contain the recital of validity prescribed by Section 52.00 of the Local Finance Law and the Bonds, and any bond anticipation notes issued in anticipation of the Bonds, shall be general obligations of the City, payable as to both principal and interest by a general tax upon all the real property within the City without legal or constitutional limitation as to rate or amount, together with collection of specially assessed fees for water and sewer usage. The faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds, and any bond anticipation notes issued in anticipation of the Bonds, and provision shall be made annually in the budget of the City by appropriation for (a) the amortization and redemption of the Bonds and bond anticipation notes to mature in such year, and (b) the payment of interest to be due and payable in such year.

Section 8. Subject to the provisions of this resolution and of the Local Finance Law, and pursuant to the provisions of Sections 21.00, 30.00, 50.00 and 56.00 to 63.00, inclusive, of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the Bonds herein authorized, including renewals of such notes, and the power to prescribe the terms, form and contents of the Bonds, and any bond anticipation notes, and the power to sell and deliver the Bonds and any bond anticipation notes issued in anticipation of the issuance of the Bonds, including sale by electronic bidding, and the power to issue bonds providing for level or substantially level or declining annual debt service, is hereby delegated to the Director of Administration and Finance, the Chief Fiscal Officer of the City.

Section 9. The reasonably expected source of funds to be used to initially pay for the expenditures authorized by Section 1 of this resolution shall be from the City's General Fund. It is intended that the City shall then reimburse such expenditures with the proceeds of the Bonds and bond anticipation notes authorized by this resolution and that the interest payable on the Bonds and any bond anticipation notes issued in anticipation of the Bonds shall be excludable from gross income for federal income tax purposes. This resolution is intended to constitute the declaration of the City's "official intent" to reimburse the expenditures authorized by this resolution with the proceeds of the Bonds and bond anticipation notes authorized herein, as required by Treasury Regulation Section 1.150-2. Other than as specified in this resolution, no moneys are reasonably expected to be received, allocated on a long term basis, or otherwise set

aside with respect to the permanent funding of the objects or purposes described herein.

Section 10. The Director of Administration and Finance, as Chief Fiscal Officer of the City, upon notice to the Mayor and the Common Council, is further authorized to sell up to \$16,178,752 of the Bonds, and any bond anticipation notes issued in anticipation of the Bonds, to the EPA in the form prescribed in one or more Water Infrastructure Finance and Innovation Act Loan Agreement (the "WIFIA Loan Agreement") between the City and the EPA; to execute and deliver on behalf of the City one or more WIFIA Loan Agreement, term sheets and other EPA transaction documents with the EPA and to accept the definitive terms of one or more WIFIA Loan Agreements from EPA by executing and delivering one or more WIFIA Loan Agreements; and to execute such other documents, and take such other actions, as are necessary or appropriate to obtain a loan or loans from the EPA for all or a portion of the costs of the expenditures authorized by this resolution, and to perform the City's obligations under its Bonds or bond anticipation notes delivered to the EPA, the WIFIA Loan Agreements and any other EPA transaction documents.

Section 11. The Director of Administration and Finance, as chief fiscal officer of the City, upon notice to the Mayor and the Common Council, is further authorized to sell up to \$9,599,201 of the Bonds to the EFC in the form prescribed in one or more loan agreements (the "Loan Agreements") between the City and the EFC; to execute and deliver on behalf of the City one or more Loan Agreements, Project Financing Agreements, and Letters of Intent with EFC and to accept the definitive terms of one or more Loan Agreements from EFC by executing and delivering one or more Terms Certificates; and to execute such other documents, and take such other actions, as are necessary or appropriate to obtain a loan or loans from the EFC for all or a portion of the costs of the expenditures authorized by this Bond Resolution, and perform the City's obligations under its Bonds delivered to the EFC, the Project Financing Agreements and the Loan Agreements.

Section 12. The serial bonds and bond anticipation notes authorized to be issued by this resolution are hereby authorized to be consolidated, at the option of the City's Director of Administration and Finance, the Chief Fiscal Officer, upon notice to the Mayor and the Common Council, with the serial bonds and bond anticipation notes authorized by other bond resolutions previously or hereafter adopted by the Common Council for purposes of sale in to one or more bond or note issues aggregating an amount not to exceed the amount authorized in such resolutions. All matters regarding the sale of the bonds, including the dated date of the bonds, the consolidation of the serial bonds and the bond anticipation notes with other issues of the City and the serial maturities of the bonds are hereby delegated to the Director of Administration and Finance, the Chief Fiscal Officer of the City.

Section 13. The validity of the Bonds authorized by this resolution and of any bond anticipation notes issued in anticipation of the Bonds may be contested only if:

(a) such obligations are authorized for an object or purpose for which the City is not authorized to expend money; or

(b) the provisions of law which should be complied with at the date of the publication of this resolution or a summary hereof are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of such publication; or

(c) such obligations are authorized in violation of the provisions of the Constitution of the State of New York.

Section 14. The Director of Administration and Finance, as Chief Fiscal Officer of the City, is hereby authorized to enter into an undertaking for the benefit of the holders of the Bonds from time to time, and any bond anticipation notes issued in anticipation of the sale of the Bonds, requiring the City to provide secondary market disclosure as required by Securities and Exchange Commission Rule 15c2-12.

Section 15. This resolution, or a summary of this resolution, shall be published in the official newspapers of the City for such purpose, together with a notice of the Clerk of the City in substantially the form provided in Section 81.00 of the Local Finance Law.

Section 16. This resolution is not subject to a mandatory or permissive referendum.

Section 17. The Council hereby determines that the provisions of the State Environmental Quality Review Act and the regulations thereunder have previously been satisfied with respect to the expenditures authorized by this resolution.

Section 18. This resolution shall take effect immediately upon its adoption.

	<u>Ayes</u>	<u>Nays</u>
Alderman Kat McCarthy	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Kathryn Silliman	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Bruce Tytler	<input type="checkbox"/>	<input type="checkbox"/>
Alderman John G. Bennett, Jr.	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Jacki Chapman	<input type="checkbox"/>	<input type="checkbox"/>
Alderman William D. Carpenter	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Troy Beckwith	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Thomas Michales	<input type="checkbox"/>	<input type="checkbox"/>

Approved: Ayes _____

Nays _____

STATE OF NEW YORK)
) SS.:
COUNTY OF CORTLAND)

I, Raymond A. Parker, Clerk of the City of Cortland, Cortland County, New York (the "City"), DO HEREBY CERTIFY:

That I have compared the annexed abstract of the minutes of the meeting of the Common Council of the City, held on the ____ day of _____, 2020, including the resolution contained therein, with the original thereof on file in my office, and the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that the full Common Council of the City consists of eight (8) members; that _____ () members of the Common Council were present at such meeting; and that _____ () of such members voted in favor of the above resolution.

I FURTHER CERTIFY that (i) all members of the Common Council had due notice of the meeting, (ii) pursuant to Article 7 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public, and due notice of the time and place of such meeting was duly given in accordance with Article 7 of the Public Officers Law, and (iii) the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this ____ day of _____, 2020.

Raymond A. Parker, Clerk, City of Cortland,
Cortland County, New York

(SEAL)

By: Councilor _____
Seconded: Councilor _____

April ____, 2020

RESOLUTION TO REPEAL BOND RESOLUTION

RESOLUTION TO REPEAL BOND RESOLUTION OF THE CITY OF CORTLAND, CORTLAND COUNTY, NEW YORK, AUTHORIZING THE ISSUANCE OF \$2,010,000 SERIAL BONDS TO FINANCE THE COST OF THE RECONSTRUCTION OF THE CLINTON AVENUE WATER SYSTEM.

WHEREAS, at a meeting of the Council of the City of Cortland, Cortland County, New York (the "City"), convened on September 1, 2015, the City Council, by a favorable vote of not less than two-thirds (2/3) voting strength of all the members of the City Council, authorized the reconstruction of the Clinton Avenue water system at an estimated maximum cost of \$2,010,000 and the issuance of \$2,010,000 serial bonds pursuant to the Local Finance Law and a bond resolution No. 173 of 2015 (the "Bond Resolution"); and

WHEREAS, of the \$2,010,000 in serial bonds authorized to be issued pursuant to the Bond Resolution, \$2,010,000 has not been issued or encumbered to date; and

WHEREAS, pursuant to the provisions of Section 41.00 of the Local Finance Law, the City Council is authorized to repeal a bond resolution to the extent indebtedness has not been contracted or encumbrances made thereunder; and

WHEREAS, the City Council desires to repeal the Bond Resolution to the extent that indebtedness authorized pursuant thereto has not been contracted or encumbrances made thereunder.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cortland, Cortland County, New York (the "City Council") as follows:

Section 1. The City Council hereby repeals and revokes the City's authority to issue indebtedness or to make encumbrances under the Bond Resolution, to the extent that indebtedness authorized pursuant thereto has not been contracted or encumbrances made thereunder.

Section 2. Pursuant to Section 41.00 of the Local Finance Law, the City Council confirms that \$2,010,000 of the original amount of indebtedness authorized to be issued pursuant to the Bond Resolution has not been contracted to be issued or made subject to encumbrance and authorization of the City Council to issue said

amount of indebtedness pursuant to the Bond Resolution is hereby repealed and revoked.

Section 3. This resolution shall take effect immediately upon its adoption.

This resolution shall take effect immediately upon its adoption.

	<u>Ayes</u>	<u>Nays</u>
Alderman Kat McCarthy	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Kathryn Silliman	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Bruce Tytler	<input type="checkbox"/>	<input type="checkbox"/>
Alderman John G. Bennett, Jr.	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Jacki Chapman	<input type="checkbox"/>	<input type="checkbox"/>
Alderman William D. Carpenter	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Troy Beckwith	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Thomas Michales	<input type="checkbox"/>	<input type="checkbox"/>

Approved: Ayes _____

Nays _____

STATE OF NEW YORK)
) SS.:
COUNTY OF CORTLAND)

I, Raymond A. Parker, Clerk of the City of Cortland, Cortland County, New York (the "City"), DO HEREBY CERTIFY:

That I have compared the annexed abstract of the minutes of the meeting of the Common Council of the City, held on the ____ day of _____, 2020, including the resolution contained therein, with the original thereof on file in my office, and the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that the full Common Council of the City consists of eight (8) members; that _____ () members of the Common Council were present at such meeting; and that _____ () of such members voted in favor of the above resolution.

IFURTHER CERTIFY that (i) all members of the Common Council had due notice of the meeting, (ii) pursuant to Article 7 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public, and due notice of the time and place of such meeting was duly given in accordance with Article 7 of the Public Officers Law, and (iii) the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this ____ day of _____, 2020.

Raymond A. Parker, Clerk, City of Cortland,
Cortland County, New York

(SEAL)

By: Councilor _____
Seconded: Councilor _____

April ____, 2020

RESOLUTION TO REPEAL BOND RESOLUTION

RESOLUTION TO REPEAL BOND RESOLUTION OF THE CITY OF CORTLAND, CORTLAND COUNTY, NEW YORK, AUTHORIZING THE ISSUANCE OF \$3,983,000 SERIAL BONDS TO FINANCE THE COST OF THE RECONSTRUCTION OF CLINTON AVENUE SEWER AND STORMWATER SYSTEMS.

WHEREAS, at a meeting of the Council of the City of Cortland, Cortland County, New York (the "City"), convened on September 1, 2015, the City Council, by a favorable vote of not less than two-thirds (2/3) voting strength of all the members of the City Council, authorized the reconstruction of Clinton Avenue sewer and stormwater systems at an estimated maximum cost of \$3,983,000 and the issuance of \$3,983,000 serial bonds pursuant to the Local Finance Law and a bond resolution No. 172 of 2015 (the "Bond Resolution"); and

WHEREAS, of the \$3,983,000 in serial bonds authorized to be issued pursuant to the Bond Resolution, \$3,983,000 has not been issued or encumbered to date; and

WHEREAS, pursuant to the provisions of Section 41.00 of the Local Finance Law, the City Council is authorized to repeal a bond resolution to the extent indebtedness has not been contracted or encumbrances made thereunder; and

WHEREAS, the City Council desires to repeal the Bond Resolution to the extent that indebtedness authorized pursuant thereto has not been contracted or encumbrances made thereunder.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cortland, Cortland County, New York (the "City Council") as follows:

Section 1. The City Council hereby repeals and revokes the City's authority to issue indebtedness or to make encumbrances under the Bond Resolution, to the extent that indebtedness authorized pursuant thereto has not been contracted or encumbrances made thereunder.

Section 2. Pursuant to Section 41.00 of the Local Finance Law, the City Council confirms that \$3,983,000 of the original amount of indebtedness authorized to be issued pursuant to the Bond Resolution has not been contracted to be issued or made subject to encumbrance and authorization of the City Council to issue said

amount of indebtedness pursuant to the Bond Resolution is hereby repealed and revoked.

Section 3. This resolution shall take effect immediately upon its adoption.

This resolution shall take effect immediately upon its adoption.

	<u>Ayes</u>	<u>Nays</u>
Alderman Kat McCarthy	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Kathryn Silliman	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Bruce Tytler	<input type="checkbox"/>	<input type="checkbox"/>
Alderman John G. Bennett, Jr.	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Jacki Chapman	<input type="checkbox"/>	<input type="checkbox"/>
Alderman William D. Carpenter	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Troy Beckwith	<input type="checkbox"/>	<input type="checkbox"/>
Alderman Thomas Michales	<input type="checkbox"/>	<input type="checkbox"/>

Approved: Ayes _____

Nays _____

STATE OF NEW YORK)
) SS.:
COUNTY OF CORTLAND)

I, Raymond A. Parker, Clerk of the City of Cortland, Cortland County, New York (the "City"), DO HEREBY CERTIFY:

That I have compared the annexed abstract of the minutes of the meeting of the Common Council of the City, held on the ____ day of _____, 2020, including the resolution contained therein, with the original thereof on file in my office, and the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that the full Common Council of the City consists of eight (8) members; that _____ () members of the Common Council were present at such meeting; and that _____ () of such members voted in favor of the above resolution.

IFURTHER CERTIFY that (i) all members of the Common Council had due notice of the meeting, (ii) pursuant to Article 7 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public, and due notice of the time and place of such meeting was duly given in accordance with Article 7 of the Public Officers Law, and (iii) the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this ____ day of _____, 2020.

Raymond A. Parker, Clerk, City of Cortland,
Cortland County, New York

(SEAL)

RESOLUTIONS # 3, 4 & 7

Mack Cook

From: Mack Cook
Sent: Wednesday, April 1, 2020 7:04 AM
To: Chris Bistocchi; Nicholas Dovi; Chief F. Michael Catalano; Paul Sandy; Wayne Friedman (wfriedman@cortland.org); Duane Pierce; Michael Tenkate; John McNerney (mcnerney@cortland.org); Andrea Piedigrossi (andrea@cortland.org); Bruce Adams; Matt Wethje; David Stathis; Lori Crompton (lcrompton@cortland.org)
Subject: FW: City's Capital Plan and EAPA transaction
Attachments: 2019-20 Work Plan and Budget.xlsx

For Council's Packet

From: Mack Cook
Sent: Wednesday, March 25, 2020 5:06 AM
To: Brian Tobin <btobin@cortland.org>; ward1 (ward1@cortland.org) <ward1@cortland.org>; ward2 <ward2@cortland.org>; ward3 (ward3@cortland.org) <ward3@cortland.org>; ward4 (ward4@cortland.org) <ward4@cortland.org>; ward5 <ward5@cortland.org>; ward6 <ward6@cortland.org>; ward7 (ward7@cortland.org) <ward7@cortland.org>; ward8 <ward8@cortland.org>; lawdept <lawdept@cortland.org>; mwells@bsk.com; John Shehadi CIPFA (jshehadi@fiscaladvisors.com) <jshehadi@fiscaladvisors.com>; Michael Altieri <maltieri@thebcgroup.com>; 'Scott Burto' <Scott@wcpconsultants.com>
Subject: City's Capital Plan and EAPA transaction

Mayor and Members of Common Council,

Please find attached the City's 2020-2024 Capital. This is the same that was provided in hard copy at the first March 2020 meeting with two additions that will be detailed below.

At Council's meeting of April 7th it is planned for Council to consider a group of resolutions pertaining to authorization to enter into a loan agreement with the US EPA for \$16.1 million to fund infrastructure reconstruction on Clinton Ave, Main Street, Central Street, Court Street, Groton Avenue and River Street, if Council so choses to do so.

In summary these resolutions will be;

- Adopt the 2020-2024 Capital Project Plan
- Authorize the imposition of a Special Assessment on water usage to fund debt service

TBD by Bond Council and Corporate Council:

- Separate Resolution authorizing the borrowing of \$16.1 in serial bonds to fund designated infrastructure reconstruction. Or,
- Combine resolution with the EPA authorization amending or rescinding an August 15, 2015 Resolution authorizing \$3.9 million bond borrowing for reconstruction of the Clinton Sewer and Sanitary Sewer systems to reflect an increase in NYS Environmental Corporation (EFC) Hardship Loan to \$9 million. Or,
- An additional separate resolution amending the August 15, 2015 Resolution to authorize increase participation in EFC's Hardship Loan program.

Also TBD by Bond Council and Corporate Council any SEQR actions required by the above resolutions.

Finally there will be a resolution or resolutions authorizing Estoppel Notices publication as appropriate.

Although it was not intended to communicate the details of the Capital Plan and details of the EPA transaction by e-mail, situations now require altering the original intention. Given the situation a reasonable question would be "Why Now? Could this be postponed to some future date that would permit other means of discussion of this most important matter?"

Unfortunately the time table is being driven by two factors,

1. EPA must close this transaction by June 30, 2020 so to appropriate in its current fiscal budget the \$16.1 million commitment to the City. Currently we are on a timeline to close the transaction in Mid-May. Failing that, the City's application would lapse requiring re-application in the 2021 process, a process which has become exceedingly competitive.
2. The loan agreement works to the City's benefit by locking in the maximum rate of interest when or if, the City actually borrows all or a portion of the loan. This means that regardless of the market interest rate in the next five years the maximum interest rate the City would pay would be the interest rate on the date the loan is agreed to. Should interest be less than the "locked in" rate on the dates of any actual borrowings the lower interest rate would apply.

The current stock market conditions are now at play. The interest rate on the EPA loan will be pegged to the US Treasury 30 year T-Bill rate plus risk. Currently that rate is moving daily between 1.5 % and 2.3%. The rate reacts to Stock Market indexes. This rate range is historically low. In contrast, the current blended rate on the City's debt portfolio is 3.3%. The City did sell this past Monday \$3.1 in Sewer debt at 2.2% interest. The City is being afforded the opportunity to reduce interest on funding by over \$8 million. (the exact interest reductions are noted in the Capital plan). As discussed below, the interest rate directly impacts the proposed Special Use Assessment on water usage.

Special Assessment on Water Usage.

The EPA loan is a revenue loan, not a General Obligation loan. The loan will not hinder future borrowings the City may choose to pursue in its General Fund activities. The EPA loan will not be factored into the City's Constitution Debt Limit nor its General Fund Bond rating. The revenue being pledged in the combine revenues of both the Water and Waste Water Funds.

Incorporated within the 2020-2024 Capital Project Plan is a 30 year financial projection for the two combined funds. The 30 year projection revealed that although the Waste Water fund is fiscally capable of shouldering its share of the reconstruction to be funded by the EPA loan including Sanitary Sewers, (which is usually funded by General Fund Revenues) the water fund cannot without an additional revenue sources. In the 30 year projection these additional revenue sources are the increase sale of water to Cortlandville via the planned inter-connect and a special assessment on water usage patterned after the current Waste Water Special assessment.

A section in the Capital Plan projects the impact range of a special water assessment would have on a resident using 12 units quarterly and being charged the current minimum. As referenced above and presented in the Capital plan the special assessment rate is influenced by the interest rate that the EPA closed on. I have inserted the assessment schedule in the Capital Plan. The assessment rate on 12 units at a 2% interest rate is \$16.94 annually. This compares to an assessment of \$21.17 annually at 3.5% and \$25.85 annually at 5%. The actual per unit assessment at 2% interest rate is 35 cents.

City of Cortland
Special Assessment-Water

Debt Service
EPA Debt at face **\$16,178,752**

Cap Max 75% of project cost Project cost \$ 34,515,394
75% \$ 25,886,546

Maximum loan amount **\$16,178,752**
Less Other Federal Funds \$ 2,250,000
Net Available Debt **\$13,928,752**
One-third-Water \$4,642,917

Debt Service \$ 185,727

Total annual in-city consumptions (units) 526,369

Per Unit Assessment \$ 0.35

ASSESSMENT CO		
Minimum user at 12 units	Annual Assessment 2% Interest	An Asse 3.5%

Units	12	\$	16.94	\$
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I will conclude this email, perhaps the longest have ever written, with the second addition to the Capital Project Plan that was requested to be included by the US Office of Budget; The City's current Constitutional Debt Limit

Although I have taken measures (at Sylvia's insistence) due to my age and heart condition to almost completely eliminate human contact I do work evenings in the office and can meet one-on-one or in small groups respecting current social interaction guideline should that be useful. I am also available at almost any hours by cell phone at 749-0678. In addition I will have a SKYPE connection by Thursday. I also have scanning capability at home should you need any documents.

Respectfully tendered.
Mack

City of Corland
Constitutional Debt Limit

0

Pre-EPA loan
 As of March 16, 2020

Five year average full valuation of taxable real property			\$	560,531,349
Debt Limit	7.0%		\$	39,237,194
Inclusions				
	Bonds	\$	19,846,006	
	BANs	\$	9,575,000	
	Total Inclusions		\$	29,421,006
Exclusions				
	Water Bonds	\$	565,120	
	Sewer	\$	12,418,715	
	Appropriations	\$	675,510	
	Total Exclusions		\$	13,659,345
	Net Inclusions Subject to Debt Limit		\$	15,761,661
	Debt Limit Margin		\$	23,475,533
	Percent of Contracting Debt Limit Utilized			40.17%
	Percent of Contracting Debt Limit Available			59.83%

Mack Cook

Resolutions # 5 & 6

From: Mack Cook
Sent: Wednesday, April 1, 2020 7:18 AM
To: Chris Bisticchi; Nicholas Dovi; Chief F. Michael Catalano; Paul Sandy; Wayne Friedman (wfriedman@cortland.org); Duane Pierce; Michael Tenkate; John McNerney (mcnerney@cortland.org); Andrea Piedigrossi (andrea@cortland.org); Matt Wethje; Bruce Adams; Lori Crompton (lcrompton@cortland.org); David Stathis mayorofc
Cc:
Subject: FW: [External] September 1, 2015 Bond Resolution
Attachments: SYRNY1-#3517635-v1-Resolution_to_Repeal_Bond_Ordinance_No__172.doc; SYRNY1-#3517655-v1-Resolution_to_Repeal_Bond_Ordinance_No__173.doc

For council packet including e-mail below

From: Wells, Matthew [mailto:wellsm@bsk.com]
Sent: Thursday, March 26, 2020 12:20 PM
To: Mack Cook <mcook@cortland.org>; lawdept <lawdept@cortland.org>
Cc: Paladino, Rosa <PaladiR@bsk.com>; Scott Burto <Scott@wcpconsultants.com>; Jonathan Soukup <jsoukup@cedarwoodeng.com>; Lori Crompton <lcrompton@cortland.org>
Subject: RE: [External] September 1, 2015 Bond Resolution

Mack:

Per your suggestion, which makes sense to us, attached please find draft resolutions to repeal bond resolutions 172 and 173 of 2015. Please let us know of any questions.

Regards,
Matt

Matthew N. Wells
315.218.8174 Direct

To protect the safety of our Bond family and greater community during the Coronavirus, our firm offices are closed and we are working entirely remotely. To preserve attorney confidentiality and to ensure responsiveness, please contact me by Bond email or call and leave a message at my Bond phone number 315-218-8174. I will return your call or respond to your email as soon as possible.

From: Mack Cook <mcook@cortland.org>
Sent: Wednesday, March 25, 2020 7:01 PM
To: Wells, Matthew <wellsm@bsk.com>; lawdept <lawdept@cortland.org>
Cc: Paladino, Rosa <PaladiR@bsk.com>; Scott Burto <Scott@wcpconsultants.com>; Jonathan Soukup <jsoukup@cedarwoodeng.com>; Brian Tobin <btobin@cortland.org>; ward1 <ward1@cortland.org>; ward2 <ward2@cortland.org>; ward3 <ward3@cortland.org>; ward4 <ward4@cortland.org>; ward5 <ward5@cortland.org>; ward6 <ward6@cortland.org>; ward7 <ward7@cortland.org>; ward8 <ward8@cortland.org>; Chris Bisticchi <cbisticchi@cortland.org>; Nicholas Dovi <ndovi@cortland.org>; Lori Crompton <lcrompton@cortland.org>; Stephanie Mattice <smattice@cortland.org>
Subject: [External] September 1, 2015 Bond Resolution

Matt,

Both resolutions could be rescinded for the following reasons.

I have attached the agenda for the Council meeting of September 1, 2015. There were two (2) Bond Resolutions on the agenda. Agenda Item 6 was the resolution to bond in the amount of \$3,983,000 to finance the cost of the Clinton Avenue Sewer and Storm Water replacement program. Adopted as Resolution 172 of 2015. Item 7 was a sister resolution to bond in the amount of \$2,010,000 to finance the cost of the Clinton Ave Water Line replacement program. Adopted as Resolution 173 of 2015.

Also in the Council Packet for this meeting was information on Round 1 of EFC's Clean Water State Revolving Fund grant/loan program and EFC's Drinking Water State Revolving grant Loan program. The two resolutions were passed to fulfill EFC's requirement that applications (separate applications for each program) were to be accompanied by bond resolutions for the full costs of projects.

The City filed two applications with EFC for participation in Round 1. One for \$3,983,000 under the CWSRF and one for \$2,010,000 under DWSRF.

The City's application under CWSRF was successful and the City was awarded a grant of \$995,725 and a Hardship Loan of \$2,173,859 for a total of \$3,169,584 (Grant number C-7-6275-05-00).

The City's application under DWSRF was unsuccessful and awarded nothing. EFC automatically rolls non-awarded grants into succeeding funding rounds therefore the Bond Resolution for \$2,010,000 was not rescinded. In theory the 2015 DWSRF is still active but not needed as the City secured two CDBG of \$750,000 each in 2016 and 2018 and an EFC Water Infrastructure Improvement Grant for \$755,678 in 2017. The City could "clean up its books" if needed and rescind Resolution 173 of 2015 and withdraw the original DWSRF program application from future consideration.

After the CWSRF was awarded, EFC awarded the City a grant of \$391,700 and subsidize loan of \$391,715 under its Integrated Construction Solutions (ICS) Program. That program did not require a Bond Resolution and none was prepared.

In 2018 EFC indicated that it was open to increasing its participation in the Clinton's Ave CWSRF program. In doing so EFC would roll the ICS loan into the CWSRF Hardship Loan and increase the total loan to \$9,599,201.

I have included both Scott Burto of WCP Consultants and Jonathan Soukup of Cedarwood Engineering on this email. Both were seriously involved in this series of transactions and can supplement my general narrative with more specific elements.

So this brings us to the April 7th Resolution. Both resolutions 172 of 2015 and 173 of 2015 can be rescinded. Resolution 172 can be replaced by incorporating the new potential EFC Hardship loan of \$9,599,201 into the EPA loan of \$16,178,752 for a joint Bond resolution of \$25,877,953 (appropriately rounded). In the alternative nothing needs to be done to Resolution 173 of 2015 and it can live on wherever inactive bond resolutions live.

I trust this narrative to be helpful and encourage Scott and Jonathan to correct and supplement as needed.

I apologize for all the ins and outs of this, but financing large infrastructure reconstruction projects in NYS is akin to baking a chocolate layer cake.

With regards and appreciation
Mack

From: Wells, Matthew [mailto:wellsm@bsk.com]

Sent: Wednesday, March 25, 2020 3:46 PM

To: Mack Cook <mcook@cortland.org>; lawdept <lawdept@cortland.org>