



Legislation Text

File #: O-474-23, Version: 1

DPU041113 OWDA Sewerage Refinancing Loan
Utilities Administration
Ed Moore (x1845)
Revised

Authorizing the Department of Public Utilities to apply for, accept, and enter into a cooperative agreement between the City of Toledo and the Ohio Water Development Authority for the refinancing of the outstanding principal balance of the City’s Sewerage System Revenue Refunding Bonds, Series 2013, issued in the original principal amount of \$13,620,000, the proceeds of which were used for the purpose of refunding prior bonds of the City issued for the purposes of paying costs of various capital improvements to the City’s sewer supply, storage and distribution system, and declaring an emergency.

SUMMARY & BACKGROUND:

The City (hereinafter referred to as the “LGA” or the “City”) is authorized under Article XVIII of the Constitution of the State of Ohio and the Charter of the City to: (a) own and operate the public utility referred to as the Sewerage System (the “Utility”); (b) borrow money for the purpose of paying costs of improvements to the Utility and refunding outstanding obligations previously issued for that purpose; and (c) issue bonds secured by a pledge of and lien on the Net Revenues of the Utility. By Ordinance No. 347-84, passed May 15, 1984, this Council authorized an Indenture of Mortgage dated as of June 1, 1984 (the “**Original Indenture**”) to secure sewer system revenue bonds issued by the City. The Original Indenture was amended and restated effective as of June 1, 2003 as provided in the Amended and Restated Indenture (Fifth Supplemental Indenture), under authority of Ordinance No. 251-03 passed by this Council on April 15, 2003 (the Original Indenture, as amended by the Amended and Restated Indenture and as further amended to date, is referred to herein as the “**Indenture**”).

The City has previously issued its \$13,620,000 Sewerage System Revenue Bonds, Series 2018 to refund a portion of the outstanding sewerage system revenue bonds, to make any required deposits to the Debt Service Reserve Fund created under the Indenture and to pay costs of issuance, of which \$5,999,000 principal amount remains outstanding (the “**Outstanding Bonds**”). The LGA desires to obtain a loan from the Ohio Water Development Authority (the “OWDA”) to refinance \$5,060,000 principal amount of the Outstanding Bonds (the “**Refunded Bonds**”) on the terms set forth in the Cooperative Agreement (defined below) (the “**Refinancing**”) and the OWDA has indicated its willingness to make a loan for that purpose and on those terms.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. Approval and Authorization. That the LGA hereby approves the Refinancing in cooperation with the OWDA under the provisions, terms and conditions set forth in the “Cooperative Agreement for the Refinancing of a State Water or Wastewater Project” substantially as set forth in Exhibit A attached hereto (the “**Cooperative Agreement**”) and hereby authorizes the Mayor, the Director of Finance, the Director of Public Utilities and any other appropriate officer of the City, alone or in conjunction with any of the foregoing, to execute and deliver in the name and on behalf of the City to execute the Cooperative Agreement

with OWDA in the form set forth and attached hereto as Exhibit A. The Cooperative Agreement is approved, together with any changes or amendments that are not inconsistent with this ordinance and not substantially adverse to the City and that are approved by the Mayor, the Director of Finance, Director of Public Utilities and the Director of Law on behalf of the City, all of which shall be conclusively evidenced by the signing of the Cooperative Agreement.

SECTION 2. Retirement of Refunded Bonds. That the LGA hereby approves the redemption or pre-payment of the Refunded Bonds, and hereby authorizes the Director of Finance and the Director of Public Utilities, alone or together, to designate the date on which such redemption or pre-payment is to occur.

SECTION 3. Severability. That each section of this Ordinance and each subdivision or paragraph of any section thereof is hereby declared to be independent and the finding or holding of any section or any subdivision or paragraph of any section thereof to be invalid or void shall not be deemed or held to affect the validity of any other section, subdivision or paragraph of this Ordinance.

SECTION 4. Compliance with Open Meeting Law. That this Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken, and that all deliberations of this Council and any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

SECTION 5. Effective Date. That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and property of the City and for the further reason that this ordinance is required to be effective immediately in order to undertake the Refinancing, which is necessary to enable the City to currently refund the Refunded Bonds upon terms in the best interest of and advantageous to the City and thereby to achieve debt service cost savings available under current favorable market conditions; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage, or at the earliest time allowed by law.

Vote on emergency clause: yeas 11, nays 0.

Passed: September 26, 2023, as an emergency measure: yeas 11, nays 0.

Attest:

Gerald E. Dendinger
Clerk of Council

Matt Cherry
President of Council

Approved:

September 26, 2023
Wade Kapszukiewicz
Mayor