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Councilor Keogh, Davis, Decelles: Bd. of Finance

AUTHORIZATION FOR THE EXECUTION AND ACCEPTANCE OF LOAN FORGIVENESS AND BORROWING TERMS RELATED TO ARRA STORMWATER IMPROVEMENT PROJECTS

In the year Two Thousand Nineí .. Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, utilizing federal American Recovery and Reinvestment Act (ARRA) funding, the State of Vermont Department of Environmental Conservation(herein called õthe Stateö) has made nearly 20 Million dollars available to fund wastewater and non-point source projects through the State Special Environmental Revolving fund (24 V.S.A. Chapter 120); and

WHEREAS, it is the Stateø¸ intent to have these projects proceed quickly to construction, resulting in the creation of jobs and furthering the water quality objectives of the Clean Water Act; and

WHEREAS, the City of Burlington has three projects that would further the Stateø¸ cause in meeting their Clean Water Act Objectives; and

WHEREAS, the City of Burlington did submit this past March, the following three projects for consideration: Manhattan CSO Project, Gazo CSO Reduction Project and the Main WWTP Turbo Blower Project, for a total cost for all three projects of \$1.324 Million Dollars; and

WHEREAS, the State reviewed the City of Burlingtonø¸ project submission against their program objectives and other projects submitted by other communities; and

WHEREAS, the State has determined that; the City of Burlington projects rank very high in their priority list, is within their source of available funding, and can quickly go to construction. The State has conditionally offered an award for assistance; and

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WHEREAS, the State's process of award, requires local approval to accept the terms of their financial assistance; and

WHEREAS, the terms of the financial assistance are as follows:

- ◆ The City would seek authorization to borrow \$1,324,000, the total cost of the three projects from the State of Vermont.
- ◆ Once the loan is fully authorized and executed and the projects were under construction, the City would routinely seek reimbursement from the State for the expense that is to be assumed.
- ◆ At the close of the construction process a loan repayment process would begin.
- ◆ At the start of the process of loan repayment the State would immediately forgive 50% of the loan amount. The State would forgive \$662,000 (Loan Forgiveness.) leaving the City of Burlington responsible for the remaining balance of the loan valued at \$662,000. The terms of repayment would be with an administrative fee of 2% for a period of 20 years; and

WHEREAS, Article 74 of the Burlington City Charter authorizes the city council to make all necessary repairs, extensions or improvements to the city water works and water pollution control plants and to pledge the credit of the city to incur obligations to be paid in installments over a period of years to pay the cost of such improvements; and

WHEREAS, the Department of Public Works has identified the Stormwater Utility Fees as the appropriate source of funding to meet the obligations of the borrowing; and

WHEREAS, in order to have funds available to conduct such public improvements, the City of Burlington has applied to the State for a loan Authorized under 24 V.S.A, Chapter 120;



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NOW, THEREFORE, BE IT RESOLVED that a majority of the City Council of the City of Burlington being present and voting, hereby find and determine the public interest and necessity require certain public sanitary and stormwater system improvements, namely, the Main Wastewater Treatment Plant Turbo Blower Project, Manhattan Combined Sewer Overflow Reduction project, Gazo Combined Sewer Overflow reduction project; and

BE IT FURTHER RESOLVED that pursuant to the powers vested in them under Article 74 of the Burlington City Charter, the Burlington City Council accepts the terms of an Approval of Loan Application from the State with respect to a loan in the amount not to exceed \$1,324,000. Following completion of the projects, the loan would begin to require repayment. The process of loan repayment will begin with the State of Vermont forgiving half of the principal of the loan, leaving a principal balance of \$662,000 the City would be required to repay. The City would begin to make loan payments based on the starting principal valued at \$662,000, with an administrative fee of 2%, paid over a 20 year period; and

BE IT FURTHER RESOLVED that the Honorable Mayor Bob Kiss and Chief Administrative Officer Jonathan P.A. Leopold, Jr. are hereby authorized, subject to the prior review and approval by the City Attorney, to execute a Loan Agreement with the State upon the price and terms stated above; and

BE IT FURTHER RESOLVED that said loan when issued and delivered pursuant to law and this Resolution shall be a valid and binding obligation of the City of Burlington, payable according to law and the terms of the Loan Agreement from revenues of the Stormwater Program of the City of Burlington Department of Public Works.