



To: Gahanna City Council
Clerk of Council

From: Joann Bury, Director of Finance
Miranda Vollmer, Senior Director of Administrative Services
Kevin Schultz, Senior Director of Operations
Mayor Laurie A. Jadwin

Cc: Priya Tamilarasan, Esq., City Attorney

Date: January 22, 2024

Re: Dept. of Finance – Request for Council Action (January 22, 2024, COTW Meeting)

ACTION ITEMS

ACTION ITEM #1: ORDINANCE TO AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS

The City purchased 825 Tech Center in 2022 with the issuance of short-term notes which were refunded by Ordinance 0064-2023, passed September 2023 with an additional short-term note in the amount of \$8,500,000. The 2023 notes mature on October 24, 2024.

From the time of purchase, the Administration, architects, and project management team established specific goals and objectives for the project. The team identified various design and cost estimates to ensure the goals and objectives are met. The final design was presented to Council on January 8, 2024, with permission to bid the first stage of the project.

In order to repay the short term 2023 note issued for the purchase of the building, as well as construct, renovate and improve the land, building and associated utility infrastructure as identified in the final design, the Administration is respectfully requesting an Ordinance on **Emergency** to authorize the issuance and sale of General Obligation Bonds in the maximum principal amount of \$68,000,000 with a maximum maturity of 30 years. The actual issuance may be less than \$68,000,000 and 30 years but may not exceed these amounts. The accompanying legislation was drafted by outside legal counsel and approved by the City Attorney's office.

Requested Legislation and Funding

Legislation Needed:	Ordinance
Emergency/Waiver:	Emergency
Vendor Name:	N/A
Vendor Address:	N/A
Already Appropriated:	N/A
Supplemental/Transfer:	N/A

ACTION ITEM #2: ORDINANCE FOR SUPPLEMENTAL APPROPRIATIONS

The Administration has identified available unreserved fund balances in the General Fund and Capital Improvement Fund to provide some cash financing for the 825 Tech Center Drive project discussed in Action Item #1. To provide a maximum maturity of 30 years, a weighted average calculation is performed based on the estimated useful life of the underlying assets being purchased with the bonds. Furniture, Fixtures, & Equipment (FFE) have an estimated useful life of approximately 10 years, while all other components have a useful life of 30 years or more. After consultation with the City's investment advisors, the Administration recommends using \$3M of available Capital Improvement Unreserved Fund Balance for FFE to provide a maximum maturity of 30 years. This allows for better cash flow management to meet debt service requirements while still enabling the City to accomplish other projects identified in the Capital Improvement Plan.

Included within the cost estimates for the construction, renovations and improvements are a number of allowances and contingencies. Most of these have the potential of decreasing as the first stage of the project is awarded and the second stage is issued for bid. Rather than borrow and pay interest for expenses that may or may not occur, the Administration recommends using \$7M of available General Fund Unreserved Fund Balance for this purpose.

The Administration is respectfully requesting an Ordinance for supplemental appropriations in the amount of \$3M from the Capital Improvement Fund and \$7M from the General Fund for the purposes described above.

Requested Legislation and Funding

Legislation Needed:	Ordinance
Emergency/Waiver:	N/A
Vendor Name:	N/A
Vendor Address:	N/A
Already Appropriated:	N/A
Supplemental/Transfer:	
\$3,000,000 Unappropriated/ Unencumbered Fund Balance Capital Improvement (3250) to 325.06.550.5510 – Capital Improvement Fund Capital Equipment.	

\$7,000,000 Unappropriated/Unencumbered Fund Balance General Fund (1010) to 101.06.250.5505 - Finance Administrative & Operational Services Division Capital Improvement.