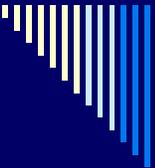


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Local Government Conference – April 7, 2010

# Ohio Public Works Commission

Matt Markey, Chief Fiscal Officer  
Linda Bailiff, Program Administrator  
Abbey DeHart, Loan Officer



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## Presentation Overview

Introduction – Matt Markey

Program Information – Linda Bailiff

Loans – Abbey DeHart

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## Introduction

Matt Markey

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## Program Information

Linda Bailliff

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## District Integrating Committees

- Funds allocation to 19 District Public Works Integrating Committees on a per capita basis
- Committees made up of local government & private sector representatives (ORC 164.04)
- Local decision-making: projects scored/ranked based on factors in state law (ORC 164.06 & 164.14) but methodologies vary by district

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## Infrastructure Programs

- State Capital Improvement Program (SCIP)
  - Small Government
  - Emergency Funds
- Local Transportation Improvement Program (LTIP)

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## State Capital Improvement Program (SCIP)

- Created in 1987 and renewed in 1995 & 2005 by amendments to the Ohio Constitution allowing the state to use general revenues as debt support and issue general obligation bonds
- \$120 million/year but increasing to \$150 million/year (beginning w/ Agreements released July 2011)

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## SCIP Applicants

- Counties
- Cities
- Townships
- Villages
- Water / Sewer Districts (ORC 6119 or 6117)

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## SCIP Eligible Infrastructure

- Roads
- Bridges & Culverts
- Water Supply
- Wastewater
- Solid Waste
- Storm Water

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## SCIP Funding Types

- Grant
  - Up to 90% funding for repair/replacement
  - Up to 50% funding for new/expansion
- Loan – Up to 100%
- Loan Assistance/Credit Enhancement - Grant used to pay interest on public or private loan for construction period plus one year or to pay premium for bond insurance policy to improve rating

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## Local Transportation Improvement Program (LTIP)

- Created by Ohio Legislature in 1988 to provide the equivalent of 1¢ of motor vehicle fuel tax per year for roads & bridges
- Annual amount fluctuates with gas tax receipts
- Grant Money

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## LTIP Applicants

- Counties
- Cities
- Townships
- Villages

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## Program Schedule (specific to each District)

**July-September:** Local Communities are provided materials for upcoming funding round and notified of application deadlines.

**September-December:** Districts review and score applications.

**January-March:** Districts submit applications to OPWC.

**January-June:** OPWC reviews/approves district recommendations, and notifies communities with pre-award letter March thru June.

**July 1<sup>st</sup>:** Project agreements are released.

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## Small Government

- \$12 million/year
- Grants and loans to villages & townships with populations in the unincorporated areas of less than 5,000 in population
- Up to 5 applications per District
- Applicants have 30 days to enhance apps according to SG criteria
- Selection in April/May; Agreements released July 1

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## Emergency Funds

- \$2.5 million/year
- Immediate Threat to Health and Safety
- Typically a natural disaster type situation; **NOT** for delayed maintenance or something foreseen
- Submitted directly to OPWC throughout year; Approval at Director's discretion

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## Clean Ohio Conservation Program

- Approved by voters in 2000 & again in 2008
- \$37.5 million/year allocated to 19 Natural Resources Assistance Councils (NRACs)
- Eligible applicants: local subdivisions & nonprofits
- Grants for open space acquisition & related development, and for protection/enhancement of riparian corridors (stream channel) or watersheds

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## Application Procedures

- District Integrating & NRAC methodologies & applications on OPWC website [www.pwc.state.oh.us](http://www.pwc.state.oh.us)
- Application packets include samples of required attachments
- Due dates for submittal vary by District & are typically posted to OPWC website in July

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# Loans

Abbey DeHart

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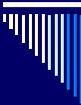
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# Loan Types

- The Ohio Public Works Commission provides two types of loans:
  - State Capital Improvement Program (SCIP) Loans
  - Revolving Loan Program (RLP) Loans

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# SCIP Loans

- Minimum of 20% of each District's annual allocation must be awarded in the form of loans
- Repayments from SCIP loans are recycled back to each district through the Revolving Loan Program

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## RLP Loans

- ❑ Funded through repayments of SCIP loans
- ❑ RLP loan repayments vary
- ❑ Allocations inconsistent from program year to program year
- ❑ Allocations will be provided each program year based on the actual cash received from SCIP loan repayments within each district
- ❑ Loan Repayments (principal and interest) will be allocated back to the originating District

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## Eligibility

- ❑ Application is made to the District Integrating Committee
- ❑ Loan can be for up to 100% of the project costs
- ❑ Local CFO to provide a statement in application indicating how the loan will be repaid and the term of the loan requested

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## Term/Rate

- ❑ **Dollar Limit**
  - No minimum or maximum loan amount
- ❑ **Term**
  - Cannot exceed the useful life of the project, or thirty (30) years, whichever is less
  - Minimum term is one year
- ❑ **Interest Rate**
  - District Integrating Committee will recommend the rate of interest for each loan. Interest rates will be 0% to 3%.

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## Repayment

- Begins after the project is completed and the loan amount is finalized
- Final amortization schedule will be mailed to the Chief Financial Officer of record upon completion
- First payment will be due on **January 29<sup>th</sup>** or **July 1<sup>st</sup>** after the completion of the project
- Payment due every January and July
- Loans may be paid in full at any time with no penalty

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## Loan Procedure

1. Loan application submitted to District Integrating Committee
2. Loan is awarded by District and submitted to OPWC for approval
3. Project agreement is sent out to applicant
4. Applicant signs project agreement and promissory note and returns to OPWC
5. Upon receipt of agreement, Loan Officer sends out preliminary amortization schedule to CFO on record

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## Loan Procedure – Preliminary Amortization Schedule

- Repayment amount is based on full loan award amount
  - Applicant does not have to use all the funds
  - If there is a grant/loan combination, grant dollars are used first
- Repayment date is based on *estimated* completion date in application which can change
- Cover letter with amortization schedule details term of loan and other important information — keep on file!

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**Loan Procedure (continued)**

- When project is complete Project Manager has 60 days to submit a Project Completion report to OPWC (by filling out the Disbursement Request)
- Upon receipt, OPWC will close out loan and put into billing Project agreement is sent out to applicant
- Loan Officer will change loan amount to reflect the final amount of dollars used on the loan which can be full amount or lesser amount
- Loan Officer will then send out Final Amortization Schedule to local CFO

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**Loan Procedure –  
Final Amortization Schedule**

- Loan amount and due dates based on *actual* loan amount used and *actual* completion date
- First payment date will be in January or July whichever is the next date after put into billing
- Cover letter with amortization schedule details term of loan and other important information — keep on file!

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**Loan Procedure (continued)**

- Local governments will receive a loan invoice biannually 45 days before the due date
- Loans are paid by **check only** to:  
Ohio Treasurer, Kevin Boyce  
Ohio Public Works Commission  
65 East State Street, Suite 312  
Columbus, Ohio 43215

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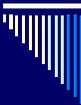
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## Loan FAQ's

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**Q: Who is the invoice sent to for my loan?**

- The invoice is sent to the Chief Financial Officer on record for the project
- This was filled out on the original project application
- If there are changes:
  - Change of CFO/Loan Billing Address Change Form on the web
  - OR you can submit the change in the area provided at the bottom of your loan invoice

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**Q: I am an auditor and cannot find a copy of the amortization schedule or loan balance on the website. Where can I find this information?**

- The amortization schedule is not viewable online. Please contact the Loan Officer if you'd like a copy of the amortization schedule.
- OR view our most updated loan spreadsheet by visiting our website

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**Q: We have a grant/loan combination for a project. Can my subdivision receive reimbursement for the loan portion of the project?**

- If the CFO on record filled out the Notification of Disbursement Method form to say "Yes, the subdivision may need to seek reimbursement" then yes.
- This form is located in your project agreement and if you are seeking reimbursement, a resolution must be passed and submitted to OPWC for our files.

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**Q: We have a grant/loan combination for our project. What happens if we don't end up needing the loan?**

- The money is returned to your District's allocation and the loan will be terminated
- Grant dollars will always be used before loan dollars when disbursements are being made

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**Q: Our local government has multiple loans in repayment with OPWC. When we make loan payments back, can we put these all on one check or do we need to produce separate checks for each loan?**

- You have the option of doing it either way.
- Please document which project numbers are being included on the check or attach copies of all the invoices to that check or checks.

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**Q: Can I make my semi-annual loan payment by direct deposit or by wire to OPWC?**

- No, we only take checks through the mail as a form of payment. No deposits are to be made to any Auditor of State lock boxes.

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**Q: I received an initial amortization schedule when our project started stating that my payments were to begin last year; however, I have not yet received an invoice? What is going on?**

- Refer to our original loan procedures:
  - Initial amortizations are based on estimated completion dates and full award amount.
  - **FINAL** amortization will give the actual due dates on the loan and actual loan amount used.
  - Once final, the loan is put into billing you will receive notification with a final amortization schedule and revised due dates.
  - You can check the status of your project and if it is in billing yet by viewing the Current Loan Spreadsheet on our website.

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**Q: How do I record loan debt with OPWC on my books?**

- House Bill No. 230, Section 133.04(B)(7) states:
  - “In calculating the net indebtedness of a subdivision, none of the following securities, including anticipatory securities issued in anticipation of their issuance shall be considered: ... (7) Securities issued to evidence loans from the State Capital Improvements Fund pursuant to Chapter 164 of the Ohio Revised Code...”

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**Q: How do I record loan debt with OPWC on my books? (CONT)**

- When recording OPWC loans on local debt schedules, the local government is only required to record the amount actually drawn from the loan as of the date of the debt schedule.
- Local governments do not need to record the estimated dollar amount on the initial amortization
- Once a loan is finalized, a revised amortization schedule will be sent to the local government with the final amortized loan amount.

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### Loan Information

- For more information you can contact:
  - Abbey DeHart at 614-728-2466
  - [Abbey.DeHart@pwc.state.oh.us](mailto:Abbey.DeHart@pwc.state.oh.us)
- Visit our website at:
  - [www.pwc.state.oh.us](http://www.pwc.state.oh.us) and click on Loan Program
    - Spreadsheet with Loan Info
    - FAQ's
    - All loan forms

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# Thank you!

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