

CUYAHOGA FALLS CITY COUNCIL

Minutes of the Meeting of the Finance & Appropriations Committee

May 18, 2015

- Call to Order The meeting was called to order by Mrs. Klinger, Chair, at 7:02 p.m. A quorum was present.
- Approval of the Minutes Without objection, the minutes of the meeting of May 4, 2015 were approved as submitted.
- Agenda Items
- Temp. Ord. B-36 An ordinance providing for the issuance and sale of Bonds in the maximum principal amount of \$6,300,000 for the purpose of paying the costs of revitalizing the State Road Redevelopment Area by acquiring, clearing and improving certain properties in that area, authorizing execution and delivery of a Bond Registrar Agreement and Bond Purchase Agreement with respect to the Bonds and related matters, and declaring an emergency.
- Proponent testimony was offered by Finance Director Bryan Hoffman. Mr. Hoffman stated that the Portage Crossing development has carried some debt over the years. The current debt is "in short-term issuance." Based on historical interest rates and current interest rates, the time is right to turn this into a "longer-term debt issuance" and lock in the interest rates based on market conditions. A tax-increment financing agreement is in place. The City will be using payments in lieu of taxes from the real estate subject to that agreement to make the debt payments on these new bonds that the City will be issuing.
- The Chair stated that these bonds will be taxable bonds inasmuch as the related project is a for-profit enterprise. The Chair asked Mr. Hoffman to review the total estimated issuance costs. Mr. Hoffman stated the costs could be as high as \$150,000, which is what is anticipated by the City. There are more legal issues involved with long term bonds and debt strategies are involved. Administration members will be travelling to make a rating presentation to Moody's and that will add to the cost. Long term bonds cost more to issue than short term notes.

The Chair asked what the City anticipates will be the interest rate for the bonds. Mr. Hoffman stated the City anticipates the blended yield will be 4% to 4½%.

There was no opponent testimony. There was no public comment.

Motion by Mr. James to release Temp. Ord. B-36 with a favorable recommendation. Seconded by Mr. Iula adopted by acclamation.

Non-Agenda Items

None

Without objection, the Chair adjourned the meeting at 7:06 p.m.



Carol A. Klinger, Chair



Paul A. Janis, Clerk of Council