

**Cuyahoga Falls City Council**  
**Minutes of the Finance Committee Meeting**  
**September 8, 2009**

**Members:** Don Walters, Chair  
Debbie Ritzinger  
Carol Klinger

Mr. Walters called the meeting to order at 6:30 p.m. All committee members were present.

The minutes from the July 20, 2009 and July 27, 2009 committee meetings were approved as submitted.

**Legislation to be Discussed:**

Temp. Ord. B-71  
Temp. Ord. B-75  
Temp. Ord. B-76  
Temp. Ord. B-77

**Discussion:**

Mr. Walters stated the Committee would continue to hold B-71 at the request of Administration, and added that Mrs. Truby would be giving an update on the matter at the end of tonight's committee meeting.

**Temp. Ord. B-75**

An ordinance providing for the issuance and sale of bonds in the maximum principal amount of \$5,200,000 to refund at a lower interest cost certain of the City's outstanding Various Purpose Bonds, Series 1997-1 which were issued for the purpose of (i) paying a portion of the costs of improving the recreational facilities in the City by constructing the Water Works Family Aquatic Center; (ii) improving the municipal waterworks system in the High Pressure Water District; and (iii) constructing sanitary sewer lines; authorizing the call for optional redemption of those outstanding bonds; authorizing execution and delivery of a Bond Registrar Agreement and Bond Purchase Agreement with respect to the refunding bonds and an Escrow Agreement with respect to the refunding of the outstanding bonds, and related matters; and declaring an emergency.

Mr. Brodzinski thanked Council for having the special meeting last week to introduce these pieces of legislation. The urgency is due to the August recess and also the timing for discussions with Moody's, the timing for refinancing and issuing an official statement and selling the debt. Mr. Brodzinski stated that this legislation, along with B-76, is basically the same concept as when people refinance their homes. The City previously issued bonds for the Rec Levy. Based on the current interest rates vs. the rates then, the City will save slightly more than \$507,000 from 2010 to 2017. This is based on what the current market looks like and is an estimate as of now. They will not know the exact savings until the bonds are actually sold. Mr. Walters confirmed that the \$507,000 savings was just for this piece of legislation. He asked about the fees. Mr. Brodzinski stated the fees were built into the refinancing and includes bond counsel

fees and related discussions with Moody's, underwriter's fees and broker fees. The tentative estimate for underwriting is typically \$8.50 per \$1,000 of issuance, one-half of which goes to the broker who sells the bonds on the market. Mr. Walters stated the \$507,000 is worth our while even with those numbers built into it. Mrs. Klinger asked what the City's interest rate was on the bonds being retired. Mr. Brodzinski stated it was 3.8% to 5.25% for the 1997 issue. Mrs. Klinger stated that this legislation had a cap at 6% and asked what Mr. Brodzinski anticipated receiving. Mr. Brodzinski felt the City would receive 2% or slightly less and then raise up a little bit. Mrs. Hummel asked if this was just a straight conversion in terms of what the City owes and asked if anything was being paid down. Mr. Brodzinski stated this was to retire the bonds outstanding after making a payment in 2009. It will go up slightly for the issuance costs. Mr. Mader asked about the effect on the high pressure district. Mr. Brodzinski stated this will affect it because part of these bonds are for the high pressure district. Once he gets the financing numbers and combined numbers, it will be a positive effect towards it.

*Committee recommended bringing out Temp. Ord. 75.*

**Temp. Ord. B-76**

An ordinance providing for the issuance and sale of bonds in the maximum principal amount of \$4,900,000 to refund at a lower interest cost certain of the City's outstanding Various Purpose Improvement Bonds, Series 1998 which were issued to pay costs of (i) improving the recreational facilities in the City by constructing the Water Works Family Aquatic Center; (ii) improving the municipal waterworks system in the High Pressure Water District; and (iii) constructing sanitary sewer lines; authorizing the call for optional redemption of those outstanding bonds; authorizing execution and delivery of a Bond Registrar Agreement and Bond Purchase Agreement with respect to the refunding bonds and an Escrow Agreement with respect to the refunding of the outstanding bonds, and related matters; and declaring an emergency.

Mr. Brodzinski stated this was to refund the old bonds from 1998 which has interest rates from 3.05% to 4.7%. This is identical to the discussion on the previous ordinance. Savings on this refinancing is anticipated to be \$324,000 for a combined savings of \$835,000 on both. The only difference between this legislation and the last is that the savings on this will be from 2010 – 2018 because they were issued a year later. Mr. Brodzinski stated they were looking at refinancing next year but the market started to change. What they are seeing now is pretty much unheard of. Mrs. Klinger commented that these were bonds issued under Huntington Bank as paying agent but the other bonds used The Bank of New York. Mr. Brodzinski stated they were going to use Huntington Bank on both.

*Committee recommended bringing out Temp. Ord. 76.*

**Temp. Ord. B-77**

An ordinance providing for the issuance and sale of bonds in the maximum principal amount of \$8,100,000 for the purpose of paying a portion of the costs of constructing a Community Recreation Center and acquiring real estate and interests in real estate therefor, authorizing execution and delivery of a Bond Registrar Agreement and Bond Purchase Agreement, and related matters; and declaring an emergency.

Mr. Brodzinski stated this legislation was not a refinance but was a new issuance. In 2004, the City issued bonds for a piece of the Natatorium construction building and everything else remained in notes. Because of the rates, they want to pay down on the notes this year as budgeted and turn the \$7.9 million of outstanding notes into bonds and pay for the next several years as they move forward. They want to take advantage of the interest rates they can get today. Mrs. Klinger asked why they wouldn't bond out more than \$19 million. Mr. Brodzinski stated they are looking at paying aggressively on the notes. Mrs. Klinger asked why the City wouldn't bond out more. She commented on the debt being freed up to apply against funds coming out of water, sewer and rec levy. This is out of the leisure fund. Mr. Brodzinski stated it was still enterprise funds. Mrs. Klinger stated she was not talking about savings. She was talking about the amount of bonding.

***Committee recommended bringing out Temp. Ord. 77.***

Mrs. Truby gave an update on the State Road Shopping Center. She stated they are still having meetings to negotiate the Development Agreement. From the Developer's standpoint, there is good news. The original proposal called for retail and residential, however, the retail response has been so positive that the Developer is leaning towards 100% retail. This has caused a change in some of the details. She is hopeful to have something to present at the next committee meeting. If not, they will be waiting another two weeks. Their goal is to show a detailed and fully comprehensive plan to Council members. Mr. Walters requested that when a final agreement is reached, it be given to Council members prior to the meeting so they have time to review it.

Meeting adjourned at 6:48 p.m.