FINANCE COMMITTEE
MONDAY JULY 20, 2015

COMMITTEE MEETING:

PLACE: COUNCIL CHAMBERS
7232 E. MAIN ST, REYNOLDBURG, OH 43068

1. Call to Order

   PRESENT: Barrett, Kelly, McGrady III, Clemens, Cotner, Long, Skinner, Joseph
   ABSENT:

2. Approval of Agenda

   Agenda stands approved.

3. Approval of Minutes

   a. Finance Committee – Committee Meeting – July 6, 2015

   Minutes stand approved.

4. Discussion

   a. An Ordinance Authorizing the Execution and Delivery of a First Amendment to the Lease Dated as of December 1, 2011 and a First Supplemental Trust Indenture in Connection with the $9,000,000 Health Care Facilities Revenue Bonds, Series 2011 (Wesley Ridge Residence Corporation) Previously Issued by the City of Reynoldsburg, Ohio; Providing for and Authorizing Certain Other Matters Related to Health Care Facilities Revenue Bonds Issued or to be Issued for the Benefit of Wesley Ridge Corporation; and Declaring an Emergency.

   Chairman Cotner: Mr. Harris.

   Mr. Harris: I have with me, Glen Pratt, from Dinesmore and Scholl. They are the Bond Council for the Methodist Retirement Services which operates Wesley Ridge. I have to explain what this lease agreement is, so you know what you are working on. The Ohio Revised Code allows people who are building things such as hospitals and retirement communities, that are 501C-3's, to use the City's name and bond rating to issue Revenue Bonds. We show them on our financial statements, but they are listed as part of the Wesley Ridge debt, and we have no legal responsibility to pay any off this debt, and it is noted on there. They have our name, but are not our bonds. Since these are Revenue Bonds, they don't have the City's Full Faith and Credit attached to them, which they would under General Obligation Bonds. Revenue Bonds, have to have a revenue stream in order to ensure the bond holders they will get their money. Any questions so far? So, the way they do the revenue, in this case, Wesley Ridge signed an agreement with the City, which has a formula in it and when they lease one of those properties down there, a percentage of that goes into a fund to pay the debt service. That's the revenue stream that is created. This has worked well for 15-18 years. What has happened to change this, the folks at Methodist Retirement Services are building a new facility in New Albany, and they have another group that is coming in to buy the debt, or the cost of building that facility. The people who are buying this, also own the bonds that they had with our name on them. They are giving them a better interest rate than what they currently have on those bonds. So, we have to change the master lease agreement with them because they don't need as much money to pay the debt service, as they did before, because the coupon rate has changed. Maybe you would be more familiar with this; if you have a house payment, and you refinance to a lower interest rate, your monthly payment decreases. Same thing here. Their interest rate is going down, so their payment is going down. We have to amend the lease agreement so we are not requiring them to put more money into the kitty than what they need to pay the bill. Any questions? We certainly appreciate Wesley Ridge being here. They have been good community members. They have a nice campus over there. They are great people to work with, and we enjoy having them here. And, we have certainly participated in everything that they have needed in the past. This is more administrative than anything else. They would like to have this passed next week. So, unless someone has a question, I would ask that you send this forward to be passed next week.

Chairman Cotner: Well if there are no questions for either of these gentlemen, I will make a motion that we send this to Council with recommendation for adoption.

Councilman Long: I second.

RESULT:	**REFERRED TO COUNCIL [UNANIMOUS]**	**Next: 7/27/2015 7:30 PM**
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Barrett, Kelly, McGrady III, Clemens, Cotner, Long, Skinner	

b. Ordinance Authorizing Mayor to Enter into Contract for Huber Park Master Plan Phase 2, Appropriating Funds Therefore, and Declaring an Emergency.

Chairman Cotner: Any questions or discussions on this? Yes, Councilman Clemens.

Councilman Clemens: The projected fees went from four to three phases. The projected fees for phase two are eight to ten thousand, and for phase three, fifteen to twenty-five thousand. So, if you put those two together, that's thirty-five thousand, yet I see they are asking for $56,700. Is there a reason there is such a difference.

Mayor McCloud: I will do the best I can to answer that. I don't have the previous documents with me. My recollection is that there were three to four phases that totaled, on the high end, about $50,000. But there were more than two phases. I can resupply that documentation. I do not have it in front of me, but I do recall it was like eight to ten, fifteen to twenty. And, if they were on the higher end of the spectrum, it would be around $50,000.

Councilman Clemens: That is different than what was brought to us. I am just curious as to what the difference is. If there is a difference that is fine. I am just curious as to why it is.

Mayor McCloud: It may be that once they did the first phase, they identified some issues that were unknown until after completion of that first phase.

Chairman Cotner: Mr. Mayor...

Mayor McCloud: It would be a detailed definition of all of the things that we could do, given the constraints of the flood way, the flood plain, the status of the current building, those kinds of things.

Chairman Cotner: If there are no other questions, I would like to make a motion that we sent this to Council next week with a recommendation for adoption as an emergency. A second by Councilman Barrett.

RESULT:	**REFERRED TO COUNCIL [UNANIMOUS]**	**Next: 7/27/2015 7:30 PM**
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Scott A. Barrett, Ward I	
AYES:	Barrett, Kelly, McGrady III, Clemens, Cotner, Long, Skinner	

c. Ordinance Authorizing the Mayor to Enter into an Agreement with Emh&T to Design and Bid the Livingston Avenue Improvement Project; Appropriating Funds Therefore; and Declaring an Emergency. (First Reading 7/13/2015 ~ Requests Passage as an Emergency at Second Reading.)

RESULT:	**REFERRED TO COUNCIL [UNANIMOUS]**	**Next: 7/27/2015 7:30 PM**
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Barrett, Kelly, McGrady III, Clemens, Cotner, Long, Skinner	

d. Ordinance Authorizing the Mayor to Enter into an Agreement with Phoenix Distributors, for the Trade in of Current Weapons. (Second Reading 7/13/2015).

RESULT:	**REFERRED TO COUNCIL [UNANIMOUS]**	**Next: 7/27/2015 7:30 PM**
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Dan Skinner, At Large	
AYES:	Barrett, Kelly, McGrady III, Clemens, Cotner, Long, Skinner	