

COUNCIL PRESENT: Dunagan, Wangemann, Hamrick, Figueras, Bruner
STAFF PRESENT: Padgett, Sheppard, Palmour, Jordan

Mayor Dunagan called the meeting to order.

PURPOSE: To adopt a resolution to issue bonds to finance the acquisition of the Hall County jail and to refinance revenue bonds associated with the Lee Gilmer Memorial Airport Project.

PRESENTATION:

Dianne McNabb, Public Financial Management, commented on the refinancing of the airport bonds noting the interest rate was currently around 5.7%. The interest rate on the new bonds was expected to be 2.25% or 2.5%. The savings are estimated to be between \$30,000 and \$35,000 a year with a total savings of approximately \$320,000.

The interest rate on the bonds for the jail was expected to be around 3.8% to 4%. This is a high rate because the bonds will be taxable. Ms. McNabb explained why they would be taxable bonds indicating it was mainly due to the use of the building. It was possible that the bonds will go out for 15 years and be callable/refinancable after 7 years. At that time, if the Corrections Corporation of America (CCA) is no longer under contract and the property is truly city property, the bonds could be refinanced as non-taxable bonds.

Upon inquiry from Council Member Hamrick, Ms. McNabb stated the difference between a 5 year callable/refinancable bond and a 7 year callable/refinancable bond could be as much as 20 basis points. She stated if the bonds were non-taxable, the rate would be around 2.5%. The difference is the lease with CCA.

Upon inquiry from the Mayor, Ms. McNabb stated the committee would determine if other options were available as the call date approaches.

RESOLUTIONS:

BR-2012-30

Intergovernmental Agreement for Issuance and Delivery of the Gainesville Redevelopment Authority Revenue Bonds (Airport Project and Hall County Jail)

Terri Finister, Murray Barnes Finnister LLP, stated the resolution approves an intergovernmental contract. They will return with the details at the next Called Meeting regarding the bonds. This resolution allows them to start the process.

Motion to adopt the resolution BR-2012-30 as presented.

Motion made by Council Member Bruner

Motion seconded by Council Member Figueras

Votes favoring the motion: Dunagan, Wangemann, Hamrick, Figueras, Bruner

Ms. McNabb stated when they return for the next meeting, it will be specifically to discuss the bonds. There will not be an opportunity to change the call date or structure of the bonds. She indicated they have reviewed all of the outstanding bonds to determine which would be feasible to address.

ADJOURNMENT: 9:17 AM

DJ/ag

C. Danny Dunagan, Mayor

Denise O. Jordan, City Clerk