

**CITY OF PALMETTO
CITY COMMISSION WORKSHOP MEETING
May 20, 2019
4:30 PM**

ELECTED OFFICIALS PRESENT:

Shirley Groover Bryant, Mayor
Tamara Cornwell, Vice Mayor, Commissioner-at-Large 2
Jonathan Davis, Commissioner-at-Large 1
Harold Smith, Commissioner, Ward 1
Tambra Varnadore, Commissioner, Ward 2
Brian Williams, Commissioner Ward 3

STAFF PRESENT:

Mark Barnebey, City Attorney
Jim Freeman, City Clerk
Mohammed Rayan, Public Works Deputy Director
Scott Tyler, Chief of Police
Amber LaRowe, Assistant City Clerk

Mayor Bryant called the meeting to order at 4:30 p.m.

1. PUBLIC ADVISORY RESOURCE GROUP (PRAG) PRESENTATION

Mr. Freeman gave an overview of tonight's presentation. A copy of the presentation is attached to the minutes. Mr. Freeman introduced Molly Clark, PRAG.

Molly Clark, Managing Director-PRAG, made a presentation to the Commission to present the purpose and outcome of the request for proposal (RFP) and the recommendation for refunding the Bank of America loans. Ms. Clark reviewed the original loans from 2004, 2005, and 2007. When the City obtained these loans, there was a swap agreement where the City could swap the variable rate loans to a fixed rate loan. A Tax Act was adopted in 2018, which results in a payment mismatch on the swap agreement and introduces the City to a variable rate risk.

Commissioner Cornwell exited the meeting at 4:39 p.m. and returned at 4:53 p.m.

Ms. Clark explained that the Series 2019 Loan will fund the remaining principal balances of each of the existing loans, the loan interest accrued through the closing date, costs of issuing the new loan, and swap termination payment amounts associated with the old loans. This new loan will give the City a fixed rate as originally intended when entering into the 2004, 2005, and 2007 loans with the swap agreement. She stated that the principal amount of the note (this includes all three loans) is \$7,060,800.00. The 2019 loan, as of today, will be the same amount, \$7,060,800.00 for the City to pay back and will lock in a fixed interest rate. This includes the principal, the cost of issuance, and the swap termination fee.

Commissioner Varnadore would like to review the scope of services for PRAG.

The Commission and Mrs. Clark heavily discussed the London Interbank Offered Rate (LIBOR). [LIBOR is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.] Commissioner Smith and Commissioner Varnadore would like to hear from Attorney Barnebey on his opinions of this refinancing and the prior swap agreements for the loans. In addition, Mr. Freeman was asked to provide the Commission with a copy of the three loan agreements.

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Commissioner Varnadore exited the meeting at 5:41 p.m. and immediately returned.

Staff will bring forward more information at the June 3rd meeting for a decision to move forward or not with the refinance.

Mayor Bryant adjourned the meeting at 5:43 p.m.

MINUTES APPROVED: June 17, 2019

James R. Freeman

JAMES R. FREEMAN
CITY CLERK