



CITY OF GERMANTOWN TENNESSEE

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FINANCIAL ADVISORY COMMISSION MINUTES

Tuesday, July 20, 2017—6.00 p.m.

Economic & Community Development Blue Conference Room
1920 S. Germantown Road, Germantown, TN 38138

Members Present: Brian Carney, Blake Deaton, Clint Hardin, Alderman Rocky Janda, Walter Krug, Michael McLaughlin, Chris Miller, Frederick Miller, Julius Moody, Paul Mosteller, David Rea, Alan Richmond, Harold Steinberg, Brandon Westbrook, Scott Wickliffe

Members Absent: Hal Beckham, Ashley Hopper, Russell Johnson, Jason Lowe, Christine Menzel, Donnie Rose, Denise Stumph, Richard Vosburg, Brian White

CALL TO ORDER

Chairman Moody called the July 20th, 2017 Financial Advisory Commission meeting to order.

ESTABLISHMENT OF A QUORUM

Mr. Turner called the roll and announced that a quorum was present.

APPROVAL OF THE MINUTES

Mr. Richmond moved to approve the minutes from the June 15th, 2017 Financial Advisory Commission meeting. Mr. Mosteller seconded and the motion passed unanimously

REVIEW OF BOND RESOLUTION/MARKET CONDITIONS/TENTATIVE BOND CALENDAR & NEXT STEPS

Mr. Lawton said the next step in issuing a debt is to take the Bond Resolution to the Board of Mayor and Aldermen this coming Monday (July 24th, 2017); the first step was action taken by the Board on June 26th telling the public that our intention is to issue debt (Resolution of Intent). Per Mr. Lawton, there is also a twenty day protest period in which there is an opportunity to protest the bond (ten percent of signatures from citizens that voted in the last election is required). This protest period ended on Tuesday (July 18th) and no petition was filed.

Nick Yatsula of PFM Financial Advisors said the estimated costs for the Forest Hill Irene Road improvements and construction of the new Elementary School is \$5.8 million (over 20 years) and \$27 million (over 30 years), respectively.

Authorized Resolution details include:

- The bond issuance will not exceed \$34 million
- Interest rates will not exceed 5.00%
- Principal payment dates are due on August 1st of each year starting in August, 2018
- Interest payment dates are due on February 1st and August 1st

Mr. Yatsula said that PFM has been working with the City on updating the Preliminary Official Statement. This is the main offering document to investors which contain information about the bond, the City, the City's financials, etc. Mr. Lawton advised that typically when debt is issued, the City will have a conference call with the key rating agencies. He further advised that because of the size of this bond issue and all of the dynamics from an economic development, housing and education standpoint, it would be perfect to bring them out to see our community.

Key dates associated with the bond issuance include:

- July 24 – Authorizing Resolution to Board of Mayor and Aldermen
- August 16 – Standard & Poor's rating agency visit
- August 23 – Moody's rating agency visit
- September 11 – Bond sale and approval by Board of Mayor and Aldermen
- September 28 – Bond closing

Mr. Yatsula said the next phase is an update on the general market conditions to give us an idea of pricing and what to expect. Right now it's a little too early to place coupons and determine yield assumptions to figure out what the overall or True Interest Cost (TIC) of the bond would be at this point. He advised that as we get closer to the date PFM will definitely keep a close eye on market conditions.

****MOTION****

Mr. Steinberg made a motion to move forward with proposed calendar and bond issue as presented tonight. Mr. Hardin seconded and the motion passed unanimously

OTHER BUSINESS

Mr. Lawton advised that he spoke with GMSD Superintendent Jason Manuel earlier today regarding the offer of purchasing Shelby County School(s). That date of acceptance has come and gone and we haven't heard back from anyone at SCS. Mr. Lawton, Mayor Palazzolo, Superintendent Manuel and an official chairman of the school board were appointed as a negotiating team. He believes that Superintendent Manuel wrote a letter sometime in June to the district stating that we were still open for conversation. His understanding is that the Chairman of the Germantown Board of Education failed to send a letter to Shelby County Schools stating that we are moving forward with construction.

Alderman Janda thanked commission members for their participation and urged that they re-apply next year.

ADJOURNMENT

Mr. Mosteller moved that the meeting be adjourned. Mr. Miller (Frederick) seconded and the motion passed unanimously.