

**THESE MINUTES ARE NOT OFFICIAL
UNTIL ADOPTION BY THE FINANCE
COMMITTEE**

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DRAFT ONLY 4

MEETING OF THE FINANCE COMMITTEE

May 31, 2012

MINUTES NOT COMPLETE

A meeting of the Finance Committee was held at the Murdock Administration Center, County Administrator's Conference Room, Room 538, Port Charlotte, Florida. The following were present: Commissioner Robert (Bob) Starr, Chairman Christopher (Chris) Constance, Clerk of the Circuit Court Barbara T. Scott, County Administrator Raymond Sandrock, County Attorney Janette S. Knowlton, and Chief Deputy Board Services Tommy Q. White. Others in attendance were Finance Director Ann Larrivee, Minutes Supervisor Joanne Lansing, Deputy Clerk Michelle DiBerardino, County Financial Advisor First Southwest Company Gary Akers, and Citizen Joseph Tiseo.

1. Call to Order

Chairman Constance called the meeting to order at 2:30 P.M.

2. Introductions

Chief Deputy Board Services White introduced Committee Members and other attendees.

3. Approval of Finance Committee Minutes – December 17, 2010

MEMBER STARR MOVED APPROVAL OF THE DECEMBER 17, 2010 FINANCE COMMITTEE MINUTES, SECONDED BY ADMINISTRATOR SANDROCK AND DECLARED UNANIMOUS.

4. Refinancing of Murdock Village Loan

Member White noted the item is the main purpose of the Meeting and explained the County had borrowed approximately \$90 Million beginning nine (9) years ago of which \$88 Million was with Bank of America. **Member White** indicated there had been a series of one year loans for six (6) years which the Board had agreed to convert to a three (3) year fixed rate loan which had been paid down by \$30 Million and advised the loan was coming due on June 30, 2012. **Member White** stated the County has historically low interest rates, explained that with the help of the County Financial Advisor, the County began a bid situation, expressed the desire to give the Board as many options as possible, they had asked for a short term variable rate loan, or fixed five year loan, fixed ten year loan, or fixed 15 year loan which is what is left on the 20 year amortization. **Member White** explained Mr. Akers sent out 23 bid packets to various local, regional, and national banks. Of the 23, five responded. Mr. Akers distributed handouts to the Board. **Member White** reviewed the contents of the packets and responded to inquiries. Finance Director Larrivee recollected \$3 Million was originally set aside from the One Penny Sales Tax. Administrator Sandrock gave related detail. There was discussion related to Tax Incremental Financing. **Member White** described proposals by P&C, SunTrust, JP Morgan Chase, and Bank of America, indicated Bank of America was proposing a fixed rate for ten years of 2.95, and stated that all

the proposals had a fifteen year amortization. **Member Starr** clarified **Member White's** recommendation to go with Bank of America for ten years at 2.95% and agreed.

MEMBER STARR MOVED THAT THE FINANCE COMMITTEE RECOMMEND TO THE BOARD OF COUNTY COMMISSIONERS TO ACCEPT THE BANK OF AMERICA PROPOSAL WITH A TEN (10) YEAR MATURITY ON THE \$49,095,000 FOR TEN YEARS, SECOND BY MEMBER SCOTT, AND DECLARED UNANIMOUS.

Chairman Constance requested total principal and interest paid and total principal and interest left at the end of ten years. **Member White** responded in detail.

Citizen Tiseo requested to speak, questioned the collateral on the loan, commented on land swaps, and asked if the County could provide owner financing if a developer is interested in purchasing the property. Discussion ensued.

5. Discussion of possible refinancing of 2003A Bonds – Tommy Q. White

Member White explained the item in detail, gave related history, acknowledged the Bonds have nine (9) years left, noted why the County did not refinance last year, gave options, mentioned a proposal received by Raymond James, suggested doing a nine (9) year fixed rate tax exempt bank loan at 1.95%, requested consensus to research the item further and bring it back to the Committee for review, and responded to inquiries. **Mr. Akers** gave related detail. **Citizen Tiseo** commented further. **Member White** pointed out that all unknowns, such as liquidity fees and letter of credit fees, would be eliminated over the next nine years and explained if the County couldn't this without breaking even, then it would not be done. **Chairman Constance** clarified the County is looking to gain revenue from doing it. **Member White** indicated the first proposal showed a \$300,000 gain. **(Consensus Received to research doing a nine (9) year fixed rate tax exempt bank loan at 1.95% and to bring it back to the Committee for review)**

6. Discussion of possible refinancing and restructure of Limited General Obligation Bond – Series 2008 (Environmentally Sensitive Lands) – Tommy Q. White

Member White described the item and projections, gave historical detail, indicated the amount owed is \$41,753,350 out of \$51.8 Million, requested being able to pursue re-financing because of lower rates, distributed handouts to the Committee, provided an explanation, and responded to Committee inquiries. **Mr. Akers** and **Member Sandrock** provided additional detail. **Mr. Tiseo** described growth from a layman's point of view. **Chairman Constance** commented further. **Member Starr** requested being given a scenario at the lowest rate and commented on European bond and stock markets. **Member White** pointed out the refinancing has to be done September 1st, 2012. Discussion ensued. **(Consensus for Member White to work on a lowest rate scenario and to bring back to the Board for approval.)**

Member White revisited Item 5 related to the 2003A Bonds, stated the current cost is the liquidity provider, and explained when the bonds are marketed, buyers have to know that when the bonds become due, if those bonds are not marketed again, the buyers get their money back. **Member White**

continued the County pays 85 basis points with a three year commitment, stated there was one year left, and noted he had received a proposal resulting in a significant savings. **Member White** explained that if the County amends the current contract for the remaining year with an August deadline, the County will receive 42 basis points, described additional options, and addressed questions. Member Starr stated he would like to see the bottom line. **Member White** advised he would get the proposals in writing for each option and add it to the Board Agenda in July. (**Consensus Received**)

7. Other Items – Tommy Q. White/Group

Member White mentioned Public Works would be looking to borrow \$14 Million in August for paving projects, indicated he would bring it to the Board, distributed copies of the County's debt, provided an explanation, and addressed inquiries. Mr. Tiseo commented on the swap that expires in 2021. Discussion ensued. **Member White** commented on the possibility of shifting the sales of bonds in the future

8. Adjourned: 3:45 PM

Chairman

ATTEST:

**BARBARA T. SCOTT, CLERK
OF THE CIRCUIT COURT AND
EX-OFFICIO TO THE BOARD
OF COUNTY COMMISSIONERS**

By _____
Deputy Clerk

sfc