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**MINUTES OF THE AUDIT AND FINANCE COMMITTEE MEETING
FOR MONDAY, JUNE 10, 2019 AT 200 HIGHLANDS BOULEVARD DRIVE**

1. CALL TO ORDER

Chairman Bill Ward called the Audit and Finance Committee meeting to order at 5:37 pm.

2. ROLL CALL AND STATEMENT OF QUORUM

Roll call showed those present were Peter Bitzer, Alderman Baumann, Alderman Toben and Chairman Bill Ward. A quorum was present. Also in attendance were Ex-officio members Mayor Clement and City Administrator Larry Perney, Alderman Huether, Alderman Ottenad, support staff Director of Finance Donald Yucuis, City Attorney Paul Rost, Bond Counsel Shannon Walsh Creighton, and Financial Advisor Joy Howard.

3. ESTABLISHMENT OF ORDER OF ITEMS ON THE AGENDA

Chairman Ward made the motion to approve the order of items on the agenda. The motion was seconded by Alderman Baumann and approved unanimously.

A. Alderman Toben made a motion to approve the May 13, 2019 Audit & Finance Committee meeting Minutes, seconded by Alderman Baumann and approved unanimously.

B. A review of the Tax Increment Financing Refunding Memo dated June 7, 2019 ensued:

1. Shannon Walsh Creighton presented:

- i. PACE is the developer of record and have TDD Notes outstanding to repay costs of development. In 2010, PACE had \$5.9 million of notes outstanding and has grown to \$10.5 million.
- ii. PACE asked to refinance their notes in conjunction with the City's proposed refinancing of the outstanding TIF bonds (\$30.17 million), If the TIF bonds are refinanced the developer no longer is obligated to contribute the Transportation Development District (TDD) Source 5 revenue, which was in the original redevelopment agreement, to pay off the TIF Bonds. The \$700 to \$800 thousand would remain with PACE to pay off their Notes. Any change to Source 5 revenue would require a negotiation between the City and PACE. The Economic Activity (EATS) TDD portion remains in

place (called the Top Half) to pay off City bonds. The City would need to negotiate with PACE to stop contributing the \$352,000 City contribution.

- iii. The 1% TDD tax includes all businesses except for Costco.
- iv. The TIF District 1% tax includes all businesses except for Weekends Only and Randall's Liquor.

2. Joy Howard presented:

- i. The Preliminary Mathematical Computations dated May 29, 2019 for Refunding Tax Increment Financing Bonds financial analysis summary data was presented. The computations assumed a 4.5% conservative rate. The recommendation was for Option 1, less interest paid, lower reserve, helps the City pay off the TIF bonds a little sooner and helps the developer PACE look at refinancing their notes. The historical revenue track record is positive for bidders on the bonds.

3. A motion was made by Alderman Toben, seconded by Peter Bitzer to recommend Option 1 and approved unanimously by individual voice vote.

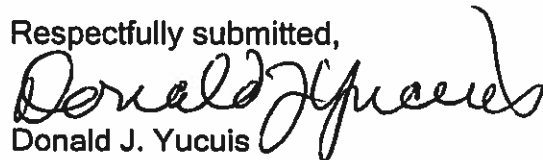
- C. Director of Finance Yucuis presented an Update of Investments-UMB TIF Holdings and transactions from March 31, 2019 to May 31, 2019 that depicts a good summary of the direction the Committee provided on liquidating investment holdings by Commerce Bank traders with maturities after August 26, 2026.

- D. The next meeting is scheduled for Monday August 5, 2019 at 5:30 pm.

4. ADJOURNMENT

At 6:50 p.m., there being no further business, Alderman Toben made a motion to adjourn, seconded by Chairperson Ward and approved unanimously.

Respectfully submitted,



Donald J. Yucuis
Director of Finance

Note: This is a journal of the Audit and Finance Committee meeting of Monday, June 10, 2019 (summary); not a verbatim transcript.