

CITY OF OPA-LOCKA

“The Great City”

CLERK’S ACTION SUMMARY MINUTES

SPECIAL COMMISSION MEETING

February 3, 2011

3:00 p.m.

City Commission Chambers

777 Sharazad Boulevard

Opa-locka, FL 33054

1. ROLL CALL:

The City Commission of the City of Opa-locka, Miami-Dade County, Florida, met in a special session on Thursday, February 3, 2011 at 3:00 p.m. in the City Commission Chambers, 777 Sharazad Boulevard, Opa-locka, Florida. The following members of the City Commission were present: Vice Mayor Dorothy Johnson, Commissioner Timothy Holmes and Mayor Myra L. Taylor. Also in attendance were: City Manager Clarence Patterson, City Attorney Joseph S. Geller and City Clerk Deborah S. Irby. Commissioner Rose Tydus was not present.

2. INVOCATION:

The Invocation was delivered by Mayor Myra L. Taylor.

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited in unison.

4. DISCUSSION:

REFINANCE THE CITY’S SERIES 1994 REVENUE REFUNDING BONDS AS SERIES 2011A BONDS AND ISSUE 2011B BONDS.

Manager Patterson advised that present at the meeting were the city’s financial advisor and the city’s bond counsel. The presentation would address those concerns in terms of the cost relating to refinancing the bond through banking institutions versus going out and issuing new bonds.

Edward Marquez of First Southwest Company came forward as the city’s financial advisor and rendered a slideshow presentation that included the background on the 1994 series bonds, RFP for tax exempt loan, estimated cost of issuance and timelines – bank loan versus bonds and limited use of new money proceeds.

Following the presentation, the City Commission individually asked questions relating to the refinancing of the city’s series 1994 bonds for a better understanding. To address the concern relating to the monies being utilized to pay for salaries, Attorney Geller said that

any loan to be used for operational purposes would not be tax exempt which this item is contemplated to be; however, to be absolutely certain and for the protection and comfort of the citizens of this city, he spoke with the bond counsel and asked him to revise the proposed ordinance to specify that no funds from this transaction can be used for any operational purposes.

Pedro Miranda of Squire Sanders serving as the city's bond counsel came forward and stated that the language would be included in the draft ordinance and draft resolution. Both documents will specify that the proceeds can only be used to refund the bonds. In terms of the new money bonds, the money can only be used to pay the capital improvement projects and the list would be included as an exhibit to the ordinance. In addition to that, language was added to both documents to state that the monies cannot be used to pay for operating expenses of the city.

Vice Mayor Johnson expressed her concerns relating the balance on the existing bond, the two million dollars in new money, and listed projects in the budget with the projection of monies coming in which gives the misperception that those projects are already funded in the budget.

Ezekiel Orji, Finance Director for the City of Opa-locka provided an explanation to Vice Mayor Johnson's concerns.

Of concern to Commissioner Holmes was that those projects listed as capital projects are already being funded. He said he would not support this item.

Commissioner Miller agreed with Commissioner Holmes.

Vice Mayor Johnson requested that the resolution be deferred to allow Commissioner Tydus an opportunity to express her concern.

Mayor Taylor expressed her concerns relating the amount of money the city was going for with the refinancing of the bonds

Mr. Marquez explained that the bonds being contemplated in the RFP right now is in two parts: the series "A" bonds which is just the refinancing piece, that's the bond issue just to take out the old 1994 issue of approximately 5.4 million dollars. The second piece is the 2011B bonds that is the new money piece that takes the savings of debt service from the refunding in Series A, extends out the life of the bonds so that the city can generate two million dollars. They are looking at issuing 7.5 million dollars, give or take a couple of thousand dollars. The amount in the ordinance is 8 million dollar because if the interest goes down the city can borrow a little bit more within the same revenue constraints provided by the administration.

Mayor Taylor said that the whole point of refinancing means that the city is going to walk away with something in order to fund the capital project.

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Mayor Taylor expressed her concerns relating the amount of money the city was going for with the refinancing of the bonds

Mr. Marquez explained that the bonds being contemplated in the RFP right now is in two parts: the series "A" bonds which is just the refinancing piece, that's the bond issue just to take out the old 1994 issue of approximately 5.4 million dollars. The second piece is the 2011B bonds that is the new money piece that takes the savings of debt service from the refunding in Series A, extends out the life of the bonds so that the city can generate two million dollars. They are looking at issuing 7.5 million dollars, give or take a couple of thousand dollars. The amount in the ordinance is 8 million dollar because if the interest goes down the city can borrow a little bit more within the same revenue constraints provided by the administration.

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Mr. Marquez explained that the bonds being contemplated in the RFP right now is in two parts: the series "A" bonds which is just the refinancing piece, that's the bond issue just to take out the old 1994 issue of approximately 5.4 million dollars. The second piece is the 2011B bonds that is the new money piece that takes the savings of debt service from the refunding in Series A, extends out the life of the bonds so that the city can generate two million dollars. They are looking at issuing 7.5 million dollars, give or take a couple of thousand dollars. The amount in the ordinance is 8 million dollar because if the interest goes down the city can borrow a little bit more within the same revenue constraints provided by the administration.

Mayor Taylor said that the whole point of refinancing means that the city is going to walk away with something in order to fund the capital project.

Mr. Marquez said that if the city extends out by two additional years, they would walk away with approximately two million dollars.

Of concern to Mayor Taylor was the fact that two million dollars for the list of capital projects is not a lot of money and would not go very far.

Dr. Orji said that the Commission would have the authority to select and prioritize the projects they want the monies to be vested in.

Mayor Taylor asked, is there another way for the city to get two million dollars other than refinancing the bond?

Dr. Orji said that it is the city's plan to look at other bonding capacities that the city has to get additional bond monies, but not with this particular refinancing.

Vice Mayor Johnson left the meeting at 4:10 p.m.

Mayor Taylor further voiced her concern relating to the two million dollars not being enough money to finish a project and that is why she asked were there other ways to get the two million dollars. The city is already paying the 5 million dollars with the half cent tax and the entitlement. The City Commission is not against the refinancing more than it needs specific information.

Commissioner Miller suggested that the city only refinance the existing bond for 5.3 million dollars.

Attorney Geller provided clarification on the refinancing of the city's series 1994 revenue refunding bonds as series 2011A bonds and the issuance of the 2011B bonds.

Commissioner Holmes left the meeting at 4:23 p.m. While exiting, he mentioned that the meeting could not continue due to the lack of a quorum.

Attorney Geller stated that the Commissioner is correct that the Commission would not be able to vote on anything due to the lack of a quorum. He continued with his explanation to the Commission in terms of the refinancing of the existing bond.

Mayor Taylor announced that she would like to turn the special meeting into a workshop due to the lack of a quorum.

Attorney Geller said he believed the meeting was noticed as a workshop/special meeting.

Both Mayor Taylor and Clerk Irby stated that the meeting was noticed as a special meeting.

Attorney Geller advised that the Commission is permitted to keep discussion, but they cannot vote on anything.

Mayor Taylor said she was not going to vote, however, a special meeting calls for a vote because there's a resolution on the agenda. Therefore, this meeting has to now turn into a workshop and the City Attorney can work it out, however, it gets to be put in the paper.

She further stated that the Commission doesn't have a presentation from the bond side, just the bank side which is from First Southwest. She asked, is First Southwest a bank?

As the city's financial advisor, Mr. Marquez said First Southwest is an investment banking firm and not a commercial bank. The figures are market data he compiled which are accurate representation of the current market costs for bond issue and for bank loans.

Mayor Taylor stated that she would like to refinance if the money would be enough to complete some capital projects, but she doesn't want a discord amongst the Commission. The City Commission must all agree and understand what they are doing.

She agreed with the bond refinancing only because she wants the capital projects off the ground and would like the interest rate reduced. Although she could not go forth with this item due to the lack of a quorum, she suggested that the City Manager bring this item back at the first meeting in February. In the meantime, she directed staff to do due diligence and clear up any misunderstanding.

Manager Patterson explained that the capital projects in the budget are only funded for the year at hand and the outer years are not funded.

Mayor Taylor stated that she must have a unified Commission when it comes to bond refinancing.

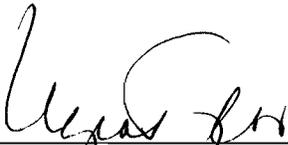
5. RESOLUTION:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, TO AUTHORIZE THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) TO SOLICIT PROPOSALS FROM QUALIFIED BANKING INSTITUTIONS FOR A "TAX-EXEMPT FIXED RATE LOAN" TO FUND AN AMOUNT NOT TO EXCEED EIGHT MILLION DOLLARS (\$8,000,000.00); PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE.

Please note: No action was taken on the above resolution due to the lack of a quorum.

6. ADJOURNMENT:

The meeting adjourned at 4:31 p.m.


MAYOR

ATTEST:


CITY CLERK