

**CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING
AS A COMMITTEE OF THE WHOLE
HELD: FEBRUARY 9, 2021
Highland Heights Community Center
7:30 PM**

PRESENT AT COMMUNITY CENTER: Mayor Brunello; Council Representatives D'Amico, DeLisio, DiLalla, Ganser, Hargate, Milroy, Stickan; Clerk of Council Cahill; Fire Chief Turner; Police Chief Cook; Service Director Belfiore; City Engineer Mader; Finance Director Filippo.

PRESENT VIA ZOOM: Director Paluf

APPROVAL OF MINUTES: The reading of the Minutes of the Committee of the Whole Meeting held January 26, 2021 was dispensed with. Mr. Hargate moved to accept the minutes as written; seconded by Mr. Milroy. Ayes all, motion carried.

AGENDA

Discussion of Capital Funds

Director Filippo suggested a 15–20-year debt repayment schedule. The shorter the length of the term, the higher the annual payments will become. \$1.1 million is collected for capital annually. The current debt is \$1.75-\$2 million. If \$7 million was borrowed, there will be \$5 million available for capital.

The debt service for \$7.5 million for 15 years is approximately \$550,000 annually which would start in 2022.

Mayor Brunello stated for 2021, \$1,000,000 will be transferred back to the General Fund which will have a capital fund remaining balance of approximately \$1.2 million.

Director Filippo responded to Mrs. Ganser's question that the interest rate will be approximately .9-1.7%.

Director Filippo responded to Ms. D'Amico's question that there is no pre-payment penalty. The general obligation with 1.19% for a 15-year payment is \$550,000. The general obligation with 1.45% for a 20 year payment is \$439,000 a year. Director Filippo favors the 1.19% for 15-year payment. These rates are based on debt service of \$7.62 million, which would allow for \$5 million in borrowing.

Director Filippo explained the total interest on the 15 year is approximately \$694,000. Total interest on 20 year is \$1.145 million.

Director Filippo explained the fees associated with borrowing \$5 million to \$10 million is approximately \$110,000-\$125,000. The majority of the fees is for bond counsel at approximately \$50,000; municipal advisor for approximately \$45,000. The cost can be rolled into the note.

Director Filippo suggested holding a Zoom meeting with bond counsel and council to finalize the dollar amount and review the capital need requests from Department Heads.

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Mr. Milroy questioned if the Service Department has investigated incorporating electric vehicles into the city's fleet as new vehicles are being purchased. Chief Turner stated there was a recent presentation on an electronic fire truck which had a cost of \$2.2 million. Chief Cook does not expect to purchase electric vehicles before 5-7 years.

President Stickan expressed the opinion of council that at least \$5 million with a 15-year period is favored. The amount may change as the capital need requests are reviewed.

Ms. D'Amico questioned if the road program was included in the borrowed amount. Mayor Brunello stated the funds will provide for road work and equipment capital needs. Director Filippo emphasized that the monies cannot be used for general operating.

Mayor Brunello stated a meeting on the 2021 Road Program with the City Engineer will be scheduled. Mayor Brunello will submit to Council the department's capital requests to be reviewed.

President Stickan stated a Zoom Committee of the Whole meeting will be held on February 16th at 7 PM to discuss borrowing with bond counsel and review the capital requests.

ADJOURNMENT: A motion was made by Mr. DiLalla and seconded by Mr. DeLisio to adjourn the meeting at 7:50 p.m. Ayes all; motion carried.