

**CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING
AS A COMMITTEE OF THE WHOLE
HELD: SEPTEMBER 28, 2021
City Hall Conference Room
Hybrid/Zoom meeting
7:00 PM**

PRESENT: Mayor Brunello; Council Representatives D'Amico, DeLisio, Ganser, Hargate, Milroy, Stickan; Clerk of Council Cahill; Finance Director Filippo.
VIA ZOOM: Council Representative DiLalla; Stephen Szanto & Greg Van Wagnen from Sudsina & Associates, LLC Registered Municipal Advisors.

**AGENDA
FUNDING OPTIONS FOR MUNICIPAL COMPLEX PROJECT
N.O.R.M.A.**

APPROVAL OF MINUTES: The reading of the Minutes of the Committee of the Whole Meeting held September 14, 2021, was dispensed with. Ms. D'Amico moved to accept the minutes as written; seconded by Mr. Hargate. Ayes all; motion carried.

FUNDING OPTIONS

Mr. Szanto and Mr. Van Wagnen provided a Capital Financing Overview packet for Council to review. Mr. Szanto recapped the June 2021 \$8 million bond issue. In May, the City received six bids and the lowest bidder had a 1.45% rate. If the city intends to seek a new bond issue, the information is current, the financials are the same and the interest rates remain low. The City is eligible for approximately \$8 million in new debt. Mr. Szanto suggests proceeding in December and close in January 2022. Closing in January 2022 would provide for bank qualified bonds and the funds would be available for the 2022 construction period.

Mr. Van Wagnen identified the competitiveness of the 2021 Bonds on page 1 of the packet. Page 2 & 3 illustrated negotiated sales in the market which highlighted the true dollar value reason for competitive bidding. Page 4 highlights bank qualified and non-bank qualified bonds. The City is eligible for \$8 million bank qualified debt service as long as an additional \$2 million in debt is not issued in 2022. Page 5 illustrates State mandated debt limitations for municipalities. The top chart details the Current Debt Outstanding. The middle chart details the Direct Debt Limits. \$15,204,885 is the limit to issue debt at an unvoted level. The proposed \$8 million is within that limit with \$7 million remaining. The bottom chart details the Indirect Debt Limit which is \$57,715,000.

Mr. Van Wagnen stated Page 6 highlights Debt Service Payments after 12/1/21 that would allow for a balance of limitation of \$15,470,000. Page 7 indicates as the assessed valuation increases; the debt limitations also increase. Page 8 illustrates as the tax-exempt debt obligations are paid down; the debt limitations increase. Page 9 indicates the current interest rates graph from 2016 to the present. The rates are currently at an all-time low with the chance of a slight increase in 2022.

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Mr. Van Wagnen stated that when the building projects are determined, a bond issue is recommended. Mayor Brunello stated the building project is in the preliminary stage and may not equate to \$8 million. Mayor Brunello discussed considering a one year note to address the roof and HVAC system at the Police & Fire Departments.

Mr. Van Wagnen stated the interest rates for notes are also extremely low. Director Filippo stated Council needs to determine how to proceed on bonds versus notes. Mr. Szanto stated the issuance of notes would take approximately 4-6 weeks; the issuance of bonds would take approximately 6-9 weeks.

Mayor Brunello advised that accurate project costs need to be obtained for the roof and HVAC system at the Police & Fire Departments. Council was concerned that the interest rates would rapidly increase. Mr. Szanto stated currently a 25-year bond has a 1.85-2% interest rate; however, next year the rates are anticipated to be approximately 3-3.25%. Council, Mayor, and the Administration thanked Mr. Szanto and Mr. Van Wagnen for their informative presentation.

President Stickan recommended a plan to identify yearly projects that need to be done. Mayor Brunello reiterated that the architect stated the building is structurally sound. A Committee of the Whole meeting will be held when additional project figures are received to determine funding options.

ADJOURNMENT: A motion was made by Ms. D'Amico and seconded by Mr. Milroy to adjourn the meeting at 8:00 p.m. Ayes all; motion carried.