



JACKSONVILLE CITY COUNCIL

**TRUE COMMISSION
LEGISLATIVE TRACKING COMMITTEE MEETING MINUTES**

October 12, 2012

12:00 p.m.

**City Council Conference Room B
Suite 425, City Hall
117 W. Duval Street**

Attendance: Committee Members Joe Andrews (Chair), Tom Martin and Greg Radlinski

Also: Jeff Clements – Council Research Division

The meeting was called to order at 12:02 p.m. by Chairman Andrews. The committee heard a presentation by Marc Stickney of the Treasury Division regarding pending ordinances 2012-620, -621 and -622 authorizing two bond refinancings and amending certain definitions in bond covenants. Mr. Stickney explained that the refunding of the stadium improvements and capital improvements bonds are being done now to lock in historically low interest rates and realize debt service savings. The timing has been determined by a combination of interest rates and the call dates on the bonds, which combine to make this the most advantageous time to refinance. The refinancing will be on a dollar-for-dollar basis, involving no additional bond proceeds. The refinancing will likely be done before the end of the calendar year in the form of one large bond issue with multiple series, one of which will be taxable bonds to refund taxable bonds. The projected savings is in the range of \$50-55 million (net present value in current dollars) over the remaining life of the bonds in the form of reduced debt service.

The redefinition of the covenant pledge is being done since Jacksonville's current covenant pledge is worded somewhat differently than other covenant pledges in Florida and in other states, which makes the bonds pledging that revenue stream somewhat more difficult and time consuming to issue since underwriters and rating agencies have questions about the differences from the standard pledge they are used to seeing. The proposed changes will align Jacksonville with the industry standard pledge definitions and will reference a specific published interest rate.

Mr. Stickney explained the circumstances in which the City utilizes negotiated versus competitively bid bond sales, which is determined by market conditions and the complexity of the bond purpose and revenue pledge involved.

2012-625 (requesting Mayor to issue RFP to sell the JEA): Commissioner Martin foresees big costs to the taxpayers resulting from the sale of the utility base on the new owner's need to refinance \$4 billion in outstanding bonds and adding in a private sector profit margin to the rate base. Commissioner Radlinski feels the JEA is providing good service and generating a steady revenue stream for the City and is a valuable asset.

2012-613 (2030 Comprehensive Plan amendment to incorporate the 2035 Cost Feasible Projects List into the Transportation Element): the committee had questions about who determines that these projects are 'cost feasible' and whether this is actually a list of projects the City intends to construct in the next 23 years. Staff will ask the Planning Department and/or North Florida TPO to provide further information.

2012-628 (approving legal settlement with property owners for ash site labeling in the Property Appraiser's records): Commissioner Radlinski explained the history behind the City's ash site settlement with the U.S. EPA that led to the placement of labels in the public property records of potentially ash contaminated sites and the resulting litigation that led to this settlement agreement.

Two items discussed at previous committee meetings are still pending – 2012-461 (intergovernmental agreement with FDOT for location of a dog park under I-95 adjacent to Riverside Park) and 2012-501 (amending Mayor's budgetary transfer authority).

There being no further business, the meeting was adjourned at 1:21 p.m.

Jeff Clements, Chief
Council Research Division

Posted 10.12.12
5:00 p.m.